

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

FORM S-8  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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

Delaware  
(State or other jurisdiction of  
incorporation or organization)

85-3987148  
(I.R.S. Employer  
Identification No.)

2515 McKinney Avenue, Suite 1000  
Dallas, Texas 75201  
(972) 499-4934  
(Address of Principal Executive Offices, Zip Code)

Spectral MD, Inc. 2018 Long-Term Incentive Plan  
Spectral MD Holdings, Ltd. 2022 Long-Term Incentive Plan  
(Full title of the plan)

Wensheng Fan  
Chief Executive Officer  
2515 McKinney Avenue, Suite 1000  
Dallas, Texas 75201  
(972) 499-4934  
(Name and address of agent for service; Telephone number, including area code, of agent for service)

Copies to:  
Herbert F. Kozlov, Esq.  
Lynwood E. Reinhardt, Esq.  
Reed Smith LLP  
599 Lexington Avenue  
New York, New York 10022-7650  
(212) 521-5400

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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  Accelerated filer   
Non-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.

## EXPLANATORY NOTE

On September 11, 2023, Spectral AI, Inc. (formerly known as Rosecliff Acquisition Corp. I) (the “Registrant,” “we,” “us,” or “our”) consummated the business combination (the “Business Combination”) contemplated by that certain Business Combination Agreement, dated as of April 11, 2023, by and among Rosecliff Acquisition Corp I (“RCLF”), Ghost Merger Sub I, Inc. (“Merger Sub I”), Ghost Merger Sub II, LLC (“Merger Sub II”), and Spectral MD Holdings, Ltd. (“Legacy Spectral”), whereby Merger Sub I merged with and into Legacy Spectral (the “First Merger”), with Legacy Spectral surviving the First Merger as a wholly owned subsidiary of RCLF and RCLF, and, immediately following the First Merger, Legacy Spectral merged with and into Merger Sub II (the “Second Merger” and, together with the First Merger and other transactions described in the Business Combination Agreement, the “Merger”), with Merger Sub II surviving the Second Merger as a wholly owned subsidiary of RCLF. In connection with the Merger, the Registrant was renamed Spectral AI, Inc.

Pursuant to the terms of the Business Combination Agreement, in connection with the Merger, each option to purchase Legacy Spectral common stock that was outstanding and unexercised immediately prior to the effective time of the First Merger under both the Legacy Spectral’s 2018 Long-Term Incentive Plan, as amended from time to time (the “Spectral 2018 Plan”) and the Legacy Spectral’s 2022 Long-Term Incentive Plan, as amended from time to time (the “Spectral 2022 Plan” and, together with the Spectral 2018 Plan, the “Plans”), whether or not vested, automatically converted into and became an option to purchase common stock of the Registrant, par value \$0.0001 per share (the “Common Stock”). In addition, each Legacy Spectral restricted stock unit (“RSU”) (whether to be settled in cash or shares) that was outstanding immediately prior to the effective time of the First Merger under the Plans automatically converted into the right to receive an RSU of the Registrant. In connection with the foregoing, the Registrant assumed the Plans, and each such Legacy Spectral option and Legacy Spectral RSU in accordance with the terms of the Spectral 2018 Plan the Spectral 2022 Plan, respectively, and the terms of each award agreement by which such Legacy Spectral option and Legacy Spectral RSU is evidenced. All of the shares of Common Stock to be registered as part of this Registration Statement were reserved for issuance pursuant to the Business Combination.

Accordingly, this Registration Statement registers (i) 3,526,200 shares of Common Stock issuable upon the exercise of outstanding stock option awards assumed under the Spectral 2018 Plan as of the date hereof, (ii) 88,749 shares of Common Stock issuable upon the exercise of outstanding stock option awards assumed under the Spectral 2022 Plan as of the date hereof, (iii) 58,197 shares of Common Stock issuable upon the vesting of outstanding RSU awards assumed under the Spectral 2022 Plan as of the date hereof, and (iv) 1,792,918 shares of Common Stock reserved for issuance for future grants under the Spectral 2022 Plan as of the date hereof. No further grants will be made by the Registrant under the Spectral 2018 Plan.

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**Part I**

**INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS**

In accordance with the instructional Note to Part I of Form S-8 as promulgated by the Securities and Exchange Commission (the "Commission"), the information specified by Part I of Form S-8 has been omitted from this Registration Statement on Form S-8 for offers of the Registrant's common stock pursuant to the Plans. The documents containing the information specified in Part I will be delivered to the participants in the Plans covered by this Registration Statement as required by Rule 428(b)(1) under the Securities Act of 1933, as amended (the "Securities Act").

## INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

### Item 3. Incorporation of Documents by Reference.

The Registrant hereby incorporates by reference into this Registration Statement the following documents filed with the Commission:

- (a) Annual Report on [Form 10-K](#) for the year December 31, 2022, filed on March 31, 2023;
- (b) Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023 filed with the Commission on [May 12, 2023](#), [August 14, 2023](#) and [November 14, 2023](#), respectively;
- (c) Current Reports on Form 8-K filed with the Commission on [February 3, 2023](#), [April 5, 2023](#), [April 17, 2023](#), [May 12, 2023](#), [June 22, 2023](#), [July 28, 2023](#), [September 7, 2023](#), [September 15, 2023](#), [September 28, 2023](#), [November 29, 2023](#), [December 21, 2023](#), [December 27, 2023](#) and [February 2, 2024](#) (excluding information furnished pursuant to Items 2.02 or 7.01, or corresponding information furnished under Item 9.01 or included as an exhibit); and
- (d) The description of the Registrant's Common Stock contained in the Registrant's Registration Statement on [Form 8-A](#), filed by the Registrant with the Commission under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on February 11, 2021, including the description of the Registrant's securities included as [Exhibit 4.2](#) in the Registrant's Annual Report on [Form 10-K](#) filed on March 31, 2022 and any other amendments or reports filed for the purpose of updating such description.

All documents that the Registrant subsequently files pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to the filing of a post-effective amendment to this Registration Statement that indicates that all of the shares of Common Stock offered have been sold or that deregisters all of such shares then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of the filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Under no circumstances will any information filed under current items 2.02 or 7.01 of Form 8-K be deemed incorporated herein by reference unless such Form 8-K expressly provides to the contrary.

### Item 4. Description of Securities.

Not applicable.

**Item 5. Interests of Named Experts and Counsel.**

Not applicable.

**Item 6. Indemnification of Directors and Officers.**

Section 102 of the Delaware General Corporation Law (the “DGCL”) permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our Second Amended and Restated Certificate of Incorporation (the “Charter”) provides that no director of the Registrant shall be personally liable to it or its stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware 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, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

The Charter provides that we will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an “Indemnitee”), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. The Charter provides that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys’ fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys’ fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

We have entered into indemnification agreements with each of our directors and officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

As part of the Business Combination, RCLF agreed to indemnify and hold harmless each present and former present and former director, officer, member, manager, employee, fiduciary and agent of Legacy Spectral and its subsidiaries (collectively the "D&O Indemnified Parties") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages or liabilities incurred in connection with any action, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the effective time of the First Merger, whether asserted or claimed prior to, at or after the effective time of the First Merger, to the fullest extent that Legacy Spectral would have been permitted under applicable Law, its organizational documents, or any other documents in effect on the date of the Business Combination Agreement to indemnify such D&O Indemnified Parties (including the advancing of expenses as incurred to the fullest extent permitted under applicable Law).

RCLF and Legacy Spectral agreed that, following the closing of the transactions contemplated under the Business Combination Agreement (the "Closing") and prior to the sixth anniversary of the date of the Closing, RCLF and Merger Sub II purchased and maintained in effect directors' and officers' liability insurance covering those persons who are covered by the directors' and officers' liability insurance policies maintained by Spectral or RCLF as of the Closing with respect to matters occurring prior to the effective time of the First Merger on terms not less favorable than the terms of such current insurance coverage, which such coverage shall remain in effect for the six (6)-year period following Closing.

**Item 7. Exemption from Registration Claimed.**

Not applicable.

**Item 8. Exhibits.**

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
4.1	<a href="#">Second Amended and Restated Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Commission on September 15, 2023).</a>
4.2	<a href="#">Amended and Restated Bylaws (Incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the Commission on September 15, 2023).</a>
5.1	<a href="#">Opinion of Reed Smith LLP.</a>
23.1	<a href="#">Consent of KPMG LLP.</a>
23.2	<a href="#">Consent of WithumSmith+Brown, PC</a>
23.3	<a href="#">Consent of Reed Smith LLP (included in Exhibit 5.1).</a>
24.1	<a href="#">Power of Attorney (included on signature page).</a>
99.1	<a href="#">Spectral MD, Inc. 2018 Long Term Incentive Plan.</a>
99.2	<a href="#">Spectral MD Holdings, Ltd. 2022 Long Term Incentive Plan.</a>
99.3	<a href="#">Form of Stock Option Award Agreement under Spectral MD, Inc. 2018 Long-Term Incentive Plan.</a>
99.4	<a href="#">Form of RSU Award Agreement under Spectral MD, Inc. 2018 Long-Term Incentive Plan.</a>
99.5	<a href="#">Form of Stock Option Award Agreement under Spectral MD Holdings, Ltd. 2022 Long-Term Incentive Plan.</a>
99.6	<a href="#">Form of RSU Award Agreement under Spectral MD Holdings, Ltd. 2022 Long-Term Incentive Plan.</a>
107	<a href="#">Filing Fee Table.</a>

**Item 9. Undertakings.**

(a) The 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.

(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 Registration Statement.

(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.

*Provided, however,* that paragraphs (a)(1)(i) and (a)(1)(ii) herein do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act (15 U.S.C. 78m or 78o(d)) that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall 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.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement 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.

(h) Insofar as indemnification for liabilities arising under the Securities Act 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 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.



## SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, State of Texas, on this 9th day of February, 2024.

### SPECTRAL AI, INC.

By: /s/ Wensheng Fan

Name: Wensheng Fan

Title: Chief Executive Officer

## POWER OF ATTORNEY AND SIGNATURES

KNOW ALL BY THESE PRESENT, that each individual whose signature appears below hereby constitutes and appoints each of Wensheng Fan and Peter Carlson, as such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such person in such person's 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 file the same, with all exhibits thereto, and all documents in connection therewith, with the Commission granting unto each said attorney-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 such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following person in the capacities and on the date indicated.

<u>NAME</u>	<u>TITLE</u>	<u>DATE</u>
<u>/s/ Wensheng Fan</u> Wensheng Fan	Chief Executive Officer and Director <i>Principal Executive Officer</i>	February 9, 2024
<u>/s/ Peter Carlson</u> Peter Carlson	Chief Financial Officer <i>Principal Financial Officer and Principal Accounting Officer</i>	February 9, 2024
<u>/s/ Cynthia Cai</u> Cynthia Cai	Director	February 9, 2024
<u>/s/ Richard Cotton</u> Richard Cotton	Director	February 9, 2024
<u>/s/ Martin Mellish</u> Martin Mellish	Director	February 9, 2024
<u>/s/ Deepak Sadagopan</u> Deepak Sadagopan	Director	February 9, 2024
<u>/s/ Erich Spangenberg</u> Erich Spangenberg	Director	February 9, 2024



February 8, 2024

Spectral AI, Inc.  
2515 McKinney Avenue, Suite 1000  
Dallas, Texas 75201

Ladies and Gentlemen:

We have acted as counsel to Spectral AI, Inc., a Delaware corporation (the "Company"), in connection with the filing by the Company on the date hereof of a Registration Statement on Form S-8 (the "Registration Statement") with the Securities and Exchange Commission (the "Commission") covering the offer and sale of up to 3,526,200 shares of the Company's common stock, \$0.0001 par value per share (the "Shares"), issuable pursuant to the Spectral AI, Inc. 2018 Long-Term Incentive Plan ("2018 LTIP") and 1,939,864 Shares issuable pursuant to the Spectral AI, Inc. 2022 Long-Term Incentive Plan ("2022 LTIP") (the 2022 LTIP together with the 2018 LTIP, the "Plans").

This opinion is being furnished at the Company's request in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act"), and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or the prospectus forming a part thereof, other than as to the issuance of the Shares.

In rendering the opinion hereinafter expressed, we have made such legal and factual examinations and inquiries, including an examination of originals or copies certified or otherwise identified to our satisfaction as being true reproductions of originals, of all such documents, records, agreements and other instruments, including the Registration Statement, the Plans, the Second Amended and Restated Certificate of Incorporation of the Company, the Amended and Restated Bylaws of the Company, and corporate minutes of the Company as we have deemed necessary and appropriate for the purpose of this opinion. We have assumed that there are no agreements or understandings between or among the Company and any participants in the Plans that would expand, modify or otherwise affect the terms of the Plans or the respective rights or obligations of any participants thereunder. We have further assumed the genuineness of all signatures, the authenticity of all documents, certificates and records submitted to us as originals, the conformity to original documents, certificates and records of all documents, certificates and records submitted to us as copies, and the truthfulness of all statements of fact contained therein.

Based upon the foregoing, and having regard to legal considerations and other information that we deem relevant, we are of the opinion that, as of the date hereof, when the Shares shall have been duly registered on the books of the transfer agent and registrar therefor in the name or on behalf of the purchasers, and have been issued by the Company against payment therefor in the circumstances contemplated by the Plans and assuming that the individual issuances, grants or awards under the Plans are duly authorized by all necessary corporate action of the Company and duly issued, granted or awarded and exercised and paid for, for consideration at least equal to the par value thereof, in accordance with the requirements of law and the Plans (and the agreements and awards duly adopted thereunder and in accordance therewith), the offer and sale of the Shares shall have been duly authorized and, when and to the extent that the Shares are issued in accordance with the foregoing, such Shares will be legally issued, fully paid and non-assessable.

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We express no opinion herein as to the laws of any state or jurisdiction other than the General Corporation Law of the State of Delaware.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and the reference to this firm therein. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission.

Very truly yours,

/s/ Reed Smith LLP

Reed Smith LLP

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KPMG LLP  
Suite 1400  
2323 Ross Avenue  
Dallas, TX 75201-2721

**Consent of Independent Registered Public Accounting Firm**

We consent to the use of our report dated February 24, 2023, with respect to the consolidated financial statements of Spectral MD Holdings, Ltd., incorporated herein by reference.

KPMG LLP

Dallas, Texas  
February 8, 2024

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated March 31, 2023 (which includes an explanatory paragraph relating to Rosecliff Acquisition Corp I's ability to continue as a going concern), relating to the financial statements of Rosecliff Acquisition Corp I appearing in the Company's Annual Report on Form 10-K for the years ended December 31, 2022 and 2021. We also consent to the reference to our Firm under the caption "Experts" in the Prospectus.

/s/ WithumSmith+Brown, PC

New York, New York  
February 8, 2024

**SPECTRAL MD, INC.**  
**2018 LONG TERM INCENTIVE PLAN**

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**SPECTRAL MD, INC.**

**2018 Long Term Incentive Plan**

1. **Purpose.** The purpose of the Spectral MD, Inc. 2018 Long Term Incentive Plan (the “Plan”) is to provide a means through which Spectral MD, Inc., a Delaware corporation (the “Company”), and its Subsidiaries may attract and retain able persons as employees, directors and consultants of the Company, and its Subsidiaries, and to provide a means whereby those persons upon whom the responsibilities of the successful administration and management of the Company, and its Subsidiaries, rest, and whose present and potential contributions to the welfare of the Company, and its Subsidiaries, are of importance, can acquire and maintain stock ownership, or awards the value of which is tied to the performance of the Company, thereby strengthening their concern for the welfare of the Company, and its Subsidiaries, and their desire to remain employed. A further purpose of this Plan is to provide such employees, directors and consultants with additional incentive and reward opportunities designed to enhance the profitable growth of the Company. Accordingly, this Plan primarily provides for the granting of Incentive Stock Options, options which do not constitute Incentive Stock Options, Restricted Stock Awards, Restricted Stock Units, Stock Appreciation Rights or any combination of the foregoing, as is best suited to the circumstances of the particular individual as provided herein.

2. **Definitions.** For purposes of this Plan, the following terms shall be defined as set forth below, in addition to such terms defined in Section 1 hereof:

(a) “Award” means any Option, SAR, Restricted Stock Award, Restricted Stock Unit, Bonus Stock, Dividend Equivalent, or Other Stock-Based Award, together with any other right or interest granted to a Participant under this Plan.

(b) “Beneficiary” means one or more persons, trusts or other entities which have been designated by a Participant, in his or her most recent written beneficiary designation filed with the Committee, to receive the benefits specified under this Plan upon such Participant’s death or to which Awards or other rights are transferred if and to the extent permitted under Subsection 9(b) hereof. If, upon a Participant’s death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means the persons, trusts or other entities entitled by will or the laws of descent and distribution to receive such benefits.

(c) “Board” means the Company’s Board of Directors.

(d) “Change in Control” means the occurrence of any of the following events:

(i) The agreement to acquire or a tender offer for beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) by any Person of 50% or more of either (x) the then outstanding shares of Stock (the “Outstanding Stock”) or (y) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this Subsection 2(d)(i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (D) any acquisition by any corporation pursuant to a transaction which complies with clauses (A) and (B) of paragraph (ii) below, or (E) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Committee in its sole discretion.



(ii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or an acquisition of assets of another corporation (a “Business Combination”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company, or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, and (B) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iii) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(e) “Code” means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

(f) “Committee” means a committee of two or more directors designated by the Board to administer this Plan.

(g) “Dividend Equivalent” means a right, granted to a Participant under Subsection 6(g), to receive cash, Stock, other Awards or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments.

(h) “Effective Date” means July 24, 2018.

(i) “Eligible Person” means all officers and employees of the Company or of any Subsidiary, and other persons who provide services to the Company or any of its Subsidiaries, including directors of the Company. An employee on leave of absence may be considered as still in the employ of the Company or a Subsidiary for purposes of eligibility for participation in this Plan.

(j) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto.

(k) "Fair Market Value" means, as of any specified date, (i) if the Stock is listed on a national securities exchange, the closing sales price of the Common Stock as reported on the stock exchange composite tape on that date (or if no sales occur on that date, on the last preceding date on which such sales of the Stock are so reported); (ii) if the Stock is not traded on the National Market System of the NASDAQ or a national securities exchange but is traded over the counter at the time a determination of its fair market value is required to be made under the Plan, the average between the reported closing bid and asked prices of Stock on the most recent date on which Stock was publicly traded; or (iii) in the event Stock is not publicly traded at the time a determination of its value is required to be made under the Plan, the amount determined by the Committee in its discretion in such manner as it deems appropriate, taking into consideration all factors the Committee deems appropriate including without limitation, the Nonqualified Deferred Compensation Rules.

(l) "Incentive Stock Option" or "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of section 422 of the Code or any successor provision thereto.

(m) "Nonqualified Deferred Compensation Rules" means the limitations or requirements of section 409A of the Code and the regulations promulgated thereunder.

(n) "Option" means a right, granted to a Participant under Subsection 6(b) hereof, to purchase Stock or other Awards at a specified price during specified time periods.

(o) "Other Stock-Based Awards" means Awards granted to a Participant under Subsection 6(h) hereof.

(p) "Participant" means a person who has been granted an Award under this Plan which remains outstanding, including a person who is no longer an Eligible Person.

(q) "Person" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a limited liability company, a trust or other entity; a Person, together with that Person's Affiliates and Associates (as those terms are defined in Rule 12b-2 under the Exchange Act, provided that "registrant" as used in Rule 12b-2 shall mean the Company), and any Persons acting as a partnership, limited partnership, joint venture, association, syndicate or other group (whether or not formally organized), or otherwise acting jointly or in concert or in a coordinated or consciously parallel manner (whether or not pursuant to any express agreement), for the purpose of acquiring, holding, voting or disposing of securities of the Company with such Person, shall be deemed a single "Person."

(r) "Qualifying Public Offering" shall mean a firm commitment underwritten public offering of Stock for cash where the shares of Stock registered under the Securities Act are listed on a national securities exchange.

(s) “Restricted Stock” means Stock granted to a Participant under Subsection 6(d) hereof, that is subject to certain restrictions and to a risk of forfeiture.

(t) “Restricted Stock Unit” means a right, granted to a Participant under Subsection 6(e) hereof, to receive Stock, cash or a combination thereof at the end of a specified deferral period.

(u) “Securities Act” means the Securities Act of 1933 and the rules and regulations promulgated thereunder, or any successor law, as it may be amended from time to time.

(v) “Stock” means the Company’s Common Stock, par value \$0.001 per share, and such other securities as may be substituted (or resubstituted) for Stock pursuant to Section 8.

(w) “Stock Appreciation Rights” or “SAR” means a right granted to a Participant under Subsection 6(c) hereof.

(x) “Subsidiary” means with respect to the Company, any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by the Company.

### **3. Administration.**

(a) Authority of the Committee. This Plan shall be administered by the Committee except to the extent the Board elects to administer this Plan, in which case references herein to the “Committee” shall be deemed to include references to the “Board.” Subject to the express provisions of the Plan, the Committee shall have the authority, in its sole and absolute discretion, to (i) adopt, amend, and rescind administrative and interpretive rules and regulations relating to the Plan; (ii) determine the Eligible Persons to whom, and the time or times at which, Awards shall be granted; (iii) determine the amount of cash and the number of shares of Stock, Stock Appreciation Rights, Restricted Stock Units or Restricted Stock Awards, or any combination thereof, that shall be the subject of each Award; (iv) determine the terms and provisions of each Award agreement (which need not be identical), including provisions defining or otherwise relating to (A) the term and the period or periods and extent of exercisability of the Options, (B) the extent to which the transferability of shares of Stock issued or transferred pursuant to any Award is restricted, (C) except as otherwise provided herein, the effect of termination of employment, or the service relationship with the Company, of a Participant on the Award, and (D) the effect of approved leaves of absence (consistent with any applicable regulations of the Internal Revenue Service); (v) accelerate the time of exercisability of any Award that has been granted; (vi) construe the respective Award agreements and the Plan; (vii) make determinations of the Fair Market Value of the Stock pursuant to the Plan; (viii) delegate its duties under the Plan to such agents as it may appoint from time to time; and (ix) make all other determinations, perform all other acts, and exercise all other powers and authority necessary or advisable for administering the Plan, including the delegation of those ministerial acts and responsibilities as the Committee deems appropriate. The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan, in any Award, or in any Award agreement in the manner and to the extent it deems necessary or desirable to carry the Plan into effect, and the Committee shall be the sole and final judge of that necessity or desirability. The determinations of the Committee on the matters referred to in this Subsection 3(a) shall be final and conclusive.

(b) Manner of Exercise of Committee Authority. Any action of the Committee shall be final, conclusive and binding on all persons, including the Company, its Subsidiaries, stockholders, Participants, Beneficiaries, and transferees under Subsection 9(b) hereof or other persons claiming rights from or through a Participant. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Company or any Subsidiary, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions, including administrative functions, as the Committee may determine.

(c) Limitation of Liability. The Committee and each member thereof shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or employee of the Company or a Subsidiary, the Company's legal counsel, independent auditors, consultants or any other agents assisting in the administration of this Plan. Members of the Committee and any officer or employee of the Company or a Subsidiary acting at the direction or on behalf of the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to this Plan, and shall, to the fullest extent permitted by law, be indemnified and held harmless by the Company with respect to any such action or determination.

#### **4. Stock Subject to Plan.**

(a) Overall Number of Shares Available for Delivery. Subject to adjustment in a manner consistent with any adjustment made pursuant to Section 8, the total number of shares of Stock reserved and available for issuance in connection with Awards under this Plan shall not exceed 6,392,353 shares.

(b) Application of Limitation to Grants of Awards. No Award may be granted if the number of shares of Stock to be delivered in connection with such Award exceeds the number of shares of Stock remaining available under this Plan minus the number of shares of Stock issuable in settlement of or relating to then-outstanding Awards. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award.

(c) Availability of Shares Not Issued under Awards. Shares of Stock subject to an Award under this Plan that expire or are canceled, forfeited, settled in cash or otherwise terminated without an issuance of shares to the Participant, including (i) the number of shares withheld in payment of any exercise or purchase price of an Award or taxes relating to Awards, and (ii) the number of shares surrendered in payment of any exercise or purchase price of an Award or taxes relating to any Award, will again be available for Awards under this Plan.

(d) Stock Offered. The shares to be delivered under the Plan shall be made available from (i) authorized but unissued shares of Stock, (ii) Stock held in the treasury of the Company, or (iii) previously issued shares of Stock reacquired by the Company, including shares purchased on the open market.

5. **Eligibility**. Awards may be granted under this Plan only to Persons who are Eligible Persons at the time of grant thereof or in connection with the severance or retirement of Eligible Persons.

#### 6. **Specific Terms of Awards**.

(a) General. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Subsection 9(f)), such additional terms and conditions, not inconsistent with the provisions of this Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of employment by the Participant, or termination of the Participant's service relationship with the Company, and terms permitting a Participant to make elections relating to his or her Award. The Committee shall retain full power and discretion to accelerate, waive or modify, at any time, any term or condition of an Award that is not mandatory under this Plan.

(b) Options. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(i) Exercise Price. Each Option agreement shall state the exercise price per share of Stock (the "Exercise Price"); provided, however, that the Exercise Price per share of Stock subject to an ISO shall not be less than the greater of (A) the par value per share of the Stock or (B) 100% of the Fair Market Value per share of the Stock as of the date of grant of the Option (or in the case of an individual who owns stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Company or its parent or any subsidiary, 110% of the Fair Market Value per share of the Stock on the date of grant).

(ii) Time and Method of Exercise. The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including without limitation cash, Stock, other Awards or awards granted under other plans of the Company or any Subsidiary, or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis), and the methods by or forms in which Stock will be delivered or deemed to be delivered to Participants, including, but not limited to, the delivery of Restricted Stock subject to Subsection 6(d). In the case of an exercise whereby the Exercise Price is paid with Stock, such Stock shall be valued as of the date of exercise.

(iii) ISOs. The terms of any ISO granted under this Plan shall comply in all respects with the provisions of section 422 of the Code. Anything in this Plan to the contrary notwithstanding, no term of this Plan relating to ISOs (including any SAR in tandem therewith) shall be interpreted, amended or altered, nor shall any discretion or authority granted under this Plan be exercised, so as to disqualify either this Plan or any ISO under section 422 of the Code, unless the Participant has first requested the change that will result in such disqualification. ISOs shall not be granted more than ten years after the earlier of the adoption of this Plan or the approval of this Plan by the Company's stockholders. Notwithstanding the foregoing, the Fair Market Value of shares of Stock subject to an ISO and the aggregate Fair Market Value of shares of stock of any parent or subsidiary corporation (within the meaning of sections 424(e) and (t) of the Code) subject to any other ISO (within the meaning of section 422 of the Code) of the Company or a parent or subsidiary corporation (within the meaning of sections 424(e) and (t) of the Code) that first becomes purchasable by a Participant in any calendar year may not (with respect to that Participant) exceed \$100,000, or such other amount as may be prescribed under section 422 of the Code or applicable regulations or rulings from time to time. As used in the previous sentence, Fair Market Value shall be determined as of the date the ISOs are granted. Failure to comply with this provision shall not impair the enforceability or exercisability of any Option, but shall cause the excess amount of shares to be reclassified in accordance with the Code.

(c) Stock Appreciation Rights. The Committee is authorized to grant SARs to Participants on the following terms and conditions:

(i) Right to Payment. An SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant price of the SAR as determined by the Committee.

(ii) Rights Related to Options. An SAR granted in connection with an Option shall entitle a Participant, upon exercise, to surrender that Option or any portion thereof, to the extent unexercised, and to receive payment of an amount computed pursuant to Subsection 6(c)(ii)(B). That Option shall then cease to be exercisable to the extent surrendered. SARs granted in connection with an Option shall be subject to the terms of the Award agreement governing the Option, which shall comply with the following provisions in addition to those applicable to Options:

(A) An SAR granted in connection with an Option shall be exercisable only at such time or times and only to the extent that the related Option is exercisable.

(B) Upon the exercise of an SAR related to an Option, a Participant shall be entitled to receive payment from the Company of an amount determined by multiplying:

(1) the difference obtained by subtracting the exercise price of a share of Stock specified in the related Option from the Fair Market Value of a share of Stock on the date of exercise of the SAR, by

(2) the number of shares as to which that SAR has been exercised.

(iii) Right Without Option. An SAR granted independent of an Option shall be exercisable as determined by the Committee and set forth in the Award agreement governing the SAR, which Award agreement shall comply with the following provisions:

(A) Each Award agreement shall state the total number of shares of Stock to which the SAR relates.

(B) Each Award agreement shall state the time or periods in which the right to exercise the SAR or a portion thereof shall vest and the number of shares of Stock for which the right to exercise the SAR shall vest at each such time or period.

(C) Each Award agreement shall state the date at which the SARs shall expire if not previously exercised.

(D) Each SAR shall entitle a Participant, upon exercise thereof, to receive payment of an amount determined by multiplying:

(1) the difference obtained by subtracting the Fair Market Value of a share of Stock on the date of grant of the SAR from the Fair Market Value of a share of Stock on the date of exercise of that SAR, by

(2) the number of shares as to which the SAR has been exercised.

(iv) Terms. Except as otherwise provided herein, the Committee shall determine at the date of grant or thereafter, the time or times at which and the circumstances under which an SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which Stock will be delivered or deemed to be delivered to Participants, whether or not an SAR shall be in tandem or in combination with any other Award, and any other terms and conditions of any SAR. SARs may be either freestanding or in tandem with other Awards.

(d) Restricted Stock. The Committee is authorized to grant Restricted Stock to Participants on the following terms and conditions:

(i) Grant and Restrictions. Restricted Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise, as the Committee may determine at the date of grant or thereafter. During the restricted period applicable to the Restricted Stock, the Restricted Stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant.

(ii) Certificates for Stock. Restricted Stock granted under this Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, that the Company retain physical possession of the certificates, and that the Participant deliver a stock power to the Company, endorsed in blank, relating to the Restricted Stock.

(iii) Dividends and Splits. As a condition to the grant of an Award of Restricted Stock, the Committee may require or permit a Participant to elect that any cash dividends paid on a share of Restricted Stock be automatically reinvested in additional shares of Restricted Stock or applied to the purchase of additional Awards under this Plan. Unless otherwise determined by the Committee, Stock distributed in connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed.

(e) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Participants, which are rights to receive Stock or cash, as determined by the Committee, at the end of a specified deferral period, subject to the following terms and conditions:

(i) Award and Restrictions. Settlement of an Award of Restricted Stock Units shall occur upon expiration of the deferral period specified for such Restricted Stock Unit by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Restricted Stock Units shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, as the Committee may determine. Restricted Stock Units shall be satisfied by the delivery of cash or Stock in the amount equal to the Fair Market Value of the specified number of shares of Stock covered by the Restricted Stock Units, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

(ii) Dividend Equivalents. Unless otherwise determined by the Committee at date of grant, Dividend Equivalents on the specified number of shares of Stock covered by an Award of Restricted Stock Units shall be either (A) paid with respect to such Restricted Stock Units on the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or (B) deferred with respect to such Restricted Stock Units and the amount or value thereof automatically deemed reinvested in additional Restricted Stock Units, other Awards or other investment vehicles, as the Committee shall determine or permit the Participant to elect.

(f) Bonus Stock and Awards in Lieu of Obligations. The Committee is authorized to grant Stock as a bonus, or to grant Stock or other Awards in lieu of obligations to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements. Stock or Awards granted hereunder shall be subject to such other terms as shall be determined by the Committee. In the case of any grant of Stock to an officer of the Company or a Subsidiary in lieu of salary or other cash compensation, the number of shares granted in place of such compensation shall be reasonable, as determined by the Committee.



(g) Dividend Equivalents. The Committee is authorized to grant Dividend Equivalents to a Participant, entitling the Participant to receive cash, Stock, other Awards, or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award. The Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Stock, Awards, or other investment vehicles, and subject to such restrictions on transferability and risks of forfeiture, as the Committee may specify.

(h) Other Stock-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, as deemed by the Committee to be consistent with the purposes of this Plan, including without limitation convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Company or any other factors designated by the Committee, and Awards valued by reference to the book value of Stock or the value of securities of, or the performance of, specified Subsidiaries. The Committee shall determine the terms and conditions of such Awards. Stock delivered pursuant to an Award in the nature of a purchase right granted under this Subsection 6(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards, or other property, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under this Plan, may also be granted pursuant to this Subsection 6(h).

#### **7. Certain Provisions Applicable to Awards.**

(a) Termination of Employment. Except as provided herein, the treatment of an Award upon a termination of employment or any other service relationship by and between a Participant and the Company or any Subsidiary shall be specified in the agreement controlling such Award.

(b) Stand-Alone, Additional, Tandem, and Substitute Awards. Awards granted under this Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Subsidiary, or any business entity to be acquired by the Company or a Subsidiary, or any other right of a Participant to receive payment from the Company or any Subsidiary. Such additional, tandem and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award or award, the Committee shall require the surrender of such other Award or award in consideration for the grant of the new Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any Subsidiary, in which the value of Stock subject to the Award is equivalent in value to the cash compensation, or in which the exercise price, grant price or purchase price of the Award in the nature of a right that may be exercised is equal to the Fair Market Value of the underlying Stock minus the value of the cash compensation surrendered.

(c) Term of Awards. Except as specified herein, the term of each Award shall be for such period as may be determined by the Committee; provided, however, that in no event shall the term of any Option or SAR exceed a period of ten years (or such shorter term as may be required in respect of an ISO under section 422 of the Code).

(d) Form and Timing of Payment under Awards; Deferrals. Subject to the terms of this Plan and any applicable Award agreement, payments to be made by the Company or a Subsidiary upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee shall determine, including without limitation cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. Except as otherwise provided herein, the settlement of any Award may be accelerated, and cash paid in lieu of Stock in connection with such settlement, in the discretion of the Committee or upon occurrence of one or more specified events (in addition to a Change in Control). Installment or deferred payments may be required by the Committee (subject to Subsection 9(f) of this Plan, including the consent provisions thereof in the case of any deferral of an outstanding Award not provided for in the original Award agreement) or permitted at the election of the Participant on terms and conditions established by the Committee. Payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents or other amounts in respect of installment or deferred payments denominated in Stock. Any deferral shall only be allowed as is provided in a separate deferred compensation plan adopted by the Company. This Plan shall not constitute an “employee benefit plan” for purposes of section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

(e) Non-Competition Agreement. Each Participant to whom an Award is granted under this Plan may be required to agree in writing as a condition to the granting of such Award not to engage in conduct in competition with the Company or any of its Subsidiaries for a period after the termination of such Participant’s employment with the Company and its Subsidiaries as determined by the Committee.

#### **8. Subdivision or Consolidation; Recapitalization; Change in Control; Reorganization.**

(a) Existence of Plan and Awards. The existence of this Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company’s capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities ahead of or affecting 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.

(b) Subdivision or Consolidation of Shares. The terms of an Award and the number of shares of Stock authorized pursuant to Section 4 for issuance under the Plan shall be subject to adjustment from time to time, in accordance with the following provisions:

(i) If at any time, or from time to time, the Company shall subdivide as a whole (by a Stock split, by the issuance of a distribution on Stock payable in Stock, or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then (A) the maximum number of shares of Stock available in connection with the Plan or Awards as provided in Section 4 shall be increased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any Award shall be increased proportionately, and (C) the price (including the exercise price) for each share of Stock (or other kind of shares or securities) subject to then outstanding Awards shall be reduced proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(ii) If at any time, or from time to time, the Company shall consolidate as a whole (by reverse Stock split, or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, (A) the maximum number of shares of Stock available in connection with the Plan or Awards as provided in Section 4 shall be decreased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any Award shall be decreased proportionately, and (C) the price (including the exercise price) for each share of Stock (or other kind of shares or securities) subject to then outstanding Awards shall be increased proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(iii) Whenever the number of shares of Stock subject to outstanding Awards and the price for each share of Stock subject to outstanding Awards are required to be adjusted as provided in this Subsection 8(b), the Committee shall promptly prepare, and deliver to each Participant, a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable subject to each Award after giving effect to the adjustments.

(iv) Adjustments under Subsections 8(b)(i) and (ii) shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

(c) Corporate Recapitalization.

(i) If the Company recapitalizes, reclassifies its capital stock, or otherwise changes its capital structure (a "recapitalization"), the number and class of shares of Stock covered by an Option or an SAR theretofore granted shall be adjusted so that such Option or SAR shall thereafter cover the number and class of shares of stock and securities to which the holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to the recapitalization, the holder had been the holder of record of the number of shares of Stock then covered by such Option or SAR and the share limitations provided in Section 4 shall be adjusted in a manner consistent with the recapitalization.

(ii) In the event of changes in the outstanding Stock by reason of recapitalization, reorganizations, mergers, consolidations, combinations, exchanges or other relevant changes in capitalization occurring after the date of the grant of any Award and not otherwise provided for by this Section 8, any outstanding Awards and any agreements evidencing such Awards shall be subject to adjustment by the Committee at its discretion as to the number and price of shares of Stock or other consideration subject to such Awards. In the event of any such change in the outstanding Stock, the share limitations provided in Section 4 may be appropriately adjusted by the Committee, whose determination shall be conclusive.

(d) Additional Issuances. Except as hereinbefore expressly provided, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock 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, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to Awards theretofore granted or the purchase price per share, if applicable.

(e) Change in Control. Upon a Change in Control the Committee, acting in its sole discretion without the consent or approval of any holder, shall effect one or more of the following alternatives, which may vary among individual holders and which may vary among Options or SARs (collectively "Grants") held by any individual holder: (i) accelerate the time at which Grants then outstanding may be exercised so that such Grants may be exercised in full for a limited period of time on or before a specified date (before or after such Change in Control) fixed by the Committee, after which specified date all unexercised Grants and all rights of holders thereunder shall terminate, (ii) require the mandatory surrender to the Company by selected holders of some or all of the outstanding Grants held by such holders (irrespective of whether such Grants are then exercisable under the provisions of this Plan) as of a date, before or after such Change in Control, specified by the Committee, in which event the Committee shall thereupon cancel such Grants and pay to each holder an amount of cash per share equal to the excess, if any, of the amount calculated in Subsection 8(f) (the "Change in Control Price") of the shares subject to such Grants over the exercise price(s) under such Grants for such shares, or (iii) make such adjustments to Grants then outstanding as the Committee deems appropriate to reflect such Change in Control; provided, however, that the Committee may determine in its sole discretion that no adjustment is necessary to Grants then outstanding; provided, further, however, that the right to make such adjustments shall include, but not be limited to, the modification of Grants such that the holder of the Grant shall be entitled to purchase or receive (in lieu of the total shares or other consideration that the holder would otherwise be entitled to purchase or receive under the Grant), the number of shares of stock, other securities, cash or property to which the holder of the Grant would have been entitled to in connection with the Change in Control (A) in the case of Options, at an aggregate exercise price equal to the exercise price that would have been payable if the total shares had been purchased upon the exercise of the Grant immediately before the consummation of the Change in Control and (B) in the case of SARs, if the SARs had been exercised immediately before the consummation of the Change in Control.

(f) Change in Control Price. The “Change in Control Price” shall equal the amount determined in clause (i), (ii), (iii), (iv) or (v), whichever is applicable, as follows: (i) the per share price offered to holders of Stock in any merger or consolidation, (ii) the per share value of the Stock immediately before the Change in Control without regard to assets sold in the Change in Control and assuming the Company has received the consideration paid for the assets in the case of a sale of the assets, (iii) the amount distributed per share of Stock in a dissolution transaction, (iv) the price per share offered to holders of Stock in any tender offer or exchange offer whereby a Change in Control takes place, or (v) if such Change in Control occurs other than pursuant to a transaction described in clauses (i), (ii), (iii), or (iv) of this Subsection 8(f), the Fair Market Value per share of the shares that may otherwise be obtained with respect to such Grants or to which such Grants track, as determined by the Committee as of the date determined by the Committee to be the date of cancellation and surrender of such Grants. In the event that the consideration offered to stockholders of the Company in any transaction described in this Subsection 8(f) or Subsection 8(e) consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered which is other than cash.

## **9. General Provisions.**

(a) Restricted Securities. Prior to a Qualifying Public Offering, the Stock to be issued under this Plan, which may be issued in reliance on the exemption from registration set forth in Rule 701, shall be deemed to be “restricted securities” as defined in Rule 144, as each such rule has been promulgated by the Securities and Exchange Commission under the Securities Act as from time to time in effect and applicable to the Plan and Participants. Resales of such Stock by the holder thereof shall be in compliance with the Securities Act or an exemption therefrom. Such Stock may bear a legend if determined necessary by the Committee in substantially the following form:

“THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER UNITED STATES FEDERAL OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, OR OTHERWISE TRANSFERRED OR ASSIGNED FOR VALUE, DIRECTLY OR INDIRECTLY, NOR MAY THE SECURITIES BE TRANSFERRED ON THE BOOKS OF THE COMPANY, WITHOUT REGISTRATION OF SUCH SECURITIES UNDER ALL APPLICABLE UNITED STATES FEDERAL OR STATE SECURITIES LAWS OR COMPLIANCE WITH AN APPLICABLE EXEMPTION THEREFROM, SUCH COMPLIANCE, AT THE OPTION OF THE COMPANY, TO BE EVIDENCED BY AN OPINION OF SHAREHOLDER’S COUNSEL, IN A FORM ACCEPTABLE TO THE COMPANY, THAT NO VIOLATION OF SUCH REGISTRATION PROVISIONS WOULD RESULT FROM ANY PROPOSED TRANSFER OR ASSIGNMENT. STOCKHOLDERS MAY OBTAIN UPON WRITTEN REQUEST AND WITHOUT CHARGE A COPY OF A STATEMENT OF THE RIGHTS, PREFERENCES, PRIVILEGES AND RESTRICTIONS GRANTED TO OR IMPOSED UPON EACH CLASS OF SHARES AUTHORIZED TO BE ISSUED, AND UPON THE HOLDER THEREOF, FROM THE PRINCIPAL OFFICE OF THE COMPANY.”

(b) Transferability.

(i) Permitted Transferees. The Committee may, in its discretion, permit a Participant to transfer all or any portion of an Option, or authorize all or a portion of an Option to be granted to an Eligible Person to be on terms which permit transfer by such Participant; provided that, in either case the transferee or transferees must be any child, stepchild, grandchild, parent, stepparent, grandparent, 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, in each case with respect to the Participant, any person sharing the Participant's household (other than a tenant or employee of the Company), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, or any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests (collectively, "Permitted Transferees"); provided further that, (X) there may be no consideration for any such transfer and (Y) subsequent transfers of Options transferred as provided above shall be prohibited except subsequent transfers back to the original holder of the Option and transfers to other Permitted Transferees of the original holder. Agreements evidencing Options with respect to which such transferability is authorized at the time of grant must be approved by the Committee, and must expressly provide for transferability in a manner consistent with this Subsection 9(b)(i).

(ii) Qualified Domestic Relations Orders. An Option, Stock Appreciation Right, Restricted Stock Unit Award, Restricted Stock Award or other Award may be transferred, to a Permitted Transferee, pursuant to a domestic relations order entered or approved by a court of competent jurisdiction upon delivery to the Company of written notice of such transfer and a certified copy of such order.

(iii) Other Transfers. Except as expressly permitted by Subsections 9(b)(i) and 9(b)(ii), Awards shall not be transferable other than by will or the laws of descent and distribution. Notwithstanding anything to the contrary in this Section 9, an Incentive Stock Option shall not be transferable other than by will or the laws of descent and distribution.

(iv) Effect of Transfer. Following the transfer of any Award as contemplated by Subsections 9(b)(i), 9(b)(ii) and 9(b)(iii), (A) such Award shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that the term "Participant" shall be deemed to refer to the Permitted Transferee, the recipient under a qualified domestic relations order, or the estate or heirs of a deceased Participant, as applicable, to the extent appropriate to enable the Participant to exercise the transferred Award in accordance with the terms of this Plan and applicable law and (B) the provisions of the Award relating to exercisability shall continue to be applied with respect to the original Participant and, following the occurrence of any applicable events described therein the Awards shall be exercisable by the Permitted Transferee, the recipient under a qualified domestic relations order, or the estate or heirs of a deceased Participant, as applicable, only to the extent and for the periods that would have been applicable in the absence of the transfer.

(v) Procedures and Restrictions. Any Participant desiring to transfer an Award as permitted under Subsections 9(b)(i), 9(b)(ii) or 9(b)(iii) shall make application therefor in the manner and time specified by the Committee and shall comply with such other requirements as the Committee may require to assure compliance with all applicable securities laws. The Committee shall not give permission for such a transfer if it may not be made in compliance with all applicable federal, state and foreign securities laws.

(vi) Registration. To the extent the issuance to any Permitted Transferee of any shares of Stock issuable pursuant to Awards transferred as permitted in this Subsection 9(b) is not registered pursuant to the effective registration statement of the Company generally covering the shares to be issued pursuant to this Plan to initial holders of Awards, the Company shall not have any obligation to register the issuance of any such shares of Stock to any such transferee.

(c) Right of First Refusal. If any Participant ("Transferor"), regardless of whether such Participant is the original holder of the Award contemplated in this Subsection 9(c), proposes to sell, transfer, assign, hypothecate, make gifts of or in any manner dispose of, encumber, or alienate (each individually constituting a "Transfer") to a transferee, any Stock, obtained in connection with any Award held by such Transferor, either pursuant to a bona fide offer ("Offer") from a potential transferee ("Offeror") or by effecting a gift of the Stock ("Gift") to a donee ("Donee") without consideration, then the Transferor must comply with the provisions of this Subsection 9(c), including, without limitation, acknowledging and allowing the applicable time periods to lapse with respect to the rights of the Company as provided herein, before accepting any such Offer or otherwise effecting the Transfer of any Stock pursuant to such Offer, or effecting any such Gift.

(i) Statement of Offer. Before accepting any Offer or effecting any Gift, the Transferor shall obtain from the Offeror or Donee, as the case may be, a statement ("Statement") in writing addressed to the Transferor and signed by the Offeror or Donee, setting forth: (A) the date of the Statement (the "Statement Date"); (B) the number of shares of Stock covered by the Offer or Gift and, in the case of an Offer, the price per share to be paid by the Offeror and the terms of payment of such price; (C) the Offeror's or Donee's willingness to be bound by the terms of this Subsection 9(c) and execute and deliver to the Company such documentation as required under this Subsection 9(c); (D) the Offeror's or Donee's name, address and telephone number; and (E) the Offeror's or Donee's willingness to supply any additional information about himself or herself as may be reasonably requested by the Company. Promptly upon receipt of a Statement, and before accepting the Offer or effecting the Gift to which the Statement relates, the Transferor shall deliver to the Company (1) a copy of the Statement and (2) in the case of an Offer, evidence reasonably satisfactory to the Company as to the Offeror's financial ability to consummate the proposed purchase.

(ii) Company Rights. Subject to the provisions of Subsection 9(c)(i), upon receipt of a copy of the Statement, the Company shall have the exclusive right and option (the “Right”), but not the obligation, to purchase all of the shares of Stock that the Offeror proposes to purchase from the Transferor or, in the case of a Gift, that the Transferor proposes to give to the Donee (collectively, “Subject Securities”) (A) in the case of an Offer, for the per share price and on the terms as set forth in the Statement; provided, however, that if the purchase price is payable in whole or in part in property (which term shall include the securities of any issuer other than the Company) other than cash, the Company may pay, in lieu of such property, a sum of cash equal to the fair market value of such property as determined by the Transferor and the Company in good faith or, if the Transferor and the Company do not agree on the fair market value of such property within five days after the Company delivers written notice (as described below) of its intention to exercise the Right, then the Transferor and the Company shall select one independent appraiser (with each of the Transferor and the Company jointly bearing one-half of the expense of the appraiser) to determine the fair market value of that property and the appraised fair market value of that property as determined by such appraiser shall be deemed the fair market value of that property for purposes of this Subsection 9(c)(ii), or (B) in the case of a Gift, the Fair Market Value of the Subject Securities, as determined in good faith by the Company; provided that the Transferor may elect to retain the Subject Securities rather than sell the Subject Securities at the Fair Market Value as determined by the Company by giving written notice thereof to the Company within five days after such determination by the Company is received in writing by the Transferor. The Company shall exercise the Right by giving written notice thereof to the Transferor. Upon exercising the Right, the Company shall have the obligation, to the extent it lawfully may do so, to purchase the Subject Securities within 30 days after the date of the Company’s receipt of its copy of the Statement on and subject to the terms and conditions hereof. If the terms of the purchase include the Transferor’s release of any pledge or encumbrance on the Subject Securities and the Transferor shall have failed to obtain the release of the pledge or encumbrance by the purchase date, at the Company’s option the purchase shall occur on the scheduled date with the purchase price reduced to the extent of all unpaid indebtedness for which the Subject Securities are then pledged or encumbered. Failure by the Company to exercise the Right, or failure by the Company to otherwise perform its obligations under this Subsection 9(c)(ii), within the 30 day period herein prescribed shall be deemed an election by the Company not to exercise the Right. If the Company exercises the Right and is unable for any reason to perform its obligations thereunder in accordance with this Subsection 9(c), the Company may assign all or a portion of its rights under the Right to any one or more of the Company’s stockholders (other than the Transferor) (“Assignee Stockholder”), as the Board shall determine, in its sole and absolute discretion.

(iii) Purchase of Less Than All Shares. Anything in Subsection 9(c) to the contrary notwithstanding, the Company and any Assignee Stockholder individually may, pursuant to the exercise of the Right, purchase fewer than all of the Subject Securities provided that such Persons in the aggregate purchase all, and not less than all, of the Subject Securities, and it shall be a condition precedent to the obligation of any of such Persons to purchase any Subject Securities, that all, and not less than all, of the Subject Securities have been elected to be purchased pursuant to the exercise of the Right.



(iv) Failure to Exercise Right or Consummate Transaction. If the Company elects not to exercise the Right, or if the Right is exercised and the obligations to be performed thereunder by the Company are not performed in accordance with this Subsection 9(c), or if the Company's rights are assigned to an Assignee Stockholder and such Assignee Stockholder fails to perform his or her obligations under the assigned Right in accordance with this Subsection 9(c), then, subject to the application of any applicable state or federal securities laws, the Transferor may dispose of all of the Subject Securities within 90 days after the date of the Statement at the per share price and on the terms, if any, as set forth in the Statement free and clear of the terms of this Subsection 9(c); provided, however, that (A) any subsequent transfer by the Offeror or Donee, as applicable, shall once again be subject to this Subsection 9(c) and (B) if the sale or gift of the Subject Securities is not consummated within such 90-day period, then the Transfer of any such Stock shall once again be subject to the terms of this Subsection 9(c).

(v) Legend. To assure the enforceability of the Company's rights under this Subsection 9(c), until the date of a Qualifying Public Offering, each certificate or instrument representing Stock or an Award held by a Participant may, in the Committee's discretion, bear a conspicuous legend in substantially the following form:

“THE SHARES [REPRESENTED BY THIS CERTIFICATE] [ISSUABLE PURSUANT TO THIS AGREEMENT] ARE SUBJECT TO THE COMPANY'S RIGHT OF FIRST REFUSAL IN THE CASE OF A TRANSFER AS PROVIDED UNDER THE SPECTRAL MD, INC. 2018 LONG TERM INCENTIVE PLAN AND/OR AN AWARD AGREEMENT ENTERED INTO PURSUANT THERETO. COPIES OF SUCH PLAN AND AWARD AGREEMENT ARE AVAILABLE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES.”

(vi) Expiration. The rights and obligations pursuant to this Subsection 9(c) will terminate upon the date of a Qualifying Public Offering.

(d) Purchase Option.

(i) Except as otherwise expressly provided in any particular Award, (A) if a Participant ceases to be employed by or perform services for the Company or its Subsidiaries for any reason at any time or (B) upon the occurrence of a Change in Control, the Company (and/or its designee(s)) shall have the option (the “Purchase Option”) to purchase, and the Participant (or the Participant's executor or the administrator of the Participant's estate in the event of the Participant's death, or the transferee of the Stock or Award in the case of any disposition, or the Participant's legal representative in the event of the Participant's incapacity) (hereinafter, collectively with such Participant, the “Grantor”) shall sell to the Company and/or its designee(s), all or any portion (at the Company's option) of the shares of Stock issued pursuant to this Plan and held by the Grantor (such shares of Stock herein referred to as the “Purchasable Shares”).

(ii) The Company shall give notice in writing to the Grantor of the exercise of the Purchase Option within one year of the date of the termination of the Participant's employment or service relationship or the date of the Change in Control. Such notice shall state the number of Purchasable Shares to be purchased and the determination of the Board of the Fair Market Value per share of such Purchasable Shares, or the Change in Control Price as defined in Subsection 8(f), if applicable. If no notice is given within the time limit specified above, the Purchase Option shall terminate.

(iii) The purchase price to be paid for the Purchasable Shares purchased pursuant to the Purchase Option shall be, the Fair Market Value per share, or the Change in Control Price if applicable, as of the date of the notice of exercise of the Purchase Option times the number of shares being purchased. The purchase price shall be paid in cash. The closing of such purchase shall take place at the Company's principal executive offices within ten (10) days after the purchase price has been determined. At such closing, the Grantor shall deliver to the purchasers the certificates or instruments evidencing the Purchasable Shares being purchased free and clear of all liens and encumbrances (if any), duly endorsed (or accompanied by duly executed stock powers) and otherwise in good form for delivery, against payment of the purchase price by check of the purchasers. In the event that, notwithstanding the foregoing, the Grantor shall have failed to obtain the release of any pledge or other encumbrance on any Purchasable Shares by the scheduled closing date, at the option of the purchasers, the closing shall nevertheless occur on such scheduled closing date, with the cash purchase price being reduced to the extent of all unpaid indebtedness for which such Purchasable Shares are then pledged or encumbered.

(iv) To assure the enforceability of the Company's rights under this Subsection 9(d), until the date of a Qualifying Public Offering, each certificate or instrument representing Stock or an Award held by a Participant may, in the Committee's discretion, bear a conspicuous legend in substantially the following form:

"THE SHARES [REPRESENTED BY THIS CERTIFICATE] [ISSUABLE PURSUANT TO THIS AGREEMENT] ARE SUBJECT TO AN OPTION TO REPURCHASE PROVIDED UNDER THE PROVISIONS OF THE SPECTRAL MD, INC. 2018 LONG TERM INCENTIVE PLAN AND/OR AN AWARD AGREEMENT ENTERED INTO PURSUANT THERETO. COPIES OF SUCH PLAN AND AWARD AGREEMENT ARE AVAILABLE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICES."

(v) The Company's rights under this Subsection 9(d) shall terminate upon the date of a Qualifying Public Offering.

(e) Taxes. The Company and any Subsidiary are authorized to withhold from any Award granted, or any payment relating to an Award under this Plan, including from a distribution of Stock, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations, either on a mandatory or elective basis in the discretion of the Committee.

(f) Changes to this Plan and Awards. The Board may amend, alter, suspend, discontinue or terminate this Plan or the Committee's authority to grant Awards under this Plan without the consent of stockholders or Participants, except that any amendment or alteration to this Plan, including any increase in any share limitation, shall be subject to the approval of the Company's stockholders not later than the annual meeting next following such Board action if such stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted, and the Board may otherwise, in its discretion, determine to submit other such changes to this Plan to stockholders for approval; provided, however, that, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under any previously granted and outstanding Award. The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award agreement relating thereto, except as otherwise provided in this Plan; provided, however, that, without the consent of an affected Participant, no such Committee action may materially and adversely affect the rights of such Participant under such Award.

(g) Limitation on Rights Conferred under Plan. Neither this Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or a Subsidiary, (ii) interfering in any way with the right of the Company or a Subsidiary to terminate any Eligible Person's or Participant's employment or service relationship at any time, (iii) giving an Eligible Person or Participant any claim to be granted any Award under this Plan or to be treated uniformly with other Participants or employees or other service providers, or (iv) conferring on a Participant any of the rights of a stockholder of the Company unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award.

(h) Unfunded Status of Awards. This Plan is intended to constitute an "unfunded" plan for certain incentive awards.

(i) Nonexclusivity of this Plan. Neither the adoption of this Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable. Nothing contained in this Plan shall be construed to prevent the Company or any Subsidiary from taking any corporate action which is deemed by the Company or such Subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award made under this Plan. No employee, beneficiary or other person shall have any claim against the Company or any Subsidiary as a result of any such action.

(j) Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to this Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(k) Severability. If any provision of this Plan is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included herein. If any of the terms or provisions of this Plan or any Award agreement conflict with the requirements of section 422 of the Code (with respect to Incentive Stock Options), then those conflicting terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of section 422 of the Code. With respect to Incentive Stock Options, if this Plan does not contain any provision required to be included herein under section 422 of the Code, that provision shall be deemed to be incorporated herein with the same force and effect as if that provision had been set out at length herein; provided, further, that, to the extent any Option that is intended to qualify as an Incentive Stock Option cannot so qualify, that Option (to that extent) shall be deemed an Option not subject to section 422 of the Code for all purposes of the Plan.

(l) Governing Law. All questions arising with respect to the provisions of the Plan and Awards shall be determined by application of the laws of the State of Texas, without giving effect to any conflict of law provisions thereof, except to the extent Texas state law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable federal and state laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

(m) Conditions to Delivery of Stock. Nothing herein or in any Award granted hereunder or any Award agreement shall require the Company to issue any shares with respect to any Award if that issuance would, in the opinion of counsel for the Company, constitute a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable statute or regulation, or the rules of any applicable securities exchange or securities association, as then in effect. At the time of any exercise of an Option or Stock Appreciation Right, or at the time of any grant of a Restricted Stock Award, Restricted Stock Unit, or other Award the Company may, as a condition precedent to the exercise of such Option or Stock Appreciation Right or settlement of any Restricted Stock Award, Restricted Stock Unit or other Award, require from the Participant (or in the event of his or her death, his or her legal representatives, heirs, legatees, or distributees) such written representations, if any, concerning the holder's intentions with regard to the retention or disposition of the shares of Stock being acquired pursuant to the Award and such written covenants and agreements, if any, as to the manner of disposal of such shares as, in the opinion of counsel to the Company, may be necessary to ensure that any disposition by that holder (or in the event of the holder's death, his or her legal representatives, heirs, legatees, or distributees) will not involve a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable state or federal statute or regulation, or any rule of any applicable securities exchange or securities association, as then in effect.

(n) Plan Effective Date. This Plan has been adopted by the Board effective as of July 24, 2018.

**SPECTRAL MD HOLDINGS, LTD.**  
**2022 LONG TERM INCENTIVE PLAN**  
(effective January 1, 2022)

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**SPECTRAL MD Holdings, LTD.**  
**2022 LONG TERM INCENTIVE PLAN**

1. **General.** The purpose of the Spectral MD Holdings, Ltd. 2022 Long Term Incentive Plan (the “**Plan**”) is to provide a means through which Spectral MD Holdings, Ltd., a Delaware corporation (the “**Company**”), and its Subsidiaries may attract and retain able persons as employees, directors and consultants of the Company, and its Subsidiaries, and to provide a means whereby those persons upon whom the responsibilities of the successful administration and management of the Company, and its Subsidiaries, rest, and whose present and potential contributions to the welfare of the Company, and its Subsidiaries, are of importance, can acquire and maintain stock ownership, or awards the value of which is tied to the performance of the Company, thereby strengthening their concern for the welfare of the Company, and its Subsidiaries, and their desire to remain employed. A further purpose of this Plan is to provide such employees, directors and consultants with additional incentive and reward opportunities designed to enhance the profitable growth of the Company. Accordingly, this Plan primarily provides for the granting of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock Awards, Restricted Stock Units, Stock Appreciation Rights, Bonus Stock, Dividend Equivalent, Other Stock-Based Award, or any combination of the foregoing, as is best suited to the circumstances of the particular individual as provided herein and as determined under the tax laws of the United States of America. UK resident or tax-resident employees of companies in the Company’s Group (as defined in the UK Sub-Plan), including the Company, or employees of such companies who are subject to UK taxation, may be granted similar awards pursuant to the UK Sub-Plan which is made under this Plan and as substantially set forth in **Exhibit A** - “SPECTRAL MD HOLDINGS, LTD: 2022 LONG TERM INCENTIVE PLAN UK SUB-PLAN”.

2. **Definitions.** For purposes of this Plan, the following terms shall be defined as set forth below, in addition to such terms defined in Section 1 hereof:

(a) “Accountants” means the independent public accountants selected by the Company.

(b) “AIM” means the Alternative Investment Market.

(c) “AIM Rules” means the rules of AIM from time to time.

(d) “Award” means any Option, Stock Appreciation Rights, Restricted Stock Award, Restricted Stock Unit, Bonus Stock, Dividend Equivalent, or Other Stock-Based Award, together with any other right or interest granted to a Participant under this Plan.

(e) “Award Agreement” means any written or electronic instrument that establishes the terms, conditions, restrictions and/or limitations applicable to an Award granted to the Participant.

(f) “Beneficiary” means one or more persons, trusts or other entities which have been designated by a Participant, in his or her most recent written beneficiary designation filed with the Committee, to receive the benefits specified under this Plan upon such Participant’s death or to which Awards or other rights are transferred if and to the extent permitted under Subsection 9(b) hereof. If, upon a Participant’s death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means the persons, trusts or other entities entitled by will or the laws of descent and distribution to receive such benefits.

(g) “Board” means the Board of Directors of the Company.

(h) “Bonus Stock” means unrestricted shares of Stock granted as a bonus pursuant to Subsection 6(f).

(i) “Cause” means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant’s Award Agreement or written contract of employment or service, any of the following: (i) the Participant’s theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant’s material failure to abide by a Participating Company’s code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant’s unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant’s improper use or disclosure of a Participating Company’s confidential or proprietary information); (iv) any intentional act by the Participant which has a material detrimental effect on a Participating Company’s reputation or business; (v) the Participant’s repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by the Participant of any employment or service agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; (vii) the Participant’s conviction (including any plea of guilty or nolo contendere) of any criminal act constituting a felony; or (viii) the Participant’s commission of any act against the Company involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant’s ability to perform his or her duties with a Participating Company.

(j) “Change in Control” means the occurrence of any of the following events:

(i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total power to vote for the election of directors of the Company;

(ii) during any twelve month period, individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Subsection 1(j)(i), Subsection 1(j)(iii), Subsection 1(j)(iv) or Subsection 1(j)(v) hereof) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the period of whose election or nomination for election was previously approved, cease for any reason to constitute a majority thereof;

(iii) the merger or consolidation of the Company with another corporation where the stockholders of the Company, immediately prior to the merger or consolidation, will not beneficially own, immediately after the merger or consolidation, shares entitling such stockholders to 50% or more of all votes to which all stockholders of the surviving corporation would be entitled in the election of directors (without consideration of the rights of any class of stock to elect directors by a separate class vote);



(iv) the sale or other disposition of all or substantially all of the assets of the Company;

(v) a liquidation or dissolution of the Company;

(vi) acceptance by shareholders of the Company of shares in a share exchange if the shareholders of the Company immediately before such share exchange do not or will not own directly or indirectly immediately following such share exchange more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the entity resulting from or surviving such share exchange in substantially the same proportion as their ownership of the voting securities outstanding immediately before such share exchange; or

(vii) such other event deemed to constitute a “Change in Control” by the Board.

Notwithstanding anything in the Plan or an Award Agreement to the contrary, to the extent necessary to comply with Section 409A of the Code, no event that, but for the application of this paragraph, would be a Change in Control as defined in the Plan or the Award Agreement, as applicable, shall be a Change in Control unless such event is also a “change in control event” as defined in Section 409A of the Code.

(k) “Code” means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

(l) “Committee” means the compensation committee or other committee or subcommittee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. Unless the powers of the Committee have been specifically limited, the Committee shall have all of the powers of the Board granted herein, including, without limitation, the power to amend or terminate the Plan at any time, subject to the terms of the Plan and any applicable limitations imposed by law.

(m) “Common Stock” means the common stock of the Company.

(n) “Company” means Spectral MD Holdings, Ltd, a Delaware corporation, and any successor company thereto.

(o) “Dealing Day” means any day the London Stock Exchange is open for the transaction of business.

(p) “Disability” means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant’s Award Agreement or written contract of employment or service, the termination of a Participant’s Service due to a permanent and total disability as defined in Section 22(e)(3) of the Code, which Disability shall only be deemed to occur at the time of the determination by the Board of the Disability. Notwithstanding the foregoing, for Awards that are subject to Section 409A of the Code, Disability shall mean that a Participant is disabled under Section 409A(a)(2)(C)(i) or (ii) of the Code.

(q) “Dividend Equivalent” means a right, granted to a Participant under Subsection 6(g), to receive cash, Stock, other Awards or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments.

(r) “Effective Date” means January 1, 2022.

(s) “Eligible Person” means all officers and employees of the Company or of any Subsidiary, as specifically set forth herein, and other persons who provide services to the Company or any of its Subsidiaries, including directors of the Company. An employee on leave of absence may be considered as still in the employ of the Company or a Subsidiary for purposes of eligibility for participation in this Plan.

(t) “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto

(u) “Fair Market Value” means, as of any specified date, the value of Stock determined as follows:

(i) if the Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Select Market, AIM, the Nasdaq Global Market or the Nasdaq Capital Market of the Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or, if no closing sales price was reported on that date, as applicable, on the last trading date such closing sales price was reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

(ii) If the Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

(iii) If the Stock is not publicly traded at the time a determination of its Fair Market Value is required to be made under the Plan, the Fair Market Value will be determined by the Committee in its discretion in such manner as it deems appropriate, taking into consideration all factors the Committee deems appropriate including without limitation, the Nonqualified Deferred Compensation Rules.

(v) “Good Reason” means, a termination of a Participant’s employment with the Company, in accordance with Section 409A of the Code, due to any of the following:

(i) A material reduction in the Participant’s compensation;

(ii) A material diminution in the Participant's authority, duties or responsibilities;

(iii) A material diminution in the authority, duties or responsibilities of the supervisor to whom the Participant reports;

(iv) A material diminution in the budget over which the Participant retains authority;

(v) A material change in geographic location at which the Participant is employed; or

(vi) Any action or inaction by the Company or purchaser that constitutes a material breach of the Participant's applicable employment agreement.

(w) "Incentive Stock Option" or "ISO" means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code or any successor provision thereto.

(x) "Insider" means an officer, a director, or other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(y) "Insider Trading Policy" means the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company's equity securities by Eligible Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities.

(z) "London Stock Exchange" means the London Stock Exchange plc.

(aa) "Nonqualified Deferred Compensation Rules" means the limitations or requirements of section 409A of the Code and the regulations promulgated thereunder

(bb) "Nonstatutory Stock Option" or "NSO" means any Option that, by its terms, does not qualify or is not intended to qualify as an Incentive Stock Option.

(cc) "Option" means a Nonstatutory Stock Option granted pursuant to the Plan or an Incentive Stock Option.

(dd) "Other Stock-Based Awards" means Awards granted to a Participant under Subsection 6(h) hereof.

(ee) "Participant" means a person who has been granted an Award under this Plan which remains outstanding, including a person who is no longer an Eligible Person.

(ff) "Person" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a limited liability company, a trust or other entity; a Person, together with that Person's Affiliates and Associates (as those terms are defined in Rule 12b-2 under the Exchange Act, provided that "registrant" as used in Rule 12b-2 shall mean the Company), and any Persons acting as a partnership, limited partnership, joint venture, association, syndicate or other group (whether or not formally organized), or otherwise acting jointly or in concert or in a coordinated or consciously parallel manner (whether or not pursuant to any express agreement), for the purpose of acquiring, holding, voting or disposing of securities of the Company with such Person, shall be deemed a single "Person."

(gg) “Plan” means this Spectral MD Holdings Ltd. 2022 Long Term Incentive Plan.

(hh) “Restricted Stock” means Stock granted to a Participant under Subsection 6(d) hereof, that is subject to certain restrictions and to a risk of forfeiture.

(ii) “Restricted Stock Unit” means a right, granted to a Participant under Subsection 6(e) hereof, to receive Stock, cash or a combination thereof at the end of a specified deferral period.

(jj) “Rule 16b-3” means Rule 16b 3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(kk) “Securities Act” means the Securities Act of 1933 and the rules and regulations promulgated thereunder, or any successor law, as it may be amended from time to time.

(ll) “Stock” means the Company’s Common Stock, as may be adjusted from time to time pursuant to Section 8.

(mm) “Stock Appreciation Rights” or “SAR” means a right granted to a Participant under Subsection 6(c) hereof.

(nn) “Subsidiary” means any present or future “subsidiary company” of the Company, as defined in Section 1159 of the Companies Act 2006. For purposes of determining eligibility for the grant of Incentive Stock Options under the Plan, Subsidiary means, as defined in Section 424(f) of the Code, with respect to the Company, any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by the Company.

### 3. Administration.

(a) Authority of the Committee. This Plan shall be administered by the Committee except to the extent the Board elects to administer this Plan, in which case references herein to the “Committee” shall be deemed to include references to the “Board.” The Committee shall have the authority, in its sole and absolute discretion, to (i) adopt, amend, and rescind administrative and interpretive rules and regulations relating to the Plan; (ii) determine the Eligible Persons to whom, and the time or times at which, Awards shall be granted; (iii) determine the amount of cash and the number of shares of Stock, Stock Appreciation Rights, Restricted Stock Units or Restricted Stock Awards, or any combination thereof, that shall be the subject of each Award; (iv) determine the terms and provisions of each Award agreement (which need not be identical), including provisions defining or otherwise relating to (A) the term and the period or periods and extent of exercisability of the Options, (B) the extent to which the transferability of shares of Stock issued or transferred pursuant to any Award is restricted, (C) except as otherwise provided herein, the effect of termination of employment, or the service relationship with the Company, of a Participant on the Award, and (D) the effect of approved leaves of absence (consistent with any applicable regulations of the Internal Revenue Service); (v) accelerate the time of exercisability of any Award that has been granted; (vi) construe the respective Award agreements and the Plan; (vii) make determinations of the Fair Market Value of the Stock pursuant to the Plan; (viii) adopt special guidelines and provisions for Eligible Persons who are residing in or employed in, or subject to, the taxes of, any domestic or foreign jurisdictions to comply with applicable tax and securities laws of such domestic or foreign jurisdictions (ix) delegate its duties under the Plan to such agents as it may appoint from time to time; and (x) make all other determinations, perform all other acts, and exercise all other powers and authority necessary or advisable for administering the Plan, including the delegation of those ministerial acts and responsibilities as the Committee deems appropriate. The Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan, in any Award, or in any Award agreement in the manner and to the extent it deems necessary or desirable to carry the Plan into effect, and the Committee shall be the sole and final judge of that necessity or desirability. The determinations of the Committee on the matters referred to in this Subsection 3(a) shall be final and conclusive.

(b) Manner of Exercise of Committee Authority. Any action of the Committee shall be final, conclusive and binding on all persons, including the Company, its Subsidiaries, stockholders, Participants, Beneficiaries, and transferees under Subsection 9(b) hereof or other persons claiming rights from or through a Participant. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Company or any Subsidiary, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions, including administrative functions, as the Committee may determine.

(c) Limitation of Liability. The Committee and each member thereof shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or employee of the Company or a Subsidiary, the Company's legal counsel, independent auditors, consultants or any other agents assisting in the administration of this Plan. Members of the Committee and any officer or employee of the Company or a Subsidiary acting at the direction or on behalf of the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to this Plan, and shall, to the fullest extent permitted by law, be indemnified and held harmless by the Company with respect to any such action or determination.

(d) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as officers or employees of the Participating Company Group, members of the Board and any officers or employees of the Participating Company Group to whom authority to act for the Board or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily 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 or failure to act under or in connection with the Plan, or any right granted hereunder, 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 such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same

(e) Administration with Respect to Insiders. With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

#### 4. Stock Subject to Plan.

(a) Overall Number of Shares Available for Delivery. Subject to adjustment in a manner consistent with any adjustment made pursuant to Section 8, the maximum aggregate number of shares that may be issued under the Plan is 20,000,000. Notwithstanding the foregoing and, subject to adjustment provided in Section 8, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options shall equal 20,000,000. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code, or any successor provision, as amended from time to time.

(b) Application of Limitation to Grants of Awards. No Award may be granted if the number of shares of Stock to be delivered in connection with such Award exceeds the number of shares of Stock remaining available under this Plan minus the number of shares of Stock issuable in settlement of or relating to then-outstanding Awards. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award.

The Committee may only grant an Award in accordance with the then applicable securities and other regulatory laws, including, but not limited to, the AIM Rules, the Exchange Act, and the Securities Act.

(c) Availability of Shares Not Issued under Awards. Shares of Stock subject to an Award under this Plan that expire or are canceled, forfeited, settled in cash or otherwise terminated without an issuance of shares to the Participant, including (i) the number of shares withheld in payment of any exercise or purchase price of an Award or taxes relating to Awards, and (ii) the number of shares surrendered in payment of any exercise or purchase price of an Award or taxes relating to any Award, will again be available for Awards under this Plan.

(d) Stock Offered. The shares to be delivered under the Plan shall be made available from (i) authorized but unissued shares of Stock, (ii) Stock held in the treasury of the Company, or (iii) previously issued shares of Stock reacquired by the Company, including shares purchased on the open market.

5. **Eligibility.** Awards may be granted under this Plan only to Persons who are Eligible Persons at the time of grant thereof or in connection with the severance or retirement of Eligible Persons.

#### 6. **Specific Terms of Awards.**

(a) **General.** Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Subsection 9(d)), such additional terms and conditions, not inconsistent with the provisions of this Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of employment by the Participant, or termination of the Participant's service relationship with the Company, and terms permitting a Participant to make elections relating to his or her Award. The Committee shall retain full power and discretion to accelerate, waive or modify, at any time, any term or condition of an Award that is not mandatory under this Plan.

(b) **Options.** The Committee is authorized to grant Options to Participants on the following terms and conditions:

(i) **Exercise Price.** Each Option agreement shall state the exercise price per share of Stock (the "**Exercise Price**"); provided, however, that the Exercise Price per share of Stock subject to an ISO shall not be less than the greater of (A) the par value per share of the Stock or (B) 100% of the Fair Market Value per share of the Stock as of the date of grant of the Option (or in the case of an individual who owns stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Company or its parent or any subsidiary, 110% of the Fair Market Value per share of the Stock on the date of grant).

(ii) **Time and Method of Exercise.** The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including without limitation cash, Stock, other Awards or awards granted under other plans of the Company or any Subsidiary, or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis), and the methods by or forms in which Stock will be delivered or deemed to be delivered to Participants, including, but not limited to, the delivery of Restricted Stock subject to Subsection 6(d). In the case of an exercise whereby the Exercise Price is paid with Stock, such Stock shall be valued as of the date of exercise.

(iii) **ISOs.** The terms of any ISO granted under this Plan shall comply in all respects with the provisions of Section 422 of the Code. Anything in this Plan to the contrary notwithstanding, no term of this Plan relating to ISOs (including any SAR in tandem therewith) shall be interpreted, amended or altered, nor shall any discretion or authority granted under this Plan be exercised, so as to disqualify either this Plan or any ISO under Section 422 of the Code, unless the Participant has first requested the change that will result in such disqualification. ISOs shall not be granted more than ten years after the earlier of the adoption of this Plan or the approval of this Plan by the Company's stockholders. Notwithstanding the foregoing, the Fair Market Value of shares of Stock subject to an ISO and the aggregate Fair Market Value of shares of stock of any parent or subsidiary corporation (within the meaning of Sections 424(e) and (t) of the Code) subject to any other ISO (within the meaning of Section 422 of the Code) of the Company or a parent or subsidiary corporation (within the meaning of Sections 424(e) and (t) of the Code) that first becomes purchasable by a Participant in any calendar year may not (with respect to that Participant) exceed \$100,000, or such other amount as may be prescribed under Section 422 of the Code or applicable regulations or rulings from time to time. As used in the previous sentence, Fair Market Value shall be determined as of the date the ISOs are granted. Failure to comply with this provision shall not impair the enforceability or exercisability of any Option but shall cause the excess amount of shares to be reclassified in accordance with the Code.

(iv) Time and Method of Exercise. The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including without limitation cash, Stock, other Awards or awards granted under other plans of the Company or any Subsidiary, or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis), and the methods by or forms in which Stock will be delivered or deemed to be delivered to Participants, including, but not limited to, the delivery of Restricted Stock subject to Subsection 6(d). In the case of an exercise whereby the Exercise Price is paid with Stock, such Stock shall be valued as of the date of exercise.

(c) Stock Appreciation Rights. The Committee is authorized to grant SARs to Participants on the following terms and conditions:

(i) Right to Payment. An SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant price of the SAR as determined by the Committee.

(ii) Rights Related to Options. An SAR granted in connection with an Option shall entitle a Participant, upon exercise, to surrender that Option or any portion thereof, to the extent unexercised, and to receive payment of an amount computed pursuant to Subsection 6(c)(ii)(B). That Option shall then cease to be exercisable to the extent surrendered. SARs granted in connection with an Option shall be subject to the terms of the Award agreement governing the Option, which shall comply with the following provisions in addition to those applicable to Options:

(A) An SAR granted in connection with an Option shall be exercisable only at such time or times and only to the extent that the related Option is exercisable.

(B) Upon the exercise of an SAR related to an Option, a Participant shall be entitled to receive payment from the Company of an amount determined by multiplying:

(1) the difference obtained by subtracting the exercise price of a share of Stock specified in the related Option from the Fair Market Value of a share of Stock on the date of exercise of the SAR, by

(2) the number of shares as to which that SAR has been exercised.



(iii) Right Without Option. An SAR granted independent of an Option shall be exercisable as determined by the Committee and set forth in the Award agreement governing the SAR, which Award agreement shall comply with the following provisions:

(A) Each Award agreement shall state the total number of shares of Stock to which the SAR relates.

(B) Each Award agreement shall state the time or periods in which the right to exercise the SAR or a portion thereof shall vest and the number of shares of Stock for which the right to exercise the SAR shall vest at each such time or period.

(C) Each Award agreement shall state the date at which the SARs shall expire if not previously exercised.

(D) Each SAR shall entitle a Participant, upon exercise thereof, to receive payment of an amount determined by multiplying:

(1) the difference obtained by subtracting the Fair Market Value of a share of Stock on the date of grant of the SAR from the Fair Market Value of a share of Stock on the date of exercise of that SAR, by

(2) the number of shares as to which the SAR has been exercised.

(iv) Terms. Except as otherwise provided herein, the Committee shall determine at the date of grant or thereafter, the time or times at which and the circumstances under which an SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which Stock will be delivered or deemed to be delivered to Participants, whether or not an SAR shall be in tandem or in combination with any other Award, and any other terms and conditions of any SAR. SARs may be either freestanding or in tandem with other Awards.

Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; provided, however, that no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option and provided further that in no event shall the term of an Incentive Stock Option granted to a Ten Percent Shareholder be greater than five (5) years from the date of grant. Subject to the foregoing, unless otherwise specified by the Committee in the grant of an Option, any Option granted hereunder shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

(v) Rights as a Shareholder. A Participant shall have no rights as a shareholder with respect to any Stock covered by an Award until the date of the issuance of such Stock (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions, or other rights for which the record date is prior to the date such Shares are issued, except as provided in Section 4 or another provision of the Plan. In addition, any rights that a Participant has with respect to any stock issued under any Award shall be subject to the terms and conditions of the company stockholder agreement (as the same may be amended from time to time, the “**Shareholders Agreement**”). No Shares shall be issued pursuant to an Award unless the recipient of such Shares has executed a deed of adherence to the Shareholders Agreement. Notwithstanding the foregoing, to the extent that any provision in the Shareholders Agreement would result in the imposition of tax under Section 409A of the Code, such provision shall not apply to Shares received pursuant to any Award.

(d) Restricted Stock. The Committee is authorized to grant Restricted Stock to Participants on the following terms and conditions:

(i) Grant and Restrictions. Restricted Stock shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise, as the Committee may determine at the date of grant or thereafter. During the restricted period applicable to the Restricted Stock, the Restricted Stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant.

(ii) Certificates for Stock. Restricted Stock granted under this Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, that the Company retain physical possession of the certificates, and that the Participant deliver a stock power to the Company, endorsed in blank, relating to the Restricted Stock.

(iii) Dividends and Splits. As a condition to the grant of an Award of Restricted Stock, the Committee may require or permit a Participant to elect that any cash dividends paid on a share of Restricted Stock be automatically reinvested in additional shares of Restricted Stock or applied to the purchase of additional Awards under this Plan. Unless otherwise determined by the Committee, Stock distributed in connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed.

(e) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Participants, which are rights to receive Stock or cash, as determined by the Committee, at the end of a specified deferral period, subject to the following terms and conditions:

(i) Award and Restrictions. Settlement of an Award of Restricted Stock Units shall occur upon expiration of the deferral period specified for such Restricted Stock Unit by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Restricted Stock Units shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, as the Committee may determine. Restricted Stock Units shall be satisfied by the delivery of cash or Stock in the amount equal to the Fair Market Value of the specified number of shares of Stock covered by the Restricted Stock Units, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

(ii) Dividend Equivalents. Unless otherwise determined by the Committee at date of grant, Dividend Equivalents on the specified number of shares of Stock covered by an Award of Restricted Stock Units shall be either (A) paid with respect to such Restricted Stock Units on the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or (B) deferred with respect to such Restricted Stock Units and the amount or value thereof automatically deemed reinvested in additional Restricted Stock Units, other Awards or other investment vehicles, as the Committee shall determine or permit the Participant to elect.

(f) Bonus Stock and Awards in Lieu of Obligations. The Committee is authorized to grant Stock as a bonus, or to grant Stock or other Awards in lieu of obligations to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements. Stock or Awards granted hereunder shall be subject to such other terms as shall be determined by the Committee. In the case of any grant of Stock to an officer of the Company or a Subsidiary in lieu of salary or other cash compensation, the number of shares granted in place of such compensation shall be reasonable, as determined by the Committee.

(g) Dividend Equivalents. The Committee is authorized to grant Dividend Equivalents to a Participant, entitling the Participant to receive cash, Stock, other Awards, or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award. The Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Stock, Awards, or other investment vehicles, and subject to such restrictions on transferability and risks of forfeiture, as the Committee may specify.

(h) Other Stock-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, as deemed by the Committee to be consistent with the purposes of this Plan, including without limitation convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Company or any other factors designated by the Committee, and Awards valued by reference to the book value of Stock or the value of securities of, or the performance of, specified Subsidiaries. The Committee shall determine the terms and conditions of such Awards. Stock delivered pursuant to an Award in the nature of a purchase right granted under this Subsection 6(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards, or other property, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under this Plan, may also be granted pursuant to this Subsection 6(h).

## 7. Certain Provisions Applicable to Awards.

(a) Termination of Employment. Subject to earlier termination of the Option as otherwise provided by this Plan and unless a longer exercise period is provided by the Board, an Option shall terminate immediately upon the Participant's termination of Service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period determined in accordance with this Section and thereafter shall terminate:

(i) Disability. If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Option Agreement evidencing such Option (the "**Option Expiration Date**").

(ii) Death. If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months after the Participant's termination of Service.

(iii) Termination for Cause. Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service is terminated for Cause or is terminated within six (6) months after the occurrence of an event that would be grounds for a termination for Cause, the Option, whether vested or unvested, shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service.

(iv) Other Termination of Service. If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for vested Shares on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3) months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) Stand-Alone, Additional, Tandem, and Substitute Awards. Awards granted under this Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Subsidiary, or any business entity to be acquired by the Company or a Subsidiary, or any other right of a Participant to receive payment from the Company or any Subsidiary. Such additional, tandem and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award or award, the Committee shall require the surrender of such other Award or award in consideration for the grant of the new Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any Subsidiary, in which the value of Stock subject to the Award is equivalent in value to the cash compensation, or in which the exercise price, grant price or purchase price of the Award in the nature of a right that may be exercised is equal to the Fair Market Value of the underlying Stock minus the value of the cash compensation surrendered.

(c) Term of Awards. Except as specified herein, the term of each Award shall be for such period as may be determined by the Committee; provided, however, that in no event shall the term of any Option or SAR exceed a period of ten years (or such shorter term as may be required in respect of an ISO under Section 422 of the Code).

(d) Form and Timing of Payment under Awards; Deferrals. Subject to the terms of this Plan and any applicable Award agreement, payments to be made by the Company or a Subsidiary upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee shall determine, including without limitation cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis. Except as otherwise provided herein, the settlement of any Award may be accelerated, and cash paid in lieu of Stock in connection with such settlement, in the discretion of the Committee or upon occurrence of one or more specified events (in addition to a Change in Control). Installment or deferred payments may be required by the Committee (subject to Subsection 9(d) of this Plan, including the consent provisions thereof in the case of any deferral of an outstanding Award not provided for in the original Award agreement) or permitted at the election of the Participant on terms and conditions established by the Committee. Payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents or other amounts in respect of installment or deferred payments denominated in Stock. Any deferral shall only be allowed as is provided in a separate deferred compensation plan adopted by the Company. This Plan shall not constitute an “employee benefit plan” for purposes of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

(e) Non-Competition Agreement. Each Participant to whom an Award is granted under this Plan may be required to agree in writing as a condition to the granting of such Award not to engage in conduct in competition with the Company or any of its Subsidiaries for a period after the termination of such Participant’s employment with the Company and its Subsidiaries as determined by the Committee.

## 8. Subdivision or Consolidation; Recapitalization; Change in Control; Reorganization.

(a) Existence of Plan and Awards. The existence of this Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities ahead of or affecting 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.

(b) Subdivision or Consolidation of Shares. The terms of an Award and the number of shares of Stock authorized pursuant to Section 4 for issuance under the Plan shall be subject to adjustment from time to time, in accordance with the following provisions:

(i) If at any time, or from time to time, the Company shall subdivide as a whole (by a Stock split, by the issuance of a distribution on Stock payable in Stock, or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then (A) the maximum number of shares of Stock available in connection with the Plan or Awards as provided in Section 4 shall be increased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any Award shall be increased proportionately, and (C) the price (including the exercise price) for each share of Stock (or other kind of shares or securities) subject to then outstanding Awards shall be reduced proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(ii) If at any time, or from time to time, the Company shall consolidate as a whole (by reverse Stock split, or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, (A) the maximum number of shares of Stock available in connection with the Plan or Awards as provided in Section 4 shall be decreased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any Award shall be decreased proportionately, and (C) the price (including the exercise price) for each share of Stock (or other kind of shares or securities) subject to then outstanding Awards shall be increased proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(iii) Whenever the number of shares of Stock subject to outstanding Awards and the price for each share of Stock subject to outstanding Awards are required to be adjusted as provided in this Subsection 8(b), the Committee shall promptly prepare, and deliver to each Participant, a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable subject to each Award after giving effect to the adjustments.

(iv) Adjustments under Subsections 8(b)(i) and (ii) shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

(c) Corporate Recapitalization.

(i) If the Company recapitalizes, reclassifies its capital stock, or otherwise changes its capital structure (a “**recapitalization**”), the number and class of shares of Stock covered by an Option or an SAR theretofore granted shall be adjusted so that such Option or SAR shall thereafter cover the number and class of shares of stock and securities to which the holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to the recapitalization, the holder had been the holder of record of the number of shares of Stock then covered by such Option or SAR and the share limitations provided in Section 4 shall be adjusted in a manner consistent with the recapitalization.

(ii) In the event of changes in the outstanding Stock by reason of recapitalization, reorganizations, mergers, consolidations, combinations, exchanges or other relevant changes in capitalization occurring after the date of the grant of any Award and not otherwise provided for by this Section 8, any outstanding Awards and any agreements evidencing such Awards shall be subject to adjustment by the Committee at its discretion as to the number and price of shares of Stock or other consideration subject to such Awards. In the event of any such change in the outstanding Stock, the share limitations provided in Section 4 may be appropriately adjusted by the Committee, whose determination shall be conclusive.

(d) Additional Issuances. Except as hereinbefore expressly provided, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock 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, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to Awards theretofore granted or the purchase price per share, if applicable.

(e) Change in Control.

(i) Notwithstanding anything to the contrary set forth in the Plan, upon or in anticipation of any Change in Control, the Board or Committee may, whatever the case may be, in its sole and absolute discretion and without the need for the consent of any Participant, issue an Award Agreement to the Participant that provides for one or more of the following actions contingent upon the occurrence of that Change in Control:

(A) cause any or all outstanding Awards to become vested and immediately exercisable (as applicable), in whole or in part;

(B) cause any outstanding Option or Stock Appreciation Right to become fully vested and immediately exercisable in accordance with the specific Award Agreement for a reasonable period in advance of the Change in Control and, to the extent not exercised prior to that Change in Control, cancel that Option or Stock Appreciation Right upon closing of the Change in Control;

(C) cancel any unvested Award or unvested portion thereof, with or without consideration;

(D) cancel any Award in exchange for a substitute award;

(E) redeem any Restricted Stock or Restricted Stock Unit for cash and/or other substitute consideration with value equal to the Fair Market Value of an unrestricted Share on the date of the Change in Control;

(F) cancel any Option or Stock Appreciation Right in exchange for cash and/or other substitute consideration with a value equal to: (A) the number of Shares subject to that Option or Stock Appreciation Right, multiplied by (B) the difference, if any, between the Fair Market Value per Share on the date of the Change in Control and the exercise price of that Option or the base price of the Stock Appreciation Right; provided, that if the Fair Market Value per Share on the date of the Change in Control does not exceed the exercise price of any such Option or the base price of any such Stock Appreciation Right, the Committee may cancel that Option or Stock Appreciation Right without any payment of consideration therefor; and/or

(G) take such other action as the Board or Committee shall determine to be reasonable under the circumstances.

(ii) In addition to the foregoing (subject to Section 7), upon a Change in Control of the Company, if the Participant's Service terminates without Cause or for Good Reason within the first anniversary of such Change in Control, the Board or Committee may cause any or all outstanding Awards to become vested and immediately exercisable.

(iii) Notwithstanding anything to the contrary set forth in the Plan, the Board or Committee may, whatever the case may be, in its sole and absolute discretion and without the need for the consent of any Participant, issue an Award Agreement that provides for the automatic vesting of a Participant's unvested Options upon a Change in Control.

Notwithstanding any provision of this Subsection 8(e), in the case of any Award subject to Section 409A of the Code, the Committee shall only be permitted to take actions under this Subsection 8(e) to the extent that such actions would be consistent with the intended treatment of such Award under Section 409A of the Code



## 9. General Provisions.

(a) Restricted Securities. Prior to a Qualifying Public Offering, the Stock to be issued under this Plan, which may be issued in reliance on the exemption from registration set forth in Rule 701, shall be deemed to be “restricted securities” as defined in Rule 144, as each such rule has been promulgated by the Securities and Exchange Commission under the Securities Act as from time to time in effect and applicable to the Plan and Participants. Resales of such Stock by the holder thereof shall be in compliance with the Securities Act or an exemption therefrom. Such Stock may bear a legend if determined necessary by the Committee in substantially the following form:

“THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER UNITED STATES FEDERAL OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED FOR SALE, SOLD, OR OTHERWISE TRANSFERRED OR ASSIGNED FOR VALUE, DIRECTLY OR INDIRECTLY, NOR MAY THE SECURITIES BE TRANSFERRED ON THE BOOKS OF THE COMPANY, WITHOUT REGISTRATION OF SUCH SECURITIES UNDER ALL APPLICABLE UNITED STATES FEDERAL OR STATE SECURITIES LAWS OR COMPLIANCE WITH AN APPLICABLE EXEMPTION THEREFROM, SUCH COMPLIANCE, AT THE OPTION OF THE COMPANY, TO BE EVIDENCED BY AN OPINION OF SHAREHOLDER’S COUNSEL, IN A FORM ACCEPTABLE TO THE COMPANY, THAT NO VIOLATION OF SUCH REGISTRATION PROVISIONS WOULD RESULT FROM ANY PROPOSED TRANSFER OR ASSIGNMENT.”

STOCKHOLDERS MAY OBTAIN UPON WRITTEN REQUEST AND WITHOUT CHARGE A COPY OF A STATEMENT OF THE RIGHTS, PREFERENCES, PRIVILEGES AND RESTRICTIONS GRANTED TO OR IMPOSED UPON EACH CLASS OF SHARES AUTHORIZED TO BE ISSUED, AND UPON THE HOLDER THEREOF, FROM THE PRINCIPAL OFFICE OF THE COMPANY.”

(b) Transferability. Except as may be permitted by the Committee or as specifically provided in an Award Document, (i) no Award and no right under any Award shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or pursuant to Subsection 9(b) and (ii) during a Participant’s lifetime, each Award, and each right under any Award, shall be exercisable only by the Participant or, if permissible under applicable law, by the Participant’s guardian or legal representative; provided, however, that the Committee shall not permit, and an Award Document shall not provide for, any Award to be transferred or transferable to a third party for value or consideration without the approval of the Company’s shareholders. The provisions of this Subsection 9(b) shall not apply to any Award that has been fully exercised or settled, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(c) Taxes. The Company and any Subsidiary are authorized to withhold from any Award granted, or any payment relating to an Award under this Plan, including from a distribution of Stock, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant’s tax obligations, either on a mandatory or elective basis in the discretion of the Committee.

(d) Changes to this Plan and Awards. The Board may amend, alter, suspend, discontinue or terminate this Plan or the Committee’s authority to grant Awards under this Plan without the consent of stockholders or Participants, except that any amendment or alteration to this Plan, including any increase in any share limitation, shall be subject to the approval of the Company’s stockholders not later than the annual meeting next following such Board action if such stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted, and the Board may otherwise, in its discretion, determine to submit other such changes to this Plan to stockholders for approval; provided, however, that, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under any previously granted and outstanding Award. The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award agreement relating thereto, except as otherwise provided in this Plan; provided, however, that, without the consent of an affected Participant, no such Committee action may materially and adversely affect the rights of such Participant under such Award.

(e) Limitation on Rights Conferred under Plan. Neither this Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or a Subsidiary, (ii) interfering in any way with the right of the Company or a Subsidiary to terminate any Eligible Person's or Participant's employment or service relationship at any time, (iii) giving an Eligible Person or Participant any claim to be granted any Award under this Plan or to be treated uniformly with other Participants or employees or other service providers, or (iv) conferring on a Participant any of the rights of a stockholder of the Company unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award.

(f) Unfunded Status of Awards. This Plan is intended to constitute an "unfunded" plan for certain incentive awards.

(g) Nonexclusivity of this Plan. Neither the adoption of this Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable. Nothing contained in this Plan shall be construed to prevent the Company or any Subsidiary from taking any corporate action which is deemed by the Company or such Subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award made under this Plan. No employee, beneficiary or other person shall have any claim against the Company or any Subsidiary as a result of any such action.

(h) Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to this Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(i) Severability. If any provision of this Plan is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included herein. If any of the terms or provisions of this Plan or any Award agreement conflict with the requirements of Section 422 of the Code (with respect to Incentive Stock Options), then those conflicting terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of Section 422 of the Code. With respect to Incentive Stock Options, if this Plan does not contain any provision required to be included herein under Section 422 of the Code, that provision shall be deemed to be incorporated herein with the same force and effect as if that provision had been set out at length herein; provided, further, that, to the extent any Option that is intended to qualify as an Incentive Stock Option cannot so qualify, that Option (to that extent) shall be deemed an Option not subject to Section 422 of the Code for all purposes of the Plan.

(j) Governing Law. All questions arising with respect to the provisions of the Plan and Awards shall be determined by application of the laws of the State of Delaware, without giving effect to any conflict of law provisions thereof, except to the extent Delaware state law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable federal and state laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

(k) Section 409A of the Code. Notwithstanding other provisions of the Plan or any Award Agreements hereunder, no Award shall be granted, deferred, accelerated, extended, paid out or modified under this Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. In the event that it is reasonably determined by the Board or, if delegated by the Board to the Committee, by the Committee that, as a result of Section 409A of the Code, payments in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award Agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, including as a result of the fact that the Participant is a “specified employee” under Section 409A of the Code, the Company will make such payment on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code. The Company shall use commercially reasonable efforts to implement the provisions of this Subsection 9(k) in good faith; provided that neither the Company, the Board nor any of the Company’s employees, directors or representatives shall have any liability to Participants with respect to this Subsection 9(k).

(l) Conditions to Delivery of Stock. Nothing herein or in any Award granted hereunder or any Award agreement shall require the Company to issue any shares with respect to any Award if that issuance would, in the opinion of counsel for the Company, constitute a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable statute or regulation, or the rules of any applicable securities exchange or securities association, as then in effect. At the time of any exercise of an Option or Stock Appreciation Right, or at the time of any grant of a Restricted Stock Award, Restricted Stock Unit, or other Award the Company may, as a condition precedent to the exercise of such Option or Stock Appreciation Right or settlement of any Restricted Stock Award, Restricted Stock Unit or other Award, require from the Participant (or in the event of his or her death, his or her legal representatives, heirs, legatees, or distributees) such written representations, if any, concerning the holder’s intentions with regard to the retention or disposition of the shares of Stock being acquired pursuant to the Award and such written covenants and agreements, if any, as to the manner of disposal of such shares as, in the opinion of counsel to the Company, may be necessary to ensure that any disposition by that holder (or in the event of the holder’s death, his or her legal representatives, heirs, legatees, or distributees) will not involve a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable state or federal statute or regulation, or any rule of any applicable securities exchange or securities association, as then in effect.

(m) Forfeiture. The Committee may specify in an Award Agreement that the Participant’s rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, recoupment, reimbursement, or reacquisition upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant’s service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Company and/or its Subsidiaries. Notwithstanding any provisions to the contrary under this Plan, an Award will be subject to the Company’s clawback policy as may be established and/or amended from time to time (including without limitation pursuant to the listing standards of any national securities exchange or association on which the Company’s securities are listed or as may be required by the Dodd-Frank Wall Street Reform and Consumer Protection Act) (the “**Clawback Policy**”). The Committee may require a Participant to forfeit, return or reimburse the Company all or a portion of the Award and any amounts paid thereunder pursuant to the terms of the Clawback Policy or as necessary or appropriate to comply with applicable laws.

(n) Plan Effective Date. This Plan has been adopted by the Board effective as of January 1, 2022.

## Appendix B

SPECTRAL AI, INC.  
2018 LONG TERM INCENTIVE PLAN

## STOCK OPTION AGREEMENT

This Stock Option Agreement (this "Agreement") is made and entered into as of the Date of Grant set forth in the Notice of Grant of Stock Option (the "Notice of Grant") by and between Spectral AI, Inc., a Delaware corporation (the "Company"), and you:

WHEREAS, the Company, in order to induce you to enter into and continue in dedicated service to the Company and to materially contribute to the success of the Company, agrees to grant you an option to acquire an interest in the Company through the purchase of shares of stock of Spectral AI, Inc.;

WHEREAS, the Company adopted the Spectral AI, Inc. 2018 Long Term Incentive Plan, as it may be amended from time to time (the "Plan"), under which the Company is authorized to grant stock options to certain employees and service providers of the Company;

WHEREAS, a copy of the Plan has been furnished to you and shall be deemed a part of this Agreement as if fully set forth herein, and terms capitalized but not defined herein shall have the meaning set forth in the Plan; and

WHEREAS, you desire to accept the option under the conditions set forth in the Plan, the Notice of Grant, and this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other valuable consideration hereinafter set forth, the parties agree as follows:

1. The Grant. Subject to the conditions set forth below, the Company hereby grants to you, effective as of the Date of Grant set forth in the Notice of Grant, as a matter of separate inducement and not in lieu of any salary or other compensation for your services for the Company, the right and option to purchase (the "Option"), in accordance with the terms and conditions set forth herein and in the Plan, an aggregate of the number of shares of Stock set forth in the Notice of Grant (the "Option Shares"), at the Option Price set forth in the Notice of Grant.

2. Exercise.

(a) Option Shares shall be deemed "Nonvested Shares" unless and until they have become "Vested Shares" by vesting in accordance with the vesting schedule set forth in the Notice of Grant. The Option shall in all events terminate at the close of business on the tenth (10) anniversary of the date of this Agreement (the "Expiration Date"). Subject to other terms and conditions set forth herein, the Option may be exercised in cumulative installments in accordance with the vesting schedule set forth in the Notice of Grant, provided that you remain in the employ of or a service provider to the Company or its Subsidiaries until the applicable dates set forth therein.

(b) Subject to the relevant provisions and limitations contained herein, in the Notice of Grant, and in the Plan, you may exercise the Option with respect to all or a portion of the applicable number of Vested Shares at any time prior to the termination of the Option pursuant to this Agreement. No less than 1,000 Vested Shares may be purchased at any one time unless the number purchased is the total number of Vested Shares at that time purchasable under the Option. In no event shall you be entitled to exercise the Option for any Nonvested Shares or for a fraction of a Vested Share.

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(c) Any exercise by you of the Option shall be in writing addressed to the Secretary of the Company at its principal place of business. Exercise of the Option shall be made by delivery to the Company by you (or other person entitled to exercise the Option as provided hereunder) of (i) an executed "Notice of Stock Option Exercise," and (ii) payment of the aggregate purchase price for shares purchased pursuant to the exercise.

(d) Payment of the Option Price may be made, subject to the approval of the Company in the Company's sole and absolute discretion, (i) in cash, by certified or official bank check or by wire transfer of immediately available funds, (ii) by delivery to the Company of a number of shares of Stock having a Fair Market Value as of the date of exercise equal to the Option Price, (iii) by the delivery of a promissory note, or (iv) by net issue exercise, pursuant to which the Company will issue to you a number of shares of Stock as to which the Option is exercised, less a number of shares with a Fair Market Value as of the date of exercise equal to the Option Price.

(e) If you are on leave of absence for any reason, the Company may, in its sole discretion, determine that you will be considered to still be in the employ of or providing services for the Company, provided that rights to the Option will be limited to the extent to which those rights were earned or vested when the leave of absence began.

(f) The terms and provisions of the employment agreement, if any, between you and the Company or any Subsidiary (the "Employment Agreement") that relate to or affect the Option are incorporated herein by reference. Notwithstanding the foregoing provisions of this Section 2 or Section 3, in the event of any conflict or inconsistency between the terms and conditions of this Section 2 or Section 3 and the terms and conditions of the Employment Agreement, the terms and conditions of the Employment Agreement shall be controlling.

3. Effect of Termination of Service on Exercisability. Except as provided in Sections 6 and 7 or an Employment Agreement, the Option may be exercised only while you continue to perform services for the Company or any Subsidiary and will terminate and cease to be exercisable upon termination of your service, except as follows:

(a) Termination on Account of Disability. If your service with the Company or any Subsidiary terminates by reason of disability (within the meaning of section 22(e)(3) of the Code), the Option may be exercised by you (or your estate or the person who acquires the Option by will or the laws of descent and distribution or otherwise by reason of your death) at any time during the period ending on the earlier to occur of (i) the date that is one year following such termination, or (ii) the Expiration Date, but only to the extent the Option was exercisable for Vested Shares as of the date your service so terminates.

(b) Termination on Account of Death. If you cease to perform services for the Company or any Subsidiary due to your death, your estate, or the person who acquires the Option by will or the laws of descent and distribution or otherwise by reason of your death, may exercise the Option at any time during the period ending on the earlier to occur of (i) the date that is one year following your death, or (ii) the Expiration Date, but only to the extent the Option was exercisable for Vested Shares as of the date of your death.

(c) Termination not for Cause. If your service with the Company or any Subsidiary terminates for any reason other than as described in Sections 3(a) or (b), unless such service is terminated for Cause (as defined below), the Option may be exercised by you at any time during the period ending on the earlier to occur of (i) the date that is three months following your termination, or (ii) the Expiration Date, or by your estate (or the person who acquires the Option by will or the laws of descent and distribution or otherwise by reason of your death) during a period of one year following your death if you die during such three-month period, but in each such case only to the extent the Option was exercisable for Vested Shares as of the date of your termination. "Cause" means "cause" as defined in your Employment Agreement, or in the absence of such an agreement or such a definition, "Cause" will mean a determination by the Committee that you (A) have engaged in personal dishonesty, willful violation of any law, rule, or regulation (other than minor traffic violations or similar offenses), or breach of fiduciary duty involving personal profit, (B) have failed to satisfactorily perform your duties and responsibilities for the Company or any Subsidiary, (C) have been convicted of, or plead nolo contendere to, any felony or a crime involving moral turpitude, (D) have engaged in negligence or willful misconduct in the performance of your duties, including but not limited to willfully refusing without proper legal reason to perform your duties and responsibilities, (E) have materially breached any corporate policy or code of conduct established by the Company or any Subsidiary as such policies or codes may be adopted from time to time, (F) have violated the terms of any confidentiality, nondisclosure, intellectual property, nonsolicitation, noncompetition, proprietary information or inventions agreement, or any other agreement between you and the Company or any Subsidiary related to your service with the Company or any Subsidiary, or (G) have engaged in conduct that is likely to have a deleterious effect on the Company or any Subsidiary or their legitimate business interests, including but not limited to their goodwill and public image.

4. Transferability. The Option, and any rights or interests therein, will be transferable by you only to the extent approved by the Committee in conformance with Section 9(b) of the Plan.

5. Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the grant of the Option and the issuance of Stock will be subject to compliance with all applicable requirements of federal, state, and foreign securities laws and with the requirements of any stock exchange or market system upon which the Stock may then be listed. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (a) a registration statement under the Securities Act of 1933, as amended (the "Act"), is at the time of exercise of the Option in effect with respect to the shares issuable upon exercise of the Option or (b) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Act. **YOU ARE CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, YOU MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED.** The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option will relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority has not been obtained. As a condition to the exercise of the Option, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

6. Extension if Exercise Prevented by Law. Notwithstanding Section 3, if the exercise of the Option within the applicable time periods set forth in Section 3 is prevented by the provisions of Section 5, the Option will remain exercisable until 30 days after the date you are notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

7. Extension if You are Subject to Section 16(b). Notwithstanding Section 3, if a sale within the applicable time periods set forth in Section 3 of shares acquired upon the exercise of the Option would subject you to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, the Option will remain exercisable until the earliest to occur of (a) the 10th day following the date on which a sale of such shares by you would no longer be subject to such suit, (b) the 190th day after your termination of service with the Company and any Subsidiary, or (c) the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

8. Withholding Taxes. The Committee may, in its discretion, require you to pay to the Company, at the time of an exercise of the Option or thereafter, the amount that the Committee deems necessary to satisfy the Company's current or future obligation to withhold federal, state or local income or other taxes that you incur by exercising the Option. In connection with such an event requiring tax withholding, you may (a) direct the Company to withhold from the shares of Stock to be issued to you the number of shares necessary to satisfy the Company's obligation to withhold taxes, that determination to be based on the shares' Fair Market Value as of the date of exercise; (b) deliver to the Company sufficient shares of Stock (based upon the Fair Market Value as of the date of such delivery) to satisfy the Company's tax withholding obligation; or (c) deliver sufficient cash to the Company to satisfy its tax withholding obligations. If you elect to use a Stock withholding feature you must make the election at the time and in the manner that the Committee prescribes. The Committee may, at its sole option, deny your request to satisfy withholding obligations through shares of Stock instead of cash. In the event the Committee subsequently determines that the aggregate Fair Market Value (as determined above) of any shares of Stock withheld or delivered as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then you shall pay to the Company, immediately upon the Committee's request, the amount of that deficiency in the form of payment requested by the Committee.

9. Status of Stock. With respect to the status of the Stock, at the time of execution of this Agreement you understand and agree to all of the following:

(a) You understand that at the time of the execution of this Agreement the shares of Stock to be issued upon exercise of the Option have not been registered under the Act or any state securities law and that the Company does not currently intend to effect any such registration. In the event exemption from registration under the Act is available upon an exercise of the Option, you (or such other person permitted to exercise the Option if applicable), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to ensure compliance with applicable securities laws.

(b) You agree that the shares of Stock that you may acquire by exercising the Option will be acquired for investment without a view to distribution, within the meaning of the Act, and will not be sold, transferred, assigned, pledged, or hypothecated in the absence of an effective registration statement for the shares under the Act and applicable state securities laws or an applicable exemption from the registration requirements of the Act and any applicable state securities laws. You also agree that the shares of Stock that you may acquire by exercising the Option will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable securities laws, whether federal or state.

(c) You agree that (i) the Company may refuse to register the transfer of the shares of Stock purchased under the Option on the stock transfer records of the Company if such proposed transfer would, in the opinion of counsel satisfactory to the Company, constitute a violation of any applicable securities law and (ii) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock purchased under the Option.

10. Adjustments. The terms of the Option shall be subject to adjustment from time to time, in accordance with the following provisions:

(a) If at any time, or from time to time, the Company shall subdivide as a whole (by reclassification, by a Stock split, by the issuance of a distribution on Stock payable in Stock or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then the number of shares of Stock (or other kind of securities) that may be acquired under the Option shall be increased proportionately and the Option Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be reduced proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(b) If at any time, or from time to time, the Company shall consolidate as a whole (by reclassification, reverse Stock split or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, the number of shares of Stock (or other kind of shares or securities) that may be acquired under the Option shall be decreased proportionately and the Option Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be increased proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(c) Whenever the number of shares of Stock subject to the Option and the price for each share of Stock subject to the Option are required to be adjusted as provided in this Section 10, the Committee shall promptly prepare a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable by you pursuant to the exercise of the Option or subject to the Option after giving effect to the adjustments. The Committee shall promptly give you such a notice.

(d) Adjustments under this Section 10 shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

11. Right of First Refusal. Stock that may be acquired pursuant hereto is subject to the provisions of Section 9(c) of the Plan.

12. Purchase Option. Stock that may be acquired pursuant hereto is subject to the provisions of Section 9(d) of the Plan.

13. Lock-Up Period. You hereby agree that, if so requested by the Company or any representative of the underwriters (the “Managing Underwriter”) in connection with any registration of the offering of any securities of the Company under the Act, you will not sell or otherwise transfer any Option Shares or other securities of the Company during the 180-day period (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the “Market Standoff Period”) following the effective date of a registration statement of the Company filed under the Act. Such restriction will apply only to the first registration statement of the Company to become effective under the Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

14. Stockholder Agreement. The Committee may, in its sole discretion, condition the delivery of Stock pursuant to an exercise of the Option upon your entering into a stockholder agreement in such form as approved from time to time by the Board.



15. Legends. The Company may at any time place legends, referencing any restrictions imposed on the shares pursuant to Sections 9, 11, 12, or 13 of this Agreement, and any applicable federal, state or foreign securities law restrictions, on all certificates representing shares of Stock subject to the provisions of this Agreement.

16. Notice of Sales Upon Disqualifying Disposition of ISO. If the Option is designated as an Incentive Stock Option in the Notice of Grant, you must comply with the provisions of this Section 16. You must promptly notify the Chief Executive Officer of the Company if you dispose of any of the shares acquired pursuant to the Option within one year after the date you exercise all or part of the Option or within two years after the Date of Grant. Until such time as you dispose of such shares in a manner consistent with the provisions of this Agreement, unless otherwise expressly authorized by the Company, you must hold all shares acquired pursuant to the Option in your name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after the Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. Your obligation to notify the Company of any such transfer will continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

17. Right to Terminate Services. Nothing contained in this Agreement shall confer upon you the right to continue in the employ of, or performing services for, the Company or any Subsidiary, or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time.

18. Furnish Information. You agree to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

19. Remedies. The Company shall be entitled to recover from you reasonable attorneys' fees incurred in connection with the enforcement of the terms and provisions of this Agreement whether by an action to enforce specific performance or for damages for its breach or otherwise.

20. No Liability for Good Faith Determinations. The Company and the members of the Committee and the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to the Plan, the Notice of Grant, this Agreement, or the Option or an exercise thereof.

21. Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of shares of Stock or other property to you, or to your legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such persons hereunder. The Company may require you or your legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefore in such form as it shall determine.

22. No Guarantee of Interests. The Board and the Company do not guarantee the Stock of the Company from loss or depreciation.

23. Company Records. Records of the Company regarding your service and other matters shall be conclusive for all purposes hereunder, unless determined by the Company to be incorrect.

24. Notice. Each notice required or permitted under this Agreement must be in writing and personally delivered or sent by mail and shall be deemed to be delivered on the date on which such notice is actually received by the person to whom it is properly addressed or if earlier the date sent via certified mail.

25. Waiver of Notice. Any person entitled to notice hereunder may, by written form, waive such notice.

26. Information Confidential. As partial consideration for the granting of the Option, you agree that you will keep confidential all information and knowledge that you have relating to the manner and amount of your participation in the Plan; provided, however, that such information may be disclosed as required by law and may be given in confidence to your spouse, tax and financial advisors. In the event any breach of this promise comes to the attention of the Company, it shall take into consideration that breach in determining whether to recommend the grant of any future similar award to you, as a factor weighing against the advisability of granting any such future award to you.

27. Successors. This Agreement shall be binding upon you, your legal representatives, heirs, legatees and distributees, and upon the Company, its successors and assigns.

28. Severability. If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

29. Company Action. Any action required of the Company shall be by resolution of the Board or by a person authorized to act by resolution of the Board.

30. Headings. The titles and headings of paragraphs are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

31. Governing Law. All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Texas, without giving any effect to any conflict of law provisions thereof, except to the extent Texas state law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

32. Consent to Texas Jurisdiction and Venue. You hereby consent and agree that state courts located in Dallas County, Texas and the United States District Court for the Northern District of Texas each shall have personal jurisdiction and proper venue with respect to any dispute between you and the Company arising in connection with the Option, the Plan, the Notice of Grant, or this Agreement. In any dispute with the Company, you will not raise, and you hereby expressly waive, any objection or defense to any such jurisdiction as an inconvenient forum.

33. Word Usage. Words used in the masculine shall apply to the feminine where applicable, and wherever the context of this Agreement dictates, the plural shall be read as the singular and the singular as the plural.

34. No Assignment. You may not assign this Agreement or any of your rights under this Agreement without the Company's prior written consent, and any purported or attempted assignment without such prior written consent shall be void.

35. Miscellaneous.

(a) This Agreement is subject to all the terms, conditions, limitations and restrictions contained in the Plan. In the event of any conflict or inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall be controlling.

(b) The Option may be amended by the Board or by the Committee at any time (i) if the Board or the Committee determines, in its sole discretion, that amendment is necessary or advisable in light of any addition to or change in any federal or state tax or securities law or other law or regulation, which change occurs after the Date of Grant and by its terms applies to the Option; or (ii) other than in the circumstances described in clause (i) or provided in the Plan, with your consent.

(c) The Option Shares will not qualify as “incentive stock options” under section 422 of the Code (i) if you dispose of the Stock acquired upon exercise of the Option within two years from the Date of Grant or within one year after such Stock was acquired pursuant to an exercise of the Option, or otherwise fail to comply with the requirements of section 422 of the Code, or (ii) to the extent the aggregate Fair Market Value of stock subject to “incentive stock options” held by you which become exercisable for the first time in any calendar year (under all plans of the Company or any parent of the Company or Subsidiary) exceeds \$100,000 (determined as of the date of grant of such options). To the extent that any of the Option Shares do not qualify for treatment as “incentive stock options” under section 422 of the Code, the same shall be treated as non-qualified stock options.

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## SPECTRAL AI, INC.

## NOTICE OF RESTRICTED STOCK UNIT AWARD

Subject to the terms and conditions of this Notice of Restricted Stock Unit Award (this "**Notice**"), the Restricted Stock Unit Award Agreement attached hereto, including its exhibits (collectively, the "**Award Agreement**"), and the Spectral AI, Inc. 2018 Long Term Incentive Plan (the "**Plan**"), the below individual (the "**Grantee**") is hereby granted Restricted Stock Units with respect to the below number of shares of Stock (the "**RSUs**") in Spectral AI, Inc., a Delaware corporation (the "**Company**"). For purposes of this Notice and the Award Agreement, "**Stock**" means the Company's Common Stock, par value \$0.001 per share, and such other securities as may be substituted (or resubstituted) for Stock in connection with a recapitalization or reorganization or other similar change in the Company's capital structure. Capitalized terms not explicitly defined herein but defined in the Plan or the Award Agreement shall have the meanings set forth in the Plan or the Award Agreement.

**Identifying Information:**

Grantee Name:	Date of Grant:
Exercise Price:	Number of RSUs:

**Vesting Schedule:**

Subject to the terms of this Notice and the Award Agreement, including Section 3 of the Award Agreement, the RSUs shall vest as follows:

- 50% of the RSUs granted shall vest on the first anniversary of the Date of Grant;
- 25% of the RSUs granted shall vest on the second anniversary of the Date of Grant; and
- 25% of the RSUs granted shall vest on the third anniversary of the Date of Grant.

Upon vesting, one share of Stock shall be issued to the Grantee at the time set forth in Section 5 of the Award Agreement for each RSU that vests.

The Notice and the Award Agreement sets forth the entire understanding between the Grantee and the Company regarding the acquisition of Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to the Grantee, and (ii) any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and the Grantee in each case that specifies the terms that should govern this grant of RSUs.

[SIGNATURES ON NEXT PAGE]

By the Grantee's signature and the signature of the Company's representative below, the Grantee and the Company agree that the RSUs granted herein are governed by the terms and conditions of this Notice and the Award Agreement.

**SPECTRAL AI, INC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

**GRANTEE ACKNOWLEDGMENT**

The Grantee acknowledges receipt of a copy of this Notice and the Award Agreement, and represents that he or she is familiar with the provisions hereof and thereof, and hereby accepts the RSUs subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice and the Award Agreement in their entirety, has had an opportunity to obtain the advice of legal counsel prior to executing this Notice and the Award Agreement, and fully understands all provisions of this Notice and the Award Agreement. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice and the Award Agreement shall be resolved by the Company's Board of Directors (the "**Board**").

The Grantee hereby acknowledges that he or she has had the opportunity to review with his or her own tax advisors the tax consequences of this Notice and the Award Agreement, and the transactions contemplated hereby and thereby, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction, prior to executing this Notice and the Award Agreement. The Grantee attests that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents or affiliates. Further, the Grantee hereby acknowledges and understands that he or she (and not the Company) shall be solely responsible for his or her tax liability that may arise as a result of this Notice and the Award Agreement.

**GRANTEE:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_

SPECTRAL AI, INC.

RESTRICTED STOCK UNIT AWARD AGREEMENT

Subject to the terms and conditions of the Notice of Restricted Stock Unit Award (the “*Notice*”), this Restricted Stock Unit Award Agreement, including its exhibits (collectively, this “*Award Agreement*”), and the Plan, the individual set forth in the Notice (the “*Grantee*”) is granted Restricted Stock Units (“*RSUs*”) with respect to shares of Stock of Spectral AI, Inc., a Delaware corporation (the “*Company*”). Capitalized terms not explicitly defined herein but defined in the Plan or the Notice shall have the meanings set forth in the Plan or the Notice.

1. Grant of Restricted Stock Units. This Award Agreement represents your right to be issued on a future date the number of shares of the Company’s Stock that is equal to the number of RSUs indicated in the Notice as may be modified to reflect any capitalization adjustment and subject to your satisfaction of the vesting conditions set forth therein. Any additional RSUs that become subject to the Award Agreement pursuant to capitalization adjustments as set forth in the Plan, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other RSUs covered by this Award Agreement. The grant of RSUs hereunder is subject to all of the provisions of the Plan.

2. Vesting. The RSUs shall vest as indicated in the Notice.

3. Termination; Forfeiture. Any unvested RSUs shall be immediately and automatically forfeited upon the earliest to occur of any of the following: (i) the cessation of the Grantee's continuous status as an Eligible Person, (ii) the failure or refusal of the Grantee to timely execute any exhibit to this Award Agreement (as determined in the sole discretion of the Board), or (iii) the failure of the Grantee to satisfy any withholding obligation of the Company. The Company shall implement any forfeiture under this Section 3 in a unilateral manner, without having to obtain the Grantee's consent, and the Company shall not pay any consideration to the Grantee, cash or otherwise, for any RSUs that are forfeited pursuant to this Section 3.

4. Date of Issuance. The issuance of shares of Stock in respect of the RSUs is intended to comply with Treasury Regulations Section 1.409A-1(b) (4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation (defined below), if any, in the event one or more RSUs vests, the Company shall issue to you one (1) share of Stock for each RSU that vests as soon as administratively practicable following the applicable vesting date(s) (subject to any adjustment under Section 1 above, and subject to any different provisions in the Notice), but in no event later than March 15 of the calendar year following the calendar year in which such vesting occurs.

5. Transfer Restrictions.

(a) Binding Upon Successors. The terms of the Notice and this Award Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Grantee.

(b) Transferability.

(i) Any or all of the RSUs may be transferred pursuant to a qualified domestic relations order entered or approved by a court of competent jurisdiction upon delivery to the Company of written notice of such transfer and a certified copy of such order.

(ii) Except as expressly permitted by Subsection 5(b)(i), any or all of the RSUs shall not be transferable other than by will or the laws of descent and distribution.

(iii) Following the transfer of any of the RSUs as contemplated by Subsections 5(b)(i) and 5(b)(ii), such RSUs shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer.

(iv) If the Grantee desires to transfer any of the RSUs as permitted under Subsection 5(b)(i), the Grantee shall make application therefor in the manner and time specified by the Board and shall comply with such other requirements as the Board may require to assure compliance with all applicable securities laws. The Board shall not give permission for such a transfer if it may not be made in compliance with all applicable federal, state and foreign securities laws.

(v) The Company shall not have any obligation to register the Stock issued in settlement of the RSUs under a registration statement of the Company.

(vi) The rights and obligations pursuant to this Subsection 5(b) shall terminate upon the date of a Qualifying Public Offering.

(c) Purchase Option. The shares of Stock issued pursuant to the terms of this Award Agreement shall be subject to the Company's Purchase Option under Section 9(d) of the Plan.

6. Taxes. The Grantee hereby acknowledges and understands that he or she may suffer adverse tax consequences as a result of the Grantee's receipt of, vesting in, or disposition of, the RSUs. As a condition to accepting this grant of RSUs, the Grantee hereby (a) agrees to not make any claim against the Company, or any of its officers, directors, employees or affiliates related to tax liabilities arising from this grant of RSUs or other Company compensation and (b) acknowledges that the Grantee was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of this grant of RSUs and has either done so or knowingly and voluntarily declined to do so.

(a) Representations. The Grantee has reviewed with his or her own tax advisors the tax consequences of the transactions contemplated by the Notice and this Award Agreement, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee hereby acknowledges and understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of the transactions contemplated by the Notice and this Award Agreement.



(b) Payment of Withholding Taxes. As further provided in Section 9(e) of the Plan, the Grantee hereby authorizes withholding from payroll and any other amounts payable to the Grantee, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax withholding obligations, if any, which arise in connection with the RSUs (the “*Withholding Obligation*”) in accordance with the withholding procedures established by the Company. Unless the Withholding Obligation is satisfied, the Company shall have no obligation to deliver to the Grantee any Stock in respect of the RSUs. In the event the Withholding Obligation of the Company arises prior to the delivery to the Grantee of Stock or it is determined after the delivery of Stock to the Grantee that the amount of the Withholding Obligation was greater than the amount withheld by the Company, the Grantee agrees to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

(c) Section 409A of the Code. The grant of RSUs hereunder is intended to be exempt from, or comply with Section 409A of the Code, and the provisions hereunder shall be interpreted consistent with that intent. To the extent that the grant of RSUs hereunder is determined to be subject to the requirements of Section 409A of the Code, such grant of RSUs shall be subject to such additional rules and requirements as specified by the Board from time to time in order to comply with Section 409A of the Code and the vesting of any RSUs may not be accelerated or delayed except to the extent permitted by Section 409A of the Code. To the extent that the RSUs are determined to be subject to Section 409A of the Code, termination of the Grantee’s continuous service, whether voluntary or involuntary, shall be determined by the Company in accordance with the requirements of Treasury Regulation Section 1.409A-1(h) which defines “separation from service.” No action or failure by the Company in good faith to act pursuant to this Section 6(c) shall subject the Company to any claim, liability, or expense, and the Company shall not have any obligation to indemnify or otherwise protect the Grantee from the obligation to pay any taxes pursuant to Section 409A of the Code. The Company makes no representation or warranty and shall have no liability to the Grantee, or any other person, if the grant of RSUs hereunder is determined to constitute deferred compensation under Section 409A of the Code that are subject to the 20% excise tax under Section 409A of the Code.

## 7. Market Stand-Off

(a) The Grantee agrees that he or she shall not directly or indirectly (i) lend; offer; pledge; 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; or otherwise transfer or dispose of, directly or indirectly, any shares of Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for shares of Stock (whether such shares or any such securities are then owned by the holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of Stock or other securities, in cash, or otherwise. Such restriction (the “*Market Stand-Off*”) shall be in effect for such period of time commencing on and following the date of the final prospectus for any Qualifying Public Offering as may be requested by the Company or its underwriters. In no event, however, shall the Market Stand-Off period exceed 180 days or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto, following such Qualifying Public Offering. In the event of the declaration of a share dividend, a spin-off, a share split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company’s outstanding securities without receipt of consideration, any new, substituted or additional securities that are by reason of such transaction distributed with respect to any shares of Stock subject to the Market Stand-Off, or into which such shares of Stock thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the shares of Stock acquired under this Award Agreement until the end of the applicable Market Stand-Off period. The Company’s underwriters shall be beneficiaries of the agreement set forth in this Section 7, and the Grantee agrees that any transferee of the Grantee shall be bound by the provisions of this Section 7. This Section 7 shall not apply to shares of Stock registered in the Qualifying Public Offering.

(b) The Grantee shall execute and deliver such other agreements as may be reasonably requested by the Company or its underwriters that are consistent with this Section 7 or that are necessary to give further effect hereto. In addition, if requested by the Company or its underwriters, the Grantee shall provide, within ten (10) days of this request, such information as may be required by the Company or its underwriters in connection with the completion of the Company's first Qualifying Public Offering.

#### 8. Drag-Along Right.

(a) Actions to be Taken. In the event that either (i) the holders of at least a majority of the then issued and outstanding shares of Stock (on an as-converted to common stock basis) (the "**Selling Investors**"), or (ii) the Board, approve entering into a Change in Control in writing, and such approval specifies that this Section 8 shall apply to such Change in Control, then:

(i) if such transaction requires shareholder approval, then with respect to all shares of Stock owned by the Grantee, the Grantee hereby agrees to vote (in person, by proxy or by action by written consent, as applicable) all such shares of Stock in favor of, and adopt, such Change in Control (together with any related amendment to the certificate of incorporation or bylaws required in order to implement such Change in Control) and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Change in Control;

(ii) if such transaction is a stock sale, the Grantee hereby agrees to sell the same proportion of shares of Stock as is being sold by the Selling Investors to the same acquirer to whom the Selling Investors propose to sell their shares, and, except as permitted below, on the same terms and conditions as the Selling Investors;

(iii) the Grantee hereby agrees to execute and deliver all related documentation and take such other action in support of the Change in Control as shall reasonably be requested by the Company or the Selling Investors in order to carry out the terms and provisions of this Section 8, including without limitation executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow 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) the Grantee hereby agrees not to deposit, and to cause the Grantee's affiliates not to deposit, except as provided in this Award Agreement, any shares of Stock of the Company owned by such party or affiliate in a voting trust or subject any shares of Stock of the Company to any arrangement or agreement with respect to the voting of such shares of Stock, unless specifically requested to do so by the acquirer in connection with the Change in Control;

(v) the Grantee hereby agrees to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Change in Control; and

(vi) if the consideration to be paid in exchange for the shares of Stock pursuant to this Section 8 includes any securities, then the Grantee hereby agrees to (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 the Grantee 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, as amended, and the Company may cause to be paid to the Grantee in lieu thereof, against surrender of the shares which would have otherwise been sold by the Grantee, an amount in cash equal to the fair market value (as determined in good faith by the Board) of the securities which the Grantee would otherwise receive as of the date of the issuance of such securities in exchange for the shares.

(b) Exceptions. Notwithstanding the foregoing, the Grantee shall not be required to comply with Section 8(a) in connection with any proposed Change in Control (the “*Proposed Sale*”) unless:

(i) any representations and warranties to be made by the Grantee in connection with the Proposed Sale are limited to representations and warranties that (A) the shares of common stock which the Grantee purports to hold are free and clear of all liens and encumbrances, (B) the obligations of the Grantee in connection with the transaction have been duly authorized, if applicable, (C) the documents to be entered into by the Grantee have been duly executed by the Grantee and delivered to the acquirer and are enforceable against the Grantee in accordance with their respective terms, and (D) neither the execution and delivery of the documents to be entered into in connection with the transaction, nor the performance of the Grantee's obligations thereunder, will cause a breach or violation of the terms of any agreement, law, or judgment, order or decree of any court or governmental agency;

(ii) the Grantee shall not be liable for the inaccuracy of any representation or warranty made by any other individual or entity in connection with the Proposed Sale, other than the Company (except to the extent that (A) funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any shareholder of any of identical representations, warranties and covenants provided by all shareholders, and (B) the inaccuracies were made by the Company in connection with the grant of the shares of Stock under this Award Agreement);

(iii) the liability for indemnification, if any, of the Grantee in the Proposed Sale and for the inaccuracy of any representations and warranties made by the Company or its shareholders in connection with such Proposed Sale, is several and not joint with any other individual or entity (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any shareholder of any of identical representations, warranties and covenants provided by all shareholders), and is pro rata in proportion to, and does not exceed, the amount of consideration paid to the Grantee in connection with such Proposed Sale;

(iv) liability shall be limited to the Grantee's applicable shares of common stock (determined based on the respective proceeds payable to each shareholder in connection with such Proposed Sale in accordance with the provisions of the Company's Certificate of Incorporation and/or Bylaws) of a negotiated aggregate indemnification amount that applies equally to all shareholders but that in no event exceeds the amount of consideration otherwise payable to the Grantee in connection with such Proposed Sale, except with respect to claims related to fraud by the Grantee, the liability for which need not be limited as to the Grantee;

(v) upon the consummation of the Proposed Sale, (A) each holder of each class or series of the Company's shares of common stock will receive the same form of consideration for their shares of such class or series as is received by other shareholders in respect of their shares of such same class or series, and (B) each shareholder holding such shares will receive the same amount of consideration per share as is received by other shareholders in respect of their shares of such same series; provided, however, that, notwithstanding the foregoing, if the consideration to be paid in exchange for the shares of common stock, pursuant to this Section 8(b)(v) 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 any 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, as amended, the Company may cause to be paid to any such shareholder in lieu thereof, against surrender of the shares, as applicable, which would have otherwise been sold by such shareholder, an amount in cash equal to the fair market value (as reasonably determined by the Board) of the securities which such shareholder would otherwise receive as of the date of the issuance of such securities in exchange for the shares, as applicable; and

(vi) subject to Section 8(b)(v), requiring the same form of consideration to be available to the shareholders of any single class or series of shares, if any such shareholders of any shares of the Company are given an option as to the form and amount of consideration to be received as a result of the Proposed Sale, all shareholders of such shares will be given the same option; provided, however, that nothing in this Section 8(b)(vi) shall entitle any shareholder to receive any form of consideration that such shareholder would be ineligible to receive as a result of such shareholder's failure to satisfy any condition, requirement or limitation that is generally applicable to the Company's shareholders.

#### 9. Additional Restrictions on Transfer

(a) Legends. The Grantee hereby acknowledges that he or she understands and agrees that, upon the issuance of shares of Stock following the vesting of the RSUs, the Company may cause the legends set forth below, or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of Stock, together with any other legends that may be required by the Company or by state or U.S. federal securities laws or other applicable laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED OR REGISTERED UNDER STATE SECURITIES OR BLUE SKY LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION, AND NEITHER THESE SECURITIES NOR ANY INTEREST OR PARTICIPATION THEREIN MAY BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR DISPOSED OF EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, APPLICABLE STATE SECURITIES OR BLUE SKY LAWS AND THE APPLICABLE RULES AND REGULATIONS THEREUNDER. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, A PURCHASE OPTION HELD BY THE ISSUER OR ITS ASSIGNEE(S), AND DRAG-ALONG RIGHTS AS SET FORTH IN THE RESTRICTED STOCK UNIT AWARD AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES. A COPY OF SUCH AGREEMENT MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH RESTRICTIONS ON TRANSFER, PURCHASE OPTION, AND DRAG-ALONG RIGHTS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Stop-Transfer Notices. The Grantee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Restricted Securities. The Grantee understands that the Stock issued with respect to the RSUs granted hereunder may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption therefrom, and that in the absence of an effective registration statement covering the shares of Stock or an available exemption from registration under the Securities Act, the shares of Stock must be held indefinitely. In particular, the Grantee is aware that the shares of Stock may not be sold pursuant to Rule 144 promulgated under the Securities Act unless all of the conditions of that Rule are met. Among the conditions for use of Rule 144 may be the availability of current information to the public about the Company. The Grantee understands that such information is not now available and the Company has no present plans to make such information available.

(d) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any shares of Stock that have been sold or otherwise transferred in violation of any of the provisions of this Award Agreement, or (ii) treat as owner of shares of Stock or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares of Stock shall have been so transferred.

## 10. General Provisions.

(a) Notice. Any notice required by the terms of this Award Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided to the Company.

(b) No Assignment. Except as otherwise expressly permitted in this Award Agreement, the Grantee shall not assign any of his or her rights under this Award Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion.

(c) Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and the terms and conditions of this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, the terms and conditions of this Award Agreement shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

(d) Governing Law; Severability. The Notice and this Award Agreement are governed by the laws of the State of Texas applicable to contracts executed in and to be performed in that State. If any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

(e) Venue. The Company and the Grantee (on behalf of himself or herself and his or her heirs, executors, administrators, successors and assigns) agree that any suit, action or proceeding arising out of or related to the Notice or this Award Agreement shall be brought in the United States District Court for the Northern District of Texas (or should such court lack jurisdiction to hear such action, suit or proceeding, in a state court in Dallas County, Texas) and that all parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 10(e) shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

(f) Interpretation. Any determination by the Board in connection with any question or issue arising under the Notice or this Award Agreement shall be final, conclusive, and binding on the Grantee, the Company, and all other persons. Any question or dispute regarding the interpretation of the Notice or this Award Agreement or the receipt of the RSUs hereunder shall be submitted by the Grantee to the Board. The resolution of such a dispute by the Board shall be final and binding on all parties.

(g) Headings. The section headings in this Award Agreement are inserted only as a matter of convenience, and in no way define, limit or interpret the scope of this Award Agreement or of any particular section.

(h) Counterparts. The Notice, this Award Agreement and each of the exhibits hereto 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.

(i) Entire Agreement. The Notice and Exhibit A to this Award Agreement (the “*Spousal Consent*”) are incorporated herein by reference. The Notice, this Award Agreement and the Spousal Consent constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified except by means of a writing signed by the Company and the Grantee.

(j) Survival of Provisions. The provisions of this Award Agreement and its related exhibits shall survive any termination of Eligible Person status of the Grantee, regardless of the reasons for such termination.

(k) No Guarantee of Eligible Person Status. THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE NOTICE, THE RSUS GRANTED HEREUNDER AND THEREUNDER, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THEREUNDER, AND THE VESTING SCHEDULE SET FORTH IN THE NOTICE DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT OR STATUS AS AN ELIGIBLE PERSON FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE GRANTEE'S RIGHT OR THE COMPANY'S OR ITS AFFILIATE'S RIGHT TO TERMINATE THE GRANTEE'S RELATIONSHIP AS AN ELIGIBLE PERSON AT ANY TIME, WITH OR WITHOUT CAUSE.

(l) Spousal Consent. To the extent the Grantee is or becomes married, the Grantee agrees to (i) provide the Grantee's spouse with a copy of the Notice and this Award Agreement, and (ii) obtain such spouse's consent to the Notice and this Award Agreement as evidenced by such spouse's execution of the Spousal Consent attached hereto as Exhibit A.

(m) Amendment. Any provision of this Award Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument signed by the parties hereto.

(n) Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

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IN WITNESS WHEREOF, this Restricted Stock Unit Award Agreement has been executed by the Grantee and the Company.

**GRANTEE:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Dated: \_\_\_\_\_

**SPECTRAL AI, INC.**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

SPECTRAL AI, INC.

RESTRICTED STOCK UNIT AWARD AGREEMENT

EXHIBIT A

SPOUSAL CONSENT

I, the undersigned, hereby certify that:

1. I am the spouse of [●].
2. Each of the undersigned and the undersigned's spouse is a resident of \_\_\_\_\_.
3. I have read the Notice of Restricted Stock Unit Award (the "*Notice*") and the Restricted Stock Unit Award Agreement (the "*Award Agreement*") by and between Spectral AI, Inc., a Delaware corporation (the "*Company*"), and my spouse. I have had the opportunity to consult independent legal counsel regarding the contents of the Notice and the Award Agreement.
4. I understand the terms and conditions of the Notice and the Award Agreement.
5. I hereby consent to the terms of the Notice and the Award Agreement and to their application to and binding effect upon any community property or other interest I may have in the shares of Stock (it being understood that this Spousal Consent shall in no way be construed to create any such interest). I agree that I will take no action at any time to hinder the operation of the transactions contemplated in and by the Notice and the Award Agreement.

IN WITNESS WHEREOF, this Spousal Consent has been executed as of \_\_\_\_\_.

**SPOUSE:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_



SPECTRAL AI, INC.  
2022 LONG TERM INCENTIVE PLAN

STOCK OPTION AGREEMENT

This Stock Option Agreement (this “Agreement”) is made and entered into as of the Date of Grant set forth in the Notice of Grant of Stock Option (the “Notice of Grant”) by and between Spectral AI, Inc., a Delaware corporation (the “Company”), and you:

WHEREAS, the Company, in order to induce you to enter into and continue in dedicated service to the Company and to materially contribute to the success of the Company, agrees to grant you an option to acquire an interest in the Company through the purchase of shares of stock of Spectral AI, Inc.;

WHEREAS, the Company adopted the Spectral AI, Inc. 2022 Long Term Incentive Plan, as it may be amended from time to time (the “Plan”), under which the Company is authorized to grant stock options to certain employees and service providers of the Company;

WHEREAS, a copy of the Plan has been furnished to you and shall be deemed a part of this Agreement as if fully set forth herein, and terms capitalized but not defined herein shall have the meaning set forth in the Plan; and

WHEREAS, you desire to accept the option under the conditions set forth in the Plan, the Notice of Grant, and this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other valuable consideration hereinafter set forth, the parties agree as follows:

1. The Grant. Subject to the conditions set forth below, the Company hereby grants to you, effective as of the Date of Grant set forth in the Notice of Grant, as a matter of separate inducement and not in lieu of any salary or other compensation for your services for the Company, the right and option to purchase (the “Option”), in accordance with the terms and conditions set forth herein and in the Plan, an aggregate of the number of shares of Stock set forth in the Notice of Grant (the “Option Shares”), at the Option Price set forth in the Notice of Grant.

2. Exercise.

(a) Option Shares shall be deemed “Nonvested Shares” unless and until they have become “Vested Shares” by vesting in accordance with the vesting schedule set forth in the Notice of Grant. The Option shall in all events terminate at the close of business on the tenth (10) anniversary of the date of this Agreement (the “Expiration Date”). Subject to other terms and conditions set forth herein, the Option may be exercised in cumulative installments in accordance with the vesting schedule set forth in the Notice of Grant, provided that you remain in the employ of or a service provider to the Company or its Subsidiaries until the applicable dates set forth therein.

(b) Subject to the relevant provisions and limitations contained herein, in the Notice of Grant, and in the Plan, you may exercise the Option with respect to all or a portion of the applicable number of Vested Shares at any time prior to the termination of the Option pursuant to this Agreement. No less than 1,000 Vested Shares may be purchased at any one time unless the number purchased is the total number of Vested Shares at that time purchasable under the Option. In no event shall you be entitled to exercise the Option for any Nonvested Shares or for a fraction of a Vested Share.

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(c) Any exercise by you of the Option shall be in writing addressed to the Secretary of the Company at its principal place of business. Exercise of the Option shall be made by delivery to the Company by you (or other person entitled to exercise the Option as provided hereunder) of (i) an executed "Notice of Stock Option Exercise," and (ii) payment of the aggregate purchase price for shares purchased pursuant to the exercise.

(d) Payment of the Option Price may be made, subject to the approval of the Company in the Company's sole and absolute discretion, (i) in cash, by certified or official bank check or by wire transfer of immediately available funds, (ii) by delivery to the Company of a number of shares of Stock having a Fair Market Value as of the date of exercise equal to the Option Price, (iii) by the delivery of a promissory note, or (iv) by net issue exercise, pursuant to which the Company will issue to you a number of shares of Stock as to which the Option is exercised, less a number of shares with a Fair Market Value as of the date of exercise equal to the Option Price.

(e) If you are on leave of absence for any reason, the Company may, in its sole discretion, determine that you will be considered to still be in the employ of or providing services for the Company, provided that rights to the Option will be limited to the extent to which those rights were earned or vested when the leave of absence began.

(f) The terms and provisions of the employment agreement, if any, between you and the Company or any Subsidiary (the "Employment Agreement") that relate to or affect the Option are incorporated herein by reference. Notwithstanding the foregoing provisions of this Section 2 or Section 3, in the event of any conflict or inconsistency between the terms and conditions of this Section 2 or Section 3 and the terms and conditions of the Employment Agreement, the terms and conditions of the Employment Agreement shall be controlling.

3. Effect of Termination of Service on Exercisability. Except as provided in Sections 6 and 7 or an Employment Agreement, the Option may be exercised only while you continue to perform services for the Company or any Subsidiary and will terminate and cease to be exercisable upon termination of your service, except as follows:

(a) Termination on Account of Disability. If your service with the Company or any Subsidiary terminates by reason of disability (within the meaning of section 22(e)(3) of the Code), the Option may be exercised by you (or your estate or the person who acquires the Option by will or the laws of descent and distribution or otherwise by reason of your death) at any time during the period ending on the earlier to occur of (i) the date that is one year following such termination, or (ii) the Expiration Date, but only to the extent the Option was exercisable for Vested Shares as of the date your service so terminates.

(b) Termination on Account of Death. If you cease to perform services for the Company or any Subsidiary due to your death, your estate, or the person who acquires the Option by will or the laws of descent and distribution or otherwise by reason of your death, may exercise the Option at any time during the period ending on the earlier to occur of (i) the date that is one year following your death, or (ii) the Expiration Date, but only to the extent the Option was exercisable for Vested Shares as of the date of your death.

(c) Termination not for Cause. If your service with the Company or any Subsidiary terminates for any reason other than as described in Sections 3(a) or (b), unless such service is terminated for Cause (as defined below), the Option may be exercised by you at any time during the period ending on the earlier to occur of (i) the date that is three months following your termination, or (ii) the Expiration Date, or by your estate (or the person who acquires the Option by will or the laws of descent and distribution or otherwise by reason of your death) during a period of one year following your death if you die during such three-month period, but in each such case only to the extent the Option was exercisable for Vested Shares as of the date of your termination. "Cause" means "cause" as defined in your Employment Agreement, or in the absence of such an agreement or such a definition, "Cause" will mean a determination by the Committee that you (A) have engaged in personal dishonesty, willful violation of any law, rule, or regulation (other than minor traffic violations or similar offenses), or breach of fiduciary duty involving personal profit, (B) have failed to satisfactorily perform your duties and responsibilities for the Company or any Subsidiary, (C) have been convicted of, or plead nolo contendere to, any felony or a crime involving moral turpitude, (D) have engaged in negligence or willful misconduct in the performance of your duties, including but not limited to willfully refusing without proper legal reason to perform your duties and responsibilities, (E) have materially breached any corporate policy or code of conduct established by the Company or any Subsidiary as such policies or codes may be adopted from time to time, (F) have violated the terms of any confidentiality, nondisclosure, intellectual property, nonsolicitation, noncompetition, proprietary information or inventions agreement, or any other agreement between you and the Company or any Subsidiary related to your service with the Company or any Subsidiary, or (G) have engaged in conduct that is likely to have a deleterious effect on the Company or any Subsidiary or their legitimate business interests, including but not limited to their goodwill and public image.

4. Transferability. The Option, and any rights or interests therein, will be transferable by you only to the extent approved by the Committee in conformance with Section 9(b) of the Plan.

5. Compliance with Securities Law. Notwithstanding any provision of this Agreement to the contrary, the grant of the Option and the issuance of Stock will be subject to compliance with all applicable requirements of federal, state, and foreign securities laws and with the requirements of any stock exchange or market system upon which the Stock may then be listed. The Option may not be exercised if the issuance of shares of Stock upon exercise would constitute a violation of any applicable federal, state, or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, the Option may not be exercised unless (a) a registration statement under the Securities Act of 1933, as amended (the "Act"), is at the time of exercise of the Option in effect with respect to the shares issuable upon exercise of the Option or (b) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Option may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Act. **YOU ARE CAUTIONED THAT THE OPTION MAY NOT BE EXERCISED UNLESS THE FOREGOING CONDITIONS ARE SATISFIED. ACCORDINGLY, YOU MAY NOT BE ABLE TO EXERCISE THE OPTION WHEN DESIRED EVEN THOUGH THE OPTION IS VESTED.** The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares subject to the Option will relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority has not been obtained. As a condition to the exercise of the Option, the Company may require you to satisfy any qualifications that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

6. Extension if Exercise Prevented by Law. Notwithstanding Section 3, if the exercise of the Option within the applicable time periods set forth in Section 3 is prevented by the provisions of Section 5, the Option will remain exercisable until 30 days after the date you are notified by the Company that the Option is exercisable, but in any event no later than the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

7. Extension if You are Subject to Section 16(b). Notwithstanding Section 3, if a sale within the applicable time periods set forth in Section 3 of shares acquired upon the exercise of the Option would subject you to suit under Section 16(b) of the Securities Exchange Act of 1934, as amended, the Option will remain exercisable until the earliest to occur of (a) the 10th day following the date on which a sale of such shares by you would no longer be subject to such suit, (b) the 190th day after your termination of service with the Company and any Subsidiary, or (c) the Expiration Date. The Company makes no representation as to the tax consequences of any such delayed exercise. You should consult with your own tax advisor as to the tax consequences of any such delayed exercise.

8. Withholding Taxes. The Committee may, in its discretion, require you to pay to the Company, at the time of an exercise of the Option or thereafter, the amount that the Committee deems necessary to satisfy the Company's current or future obligation to withhold federal, state or local income or other taxes that you incur by exercising the Option. In connection with such an event requiring tax withholding, you may (a) direct the Company to withhold from the shares of Stock to be issued to you the number of shares necessary to satisfy the Company's obligation to withhold taxes, that determination to be based on the shares' Fair Market Value as of the date of exercise; (b) deliver to the Company sufficient shares of Stock (based upon the Fair Market Value as of the date of such delivery) to satisfy the Company's tax withholding obligation; or (c) deliver sufficient cash to the Company to satisfy its tax withholding obligations. If you elect to use a Stock withholding feature you must make the election at the time and in the manner that the Committee prescribes. The Committee may, at its sole option, deny your request to satisfy withholding obligations through shares of Stock instead of cash. In the event the Committee subsequently determines that the aggregate Fair Market Value (as determined above) of any shares of Stock withheld or delivered as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then you shall pay to the Company, immediately upon the Committee's request, the amount of that deficiency in the form of payment requested by the Committee.

9. Status of Stock. With respect to the status of the Stock, at the time of execution of this Agreement you understand and agree to all of the following:

(a) You understand that at the time of the execution of this Agreement the shares of Stock to be issued upon exercise of the Option have not been registered under the Act or any state securities law and that the Company does not currently intend to effect any such registration. In the event exemption from registration under the Act is available upon an exercise of the Option, you (or such other person permitted to exercise the Option if applicable), if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to ensure compliance with applicable securities laws.

(b) You agree that the shares of Stock that you may acquire by exercising the Option will be acquired for investment without a view to distribution, within the meaning of the Act, and will not be sold, transferred, assigned, pledged, or hypothecated in the absence of an effective registration statement for the shares under the Act and applicable state securities laws or an applicable exemption from the registration requirements of the Act and any applicable state securities laws. You also agree that the shares of Stock that you may acquire by exercising the Option will not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable securities laws, whether federal or state.

(c) You agree that (i) the Company may refuse to register the transfer of the shares of Stock purchased under the Option on the stock transfer records of the Company if such proposed transfer would, in the opinion of counsel satisfactory to the Company, constitute a violation of any applicable securities law and (ii) the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock purchased under the Option.

10. Adjustments. The terms of the Option shall be subject to adjustment from time to time, in accordance with the following provisions:

(a) If at any time, or from time to time, the Company shall subdivide as a whole (by reclassification, by a Stock split, by the issuance of a distribution on Stock payable in Stock or otherwise) the number of shares of Stock then outstanding into a greater number of shares of Stock, then the number of shares of Stock (or other kind of securities) that may be acquired under the Option shall be increased proportionately and the Option Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be reduced proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(b) If at any time, or from time to time, the Company shall consolidate as a whole (by reclassification, reverse Stock split or otherwise) the number of shares of Stock then outstanding into a lesser number of shares of Stock, the number of shares of Stock (or other kind of shares or securities) that may be acquired under the Option shall be decreased proportionately and the Option Price for each share of Stock (or other kind of shares or securities) subject to the then outstanding Option shall be increased proportionately, without changing the aggregate purchase price or value as to which the outstanding Option remains exercisable or subject to restrictions.

(c) Whenever the number of shares of Stock subject to the Option and the price for each share of Stock subject to the Option are required to be adjusted as provided in this Section 10, the Committee shall promptly prepare a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable by you pursuant to the exercise of the Option or subject to the Option after giving effect to the adjustments. The Committee shall promptly give you such a notice.

(d) Adjustments under this Section 10 shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

11. Right of First Refusal. Stock that may be acquired pursuant hereto is subject to the provisions of Section 9(c) of the Plan.

12. Purchase Option. Stock that may be acquired pursuant hereto is subject to the provisions of Section 9(d) of the Plan.

13. Lock-Up Period. You hereby agree that, if so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any registration of the offering of any securities of the Company under the Act, you will not sell or otherwise transfer any Option Shares or other securities of the Company during the 180-day period (or such other period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) (the "Market Standoff Period") following the effective date of a registration statement of the Company filed under the Act. Such restriction will apply only to the first registration statement of the Company to become effective under the Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

14. Stockholder Agreement. The Committee may, in its sole discretion, condition the delivery of Stock pursuant to an exercise of the Option upon your entering into a stockholder agreement in such form as approved from time to time by the Board.

15. Legends. The Company may at any time place legends, referencing any restrictions imposed on the shares pursuant to Sections 9, 11, 12, or 13 of this Agreement, and any applicable federal, state or foreign securities law restrictions, on all certificates representing shares of Stock subject to the provisions of this Agreement.

16. Notice of Sales Upon Disqualifying Disposition of ISO. If the Option is designated as an Incentive Stock Option in the Notice of Grant, you must comply with the provisions of this Section 16. You must promptly notify the Chief Executive Officer of the Company if you dispose of any of the shares acquired pursuant to the Option within one year after the date you exercise all or part of the Option or within two years after the Date of Grant. Until such time as you dispose of such shares in a manner consistent with the provisions of this Agreement, unless otherwise expressly authorized by the Company, you must hold all shares acquired pursuant to the Option in your name (and not in the name of any nominee) for the one-year period immediately after the exercise of the Option and the two-year period immediately after the Date of Grant. At any time during the one-year or two-year periods set forth above, the Company may place a legend on any certificate representing shares acquired pursuant to the Option requesting the transfer agent for the Company's stock to notify the Company of any such transfers. Your obligation to notify the Company of any such transfer will continue notwithstanding that a legend has been placed on the certificate pursuant to the preceding sentence.

17. Right to Terminate Services. Nothing contained in this Agreement shall confer upon you the right to continue in the employ of, or performing services for, the Company or any Subsidiary, or interfere in any way with the rights of the Company or any Subsidiary to terminate your employment or service relationship at any time.

18. Furnish Information. You agree to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

19. Remedies. The Company shall be entitled to recover from you reasonable attorneys' fees incurred in connection with the enforcement of the terms and provisions of this Agreement whether by an action to enforce specific performance or for damages for its breach or otherwise.

20. No Liability for Good Faith Determinations. The Company and the members of the Committee and the Board shall not be liable for any act, omission or determination taken or made in good faith with respect to the Plan, the Notice of Grant, this Agreement, or the Option or an exercise thereof.

21. Execution of Receipts and Releases. Any payment of cash or any issuance or transfer of shares of Stock or other property to you, or to your legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such persons hereunder. The Company may require you or your legal representative, heir, legatee or distributee, as a condition precedent to such payment or issuance, to execute a release and receipt therefore in such form as it shall determine.

22. No Guarantee of Interests. The Board and the Company do not guarantee the Stock of the Company from loss or depreciation.

23. Company Records. Records of the Company regarding your service and other matters shall be conclusive for all purposes hereunder, unless determined by the Company to be incorrect.

24. Notice. Each notice required or permitted under this Agreement must be in writing and personally delivered or sent by mail and shall be deemed to be delivered on the date on which such notice is actually received by the person to whom it is properly addressed or if earlier the date sent via certified mail.

25. Waiver of Notice. Any person entitled to notice hereunder may, by written form, waive such notice.

26. Information Confidential. As partial consideration for the granting of the Option, you agree that you will keep confidential all information and knowledge that you have relating to the manner and amount of your participation in the Plan; provided, however, that such information may be disclosed as required by law and may be given in confidence to your spouse, tax and financial advisors. In the event any breach of this promise comes to the attention of the Company, it shall take into consideration that breach in determining whether to recommend the grant of any future similar award to you, as a factor weighing against the advisability of granting any such future award to you.

27. Successors. This Agreement shall be binding upon you, your legal representatives, heirs, legatees and distributees, and upon the Company, its successors and assigns.

28. Severability. If any provision of this Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and this Agreement shall be construed and enforced as if the illegal or invalid provision had never been included herein.

29. Company Action. Any action required of the Company shall be by resolution of the Board or by a person authorized to act by resolution of the Board.

30. Headings. The titles and headings of paragraphs are included for convenience of reference only and are not to be considered in construction of the provisions hereof.

31. Governing Law. All questions arising with respect to the provisions of this Agreement shall be determined by application of the laws of Texas, without giving any effect to any conflict of law provisions thereof, except to the extent Texas state law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

32. Consent to Texas Jurisdiction and Venue. You hereby consent and agree that state courts located in Dallas County, Texas and the United States District Court for the Northern District of Texas each shall have personal jurisdiction and proper venue with respect to any dispute between you and the Company arising in connection with the Option, the Plan, the Notice of Grant, or this Agreement. In any dispute with the Company, you will not raise, and you hereby expressly waive, any objection or defense to any such jurisdiction as an inconvenient forum.

33. Word Usage. Words used in the masculine shall apply to the feminine where applicable, and wherever the context of this Agreement dictates, the plural shall be read as the singular and the singular as the plural.

34. No Assignment. You may not assign this Agreement or any of your rights under this Agreement without the Company's prior written consent, and any purported or attempted assignment without such prior written consent shall be void.

35. Miscellaneous.

(a) This Agreement is subject to all the terms, conditions, limitations and restrictions contained in the Plan. In the event of any conflict or inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall be controlling.

(b) The Option may be amended by the Board or by the Committee at any time (i) if the Board or the Committee determines, in its sole discretion, that amendment is necessary or advisable in light of any addition to or change in any federal or state tax or securities law or other law or regulation, which change occurs after the Date of Grant and by its terms applies to the Option; or (ii) other than in the circumstances described in clause (i) or provided in the Plan, with your consent.

(c) The Option Shares will not qualify as “incentive stock options” under section 422 of the Code (i) if you dispose of the Stock acquired upon exercise of the Option within two years from the Date of Grant or within one year after such Stock was acquired pursuant to an exercise of the Option, or otherwise fail to comply with the requirements of section 422 of the Code, or (ii) to the extent the aggregate Fair Market Value of stock subject to “incentive stock options” held by you which become exercisable for the first time in any calendar year (under all plans of the Company or any parent of the Company or Subsidiary) exceeds \$100,000 (determined as of the date of grant of such options). To the extent that any of the Option Shares do not qualify for treatment as “incentive stock options” under section 422 of the Code, the same shall be treated as non-qualified stock options.

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## SPECTRAL AI, INC.

## NOTICE OF RESTRICTED STOCK UNIT AWARD

Subject to the terms and conditions of this Notice of Restricted Stock Unit Award (this “*Notice*”), the Restricted Stock Unit Award Agreement attached hereto, including its exhibits (collectively, the “*Award Agreement*”), and the Spectral AI, Inc. 2022 Long Term Incentive Plan (the “*Plan*”), the below individual (the “*Grantee*”) is hereby granted Restricted Stock Units with respect to the below number of shares of Stock (the “*RSUs*”) in Spectral AI, Inc., a Delaware corporation (the “*Company*”). For purposes of this Notice and the Award Agreement, “*Stock*” means the Company’s Common Stock, par value \$0.001 per share, and such other securities as may be substituted (or resubstituted) for Stock in connection with a recapitalization or reorganization or other similar change in the Company’s capital structure. Capitalized terms not explicitly defined herein but defined in the Plan or the Award Agreement shall have the meanings set forth in the Plan or the Award Agreement.

**Identifying Information:**

Grantee Name:	Date of Grant:
Exercise Price:	Number of RSUs:

**Vesting Schedule:**

Subject to the terms of this Notice and the Award Agreement, including Section 3 of the Award Agreement, the RSUs shall vest as follows:

- 50% of the RSUs granted shall vest on the first anniversary of the Date of Grant;
- 25% of the RSUs granted shall vest on the second anniversary of the Date of Grant; and
- 25% of the RSUs granted shall vest on the third anniversary of the Date of Grant.

Upon vesting, one share of Stock shall be issued to the Grantee at the time set forth in Section 5 of the Award Agreement for each RSU that vests.

The Notice and the Award Agreement sets forth the entire understanding between the Grantee and the Company regarding the acquisition of Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to the Grantee, and (ii) any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and the Grantee in each case that specifies the terms that should govern this grant of RSUs.

[SIGNATURES ON NEXT PAGE]

By the Grantee's signature and the signature of the Company's representative below, the Grantee and the Company agree that the RSUs granted herein are governed by the terms and conditions of this Notice and the Award Agreement.

**SPECTRAL AI, INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_

**GRANTEE ACKNOWLEDGMENT**

The Grantee acknowledges receipt of a copy of this Notice and the Award Agreement, and represents that he or she is familiar with the provisions hereof and thereof, and hereby accepts the RSUs subject to all of the terms and provisions hereof and thereof. The Grantee has reviewed this Notice and the Award Agreement in their entirety, has had an opportunity to obtain the advice of legal counsel prior to executing this Notice and the Award Agreement, and fully understands all provisions of this Notice and the Award Agreement. The Grantee hereby agrees that all questions of interpretation and administration relating to this Notice and the Award Agreement shall be resolved by the Company's Board of Directors (the "**Board**").

The Grantee hereby acknowledges that he or she has had the opportunity to review with his or her own tax advisors the tax consequences of this Notice and the Award Agreement, and the transactions contemplated hereby and thereby, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction, prior to executing this Notice and the Award Agreement. The Grantee attests that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents or affiliates. Further, the Grantee hereby acknowledges and understands that he or she (and not the Company) shall be solely responsible for his or her tax liability that may arise as a result of this Notice and the Award Agreement.

**GRANTEE:**

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

SPECTRAL AI, INC.

RESTRICTED STOCK UNIT AWARD AGREEMENT

Subject to the terms and conditions of the Notice of Restricted Stock Unit Award (the “*Notice*”), this Restricted Stock Unit Award Agreement, including its exhibits (collectively, this “*Award Agreement*”), and the Plan, the individual set forth in the Notice (the “*Grantee*”) is granted Restricted Stock Units (“*RSUs*”) with respect to shares of Stock of Spectral AI, Inc., a Delaware corporation (the “*Company*”). Capitalized terms not explicitly defined herein but defined in the Plan or the Notice shall have the meanings set forth in the Plan or the Notice.

1. Grant of Restricted Stock Units. This Award Agreement represents your right to be issued on a future date the number of shares of the Company’s Stock that is equal to the number of RSUs indicated in the Notice as may be modified to reflect any capitalization adjustment and subject to your satisfaction of the vesting conditions set forth therein. Any additional RSUs that become subject to the Award Agreement pursuant to capitalization adjustments as set forth in the Plan, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other RSUs covered by this Award Agreement. The grant of RSUs hereunder is subject to all of the provisions of the Plan.

2. Vesting. The RSUs shall vest as indicated in the Notice.

3. Termination; Forfeiture. Any unvested RSUs shall be immediately and automatically forfeited upon the earliest to occur of any of the following: (i) the cessation of the Grantee’s continuous status as an Eligible Person, (ii) the failure or refusal of the Grantee to timely execute any exhibit to this Award Agreement (as determined in the sole discretion of the Board), or (iii) the failure of the Grantee to satisfy any withholding obligation of the Company. The Company shall implement any forfeiture under this Section 3 in a unilateral manner, without having to obtain the Grantee’s consent, and the Company shall not pay any consideration to the Grantee, cash or otherwise, for any RSUs that are forfeited pursuant to this Section 3.

4. Date of Issuance. The issuance of shares of Stock in respect of the RSUs is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation (defined below), if any, in the event one or more RSUs vests, the Company shall issue to you one (1) share of Stock for each RSU that vests as soon as administratively practicable following the applicable vesting date(s) (subject to any adjustment under Section 1 above, and subject to any different provisions in the Notice), but in no event later than March 15 of the calendar year following the calendar year in which such vesting occurs.

5. Transfer Restrictions.

(a) Binding Upon Successors. The terms of the Notice and this Award Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Grantee.

(b) Transferability.

(i) Any or all of the RSUs may be transferred pursuant to a qualified domestic relations order entered or approved by a court of competent jurisdiction upon delivery to the Company of written notice of such transfer and a certified copy of such order.

(ii) Except as expressly permitted by Subsection 5(b)(i), any or all of the RSUs shall not be transferable other than by will or the laws of descent and distribution.

(iii) Following the transfer of any of the RSUs as contemplated by Subsections 5(b)(i) and 5(b)(ii), such RSUs shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer.

(iv) If the Grantee desires to transfer any of the RSUs as permitted under Subsection 5(b)(i), the Grantee shall make application therefor in the manner and time specified by the Board and shall comply with such other requirements as the Board may require to assure compliance with all applicable securities laws. The Board shall not give permission for such a transfer if it may not be made in compliance with all applicable federal, state and foreign securities laws.

(v) The Company shall not have any obligation to register the Stock issued in settlement of the RSUs under a registration statement of the Company.

(vi) The rights and obligations pursuant to this Subsection 5(b) shall terminate upon the date of a Qualifying Public Offering.

(c) Purchase Option. The shares of Stock issued pursuant to the terms of this Award Agreement shall be subject to the Company's Purchase Option under Section 9(d) of the Plan.

6. Taxes. The Grantee hereby acknowledges and understands that he or she may suffer adverse tax consequences as a result of the Grantee's receipt of, vesting in, or disposition of, the RSUs. As a condition to accepting this grant of RSUs, the Grantee hereby (a) agrees to not make any claim against the Company, or any of its officers, directors, employees or affiliates related to tax liabilities arising from this grant of RSUs or other Company compensation and (b) acknowledges that the Grantee was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of this grant of RSUs and has either done so or knowingly and voluntarily declined to do so.

(a) Representations. The Grantee has reviewed with his or her own tax advisors the tax consequences of the transactions contemplated by the Notice and this Award Agreement, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction. The Grantee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Grantee hereby acknowledges and understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of the transactions contemplated by the Notice and this Award Agreement.

(b) Payment of Withholding Taxes. As further provided in Section 9(e) of the Plan, the Grantee hereby authorizes withholding from payroll and any other amounts payable to the Grantee, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax withholding obligations, if any, which arise in connection with the RSUs (the “*Withholding Obligation*”) in accordance with the withholding procedures established by the Company. Unless the Withholding Obligation is satisfied, the Company shall have no obligation to deliver to the Grantee any Stock in respect of the RSUs. In the event the Withholding Obligation of the Company arises prior to the delivery to the Grantee of Stock or it is determined after the delivery of Stock to the Grantee that the amount of the Withholding Obligation was greater than the amount withheld by the Company, the Grantee agrees to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

(c) Section 409A of the Code. The grant of RSUs hereunder is intended to be exempt from, or comply with Section 409A of the Code, and the provisions hereunder shall be interpreted consistent with that intent. To the extent that the grant of RSUs hereunder is determined to be subject to the requirements of Section 409A of the Code, such grant of RSUs shall be subject to such additional rules and requirements as specified by the Board from time to time in order to comply with Section 409A of the Code and the vesting of any RSUs may not be accelerated or delayed except to the extent permitted by Section 409A of the Code. To the extent that the RSUs are determined to be subject to Section 409A of the Code, termination of the Grantee’s continuous service, whether voluntary or involuntary, shall be determined by the Company in accordance with the requirements of Treasury Regulation Section 1.409A-1(h) which defines “separation from service.” No action or failure by the Company in good faith to act pursuant to this Section 6(c) shall subject the Company to any claim, liability, or expense, and the Company shall not have any obligation to indemnify or otherwise protect the Grantee from the obligation to pay any taxes pursuant to Section 409A of the Code. The Company makes no representation or warranty and shall have no liability to the Grantee, or any other person, if the grant of RSUs hereunder is determined to constitute deferred compensation under Section 409A of the Code that are subject to the 20% excise tax under Section 409A of the Code.

## 7. Market Stand-Off

(a) The Grantee agrees that he or she shall not directly or indirectly (i) lend; offer; pledge; 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; or otherwise transfer or dispose of, directly or indirectly, any shares of Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for shares of Stock (whether such shares or any such securities are then owned by the holder or are thereafter acquired), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of Stock or other securities, in cash, or otherwise. Such restriction (the “*Market Stand-Off*”) shall be in effect for such period of time commencing on and following the date of the final prospectus for any Qualifying Public Offering as may be requested by the Company or its underwriters. In no event, however, shall the Market Stand-Off period exceed 180 days or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto, following such Qualifying Public Offering. In the event of the declaration of a share dividend, a spin-off, a share split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company’s outstanding securities without receipt of consideration, any new, substituted or additional securities that are by reason of such transaction distributed with respect to any shares of Stock subject to the Market Stand-Off, or into which such shares of Stock thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the shares of Stock acquired under this Award Agreement until the end of the applicable Market Stand-Off period. The Company’s underwriters shall be beneficiaries of the agreement set forth in this Section 7, and the Grantee agrees that any transferee of the Grantee shall be bound by the provisions of this Section 7. This Section 7 shall not apply to shares of Stock registered in the Qualifying Public Offering.

(b) The Grantee shall execute and deliver such other agreements as may be reasonably requested by the Company or its underwriters that are consistent with this Section 7 or that are necessary to give further effect hereto. In addition, if requested by the Company or its underwriters, the Grantee shall provide, within ten (10) days of this request, such information as may be required by the Company or its underwriters in connection with the completion of the Company's first Qualifying Public Offering.

8. Drag-Along Right.

(a) Actions to be Taken. In the event that either (i) the holders of at least a majority of the then issued and outstanding shares of Stock (on an as-converted to common stock basis) (the "**Selling Investors**"), or (ii) the Board, approve entering into a Change in Control in writing, and such approval specifies that this Section 8 shall apply to such Change in Control, then:

(i) if such transaction requires shareholder approval, then with respect to all shares of Stock owned by the Grantee, the Grantee hereby agrees to vote (in person, by proxy or by action by written consent, as applicable) all such shares of Stock in favor of, and adopt, such Change in Control (together with any related amendment to the certificate of incorporation or bylaws required in order to implement such Change in Control) and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Change in Control;

(ii) if such transaction is a stock sale, the Grantee hereby agrees to sell the same proportion of shares of Stock as is being sold by the Selling Investors to the same acquirer to whom the Selling Investors propose to sell their shares, and, except as permitted below, on the same terms and conditions as the Selling Investors;

(iii) the Grantee hereby agrees to execute and deliver all related documentation and take such other action in support of the Change in Control as shall reasonably be requested by the Company or the Selling Investors in order to carry out the terms and provisions of this Section 8, including without limitation executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow 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) the Grantee hereby agrees not to deposit, and to cause the Grantee's affiliates not to deposit, except as provided in this Award Agreement, any shares of Stock of the Company owned by such party or affiliate in a voting trust or subject any shares of Stock of the Company to any arrangement or agreement with respect to the voting of such shares of Stock, unless specifically requested to do so by the acquirer in connection with the Change in Control;

(v) the Grantee hereby agrees to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Change in Control; and

(vi) if the consideration to be paid in exchange for the shares of Stock pursuant to this Section 8 includes any securities, then the Grantee hereby agrees to (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 the Grantee 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, as amended, and the Company may cause to be paid to the Grantee in lieu thereof, against surrender of the shares which would have otherwise been sold by the Grantee, an amount in cash equal to the fair market value (as determined in good faith by the Board) of the securities which the Grantee would otherwise receive as of the date of the issuance of such securities in exchange for the shares.

(b) **Exceptions.** Notwithstanding the foregoing, the Grantee shall not be required to comply with Section 8(a) in connection with any proposed Change in Control (the "**Proposed Sale**") unless:

(i) any representations and warranties to be made by the Grantee in connection with the Proposed Sale are limited to representations and warranties that (A) the shares of common stock which the Grantee purports to hold are free and clear of all liens and encumbrances, (B) the obligations of the Grantee in connection with the transaction have been duly authorized, if applicable, (C) the documents to be entered into by the Grantee have been duly executed by the Grantee and delivered to the acquirer and are enforceable against the Grantee in accordance with their respective terms, and (D) neither the execution and delivery of the documents to be entered into in connection with the transaction, nor the performance of the Grantee's obligations thereunder, will cause a breach or violation of the terms of any agreement, law, or judgment, order or decree of any court or governmental agency;

(ii) the Grantee shall not be liable for the inaccuracy of any representation or warranty made by any other individual or entity in connection with the Proposed Sale, other than the Company (except to the extent that (A) funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any shareholder of any of identical representations, warranties and covenants provided by all shareholders, and (B) the inaccuracies were made by the Company in connection with the grant of the shares of Stock under this Award Agreement);

(iii) the liability for indemnification, if any, of the Grantee in the Proposed Sale and for the inaccuracy of any representations and warranties made by the Company or its shareholders in connection with such Proposed Sale, is several and not joint with any other individual or entity (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any shareholder of any of identical representations, warranties and covenants provided by all shareholders), and is pro rata in proportion to, and does not exceed, the amount of consideration paid to the Grantee in connection with such Proposed Sale;



(iv) liability shall be limited to the Grantee's applicable shares of common stock (determined based on the respective proceeds payable to each shareholder in connection with such Proposed Sale in accordance with the provisions of the Company's Certificate of Incorporation and/or Bylaws) of a negotiated aggregate indemnification amount that applies equally to all shareholders but that in no event exceeds the amount of consideration otherwise payable to the Grantee in connection with such Proposed Sale, except with respect to claims related to fraud by the Grantee, the liability for which need not be limited as to the Grantee;

(v) upon the consummation of the Proposed Sale, (A) each holder of each class or series of the Company's shares of common stock will receive the same form of consideration for their shares of such class or series as is received by other shareholders in respect of their shares of such same class or series, and (B) each shareholder holding such shares will receive the same amount of consideration per share as is received by other shareholders in respect of their shares of such same series; provided, however, that, notwithstanding the foregoing, if the consideration to be paid in exchange for the shares of common stock, pursuant to this Section 8(b)(v) 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 any 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, as amended, the Company may cause to be paid to any such shareholder in lieu thereof, against surrender of the shares, as applicable, which would have otherwise been sold by such shareholder, an amount in cash equal to the fair market value (as reasonably determined by the Board) of the securities which such shareholder would otherwise receive as of the date of the issuance of such securities in exchange for the shares, as applicable; and

(vi) subject to Section 8(b)(v), requiring the same form of consideration to be available to the shareholders of any single class or series of shares, if any such shareholders of any shares of the Company are given an option as to the form and amount of consideration to be received as a result of the Proposed Sale, all shareholders of such shares will be given the same option; provided, however, that nothing in this Section 8(b)(vi) shall entitle any shareholder to receive any form of consideration that such shareholder would be ineligible to receive as a result of such shareholder's failure to satisfy any condition, requirement or limitation that is generally applicable to the Company's shareholders.

9. Additional Restrictions on Transfer.

(a) Legends. The Grantee hereby acknowledges that he or she understands and agrees that, upon the issuance of shares of Stock following the vesting of the RSUs, the Company may cause the legends set forth below, or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of Stock, together with any other legends that may be required by the Company or by state or U.S. federal securities laws or other applicable laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED OR REGISTERED UNDER STATE SECURITIES OR BLUE SKY LAWS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION, AND NEITHER THESE SECURITIES NOR ANY INTEREST OR PARTICIPATION THEREIN MAY BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR DISPOSED OF EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, APPLICABLE STATE SECURITIES OR BLUE SKY LAWS AND THE APPLICABLE RULES AND REGULATIONS THEREUNDER. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER, A PURCHASE OPTION HELD BY THE ISSUER OR ITS ASSIGNEE(S), AND DRAG-ALONG RIGHTS AS SET FORTH IN THE RESTRICTED STOCK UNIT AWARD AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES. A COPY OF SUCH AGREEMENT MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH RESTRICTIONS ON TRANSFER, PURCHASE OPTION, AND DRAG-ALONG RIGHTS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Stop-Transfer Notices. The Grantee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Restricted Securities. The Grantee understands that the Stock issued with respect to the RSUs granted hereunder may not be sold, transferred, or otherwise disposed of without registration under the Securities Act or an exemption therefrom, and that in the absence of an effective registration statement covering the shares of Stock or an available exemption from registration under the Securities Act, the shares of Stock must be held indefinitely. In particular, the Grantee is aware that the shares of Stock may not be sold pursuant to Rule 144 promulgated under the Securities Act unless all of the conditions of that Rule are met. Among the conditions for use of Rule 144 may be the availability of current information to the public about the Company. The Grantee understands that such information is not now available and the Company has no present plans to make such information available.

(d) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any shares of Stock that have been sold or otherwise transferred in violation of any of the provisions of this Award Agreement, or (ii) treat as owner of shares of Stock or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares of Stock shall have been so transferred.

#### 10. General Provisions.

(a) Notice. Any notice required by the terms of this Award Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Grantee at the address that he or she most recently provided to the Company.

(b) No Assignment. Except as otherwise expressly permitted in this Award Agreement, the Grantee shall not assign any of his or her rights under this Award Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion.

(c) Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and the terms and conditions of this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, the terms and conditions of this Award Agreement shall be binding upon the Grantee and his or her heirs, executors, administrators, successors and assigns.

(d) Governing Law; Severability. The Notice and this Award Agreement are governed by the laws of the State of Texas applicable to contracts executed in and to be performed in that State. If any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

(e) Venue. The Company and the Grantee (on behalf of himself or herself and his or her heirs, executors, administrators, successors and assigns) agree that any suit, action or proceeding arising out of or related to the Notice or this Award Agreement shall be brought in the United States District Court for the Northern District of Texas (or should such court lack jurisdiction to hear such action, suit or proceeding, in a state court in Dallas County, Texas) and that all parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 10(e) shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

(f) Interpretation. Any determination by the Board in connection with any question or issue arising under the Notice or this Award Agreement shall be final, conclusive, and binding on the Grantee, the Company, and all other persons. Any question or dispute regarding the interpretation of the Notice or this Award Agreement or the receipt of the RSUs hereunder shall be submitted by the Grantee to the Board. The resolution of such a dispute by the Board shall be final and binding on all parties.

(g) Headings. The section headings in this Award Agreement are inserted only as a matter of convenience, and in no way define, limit or interpret the scope of this Award Agreement or of any particular section.

(h) Counterparts. The Notice, this Award Agreement and each of the exhibits hereto 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.

(i) Entire Agreement. The Notice and Exhibit A to this Award Agreement (the “*Spousal Consent*”) are incorporated herein by reference. The Notice, this Award Agreement and the Spousal Consent constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Grantee with respect to the subject matter hereof, and may not be modified except by means of a writing signed by the Company and the Grantee.

(j) Survival of Provisions. The provisions of this Award Agreement and its related exhibits shall survive any termination of Eligible Person status of the Grantee, regardless of the reasons for such termination.

(k) No Guarantee of Eligible Person Status. THE GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE NOTICE, THE RSUS GRANTED HEREUNDER AND THEREUNDER, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THEREUNDER, AND THE VESTING SCHEDULE SET FORTH IN THE NOTICE DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT OR STATUS AS AN ELIGIBLE PERSON FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE GRANTEE’S RIGHT OR THE COMPANY’S OR ITS AFFILIATE’S RIGHT TO TERMINATE THE GRANTEE’S RELATIONSHIP AS AN ELIGIBLE PERSON AT ANY TIME, WITH OR WITHOUT CAUSE.

(l) Spousal Consent. To the extent the Grantee is or becomes married, the Grantee agrees to (i) provide the Grantee’s spouse with a copy of the Notice and this Award Agreement, and (ii) obtain such spouse’s consent to the Notice and this Award Agreement as evidenced by such spouse’s execution of the Spousal Consent attached hereto as Exhibit A.

(m) Amendment. Any provision of this Award Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument signed by the parties hereto.

(n) Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Restricted Stock Unit Award Agreement has been executed by the Grantee and the Company.

**GRANTEE:**

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_

**SPECTRAL AI, INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Dated: \_\_\_\_\_

SPECTRAL AI, INC.

RESTRICTED STOCK UNIT AWARD AGREEMENT

EXHIBIT A

SPOUSAL CONSENT

I, the undersigned, hereby certify that:

1. I am the spouse of [●].
2. Each of the undersigned and the undersigned's spouse is a resident of \_\_\_\_\_.
3. I have read the Notice of Restricted Stock Unit Award (the "*Notice*") and the Restricted Stock Unit Award Agreement (the "*Award Agreement*") by and between Spectral AI, Inc., a Delaware corporation (the "*Company*"), and my spouse. I have had the opportunity to consult independent legal counsel regarding the contents of the Notice and the Award Agreement.
4. I understand the terms and conditions of the Notice and the Award Agreement.
5. I hereby consent to the terms of the Notice and the Award Agreement and to their application to and binding effect upon any community property or other interest I may have in the shares of Stock (it being understood that this Spousal Consent shall in no way be construed to create any such interest). I agree that I will take no action at any time to hinder the operation of the transactions contemplated in and by the Notice and the Award Agreement.

IN WITNESS WHEREOF, this Spousal Consent has been executed as of \_\_\_\_\_.

**SPOUSE:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Calculation of Filing Fee Tables**

Form S-8  
(Form Type)

Spectral AI, Inc.  
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered Securities

Security Type	Security Class Title	Fee Calculation Rule	Amount Registered(1)	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee
Equity	Common Stock, par value \$0.0001 per share	457(h)	3,526,200(2)	\$ 2.16(3)	\$ 7,616,592.00	\$ 0.0001476	\$ 1,124.21
Equity	Common Stock, par value \$0.0001 per share	457(h)	88,749(4)	\$ 4.54(5)	\$ 402,920.46	\$ 0.0001476	\$ 59.47
Equity	Common Stock, par value \$0.0001 per share	457(c) and 457(h)	58,197(6)	\$ 1.95(7)	\$ 113,484	\$ 0.0001476	\$ 16.75
Equity	Common Stock, par value \$0.0001 per share	457(c) and 457(h)	1,792,918(8)	\$ 1.95(9)	\$ 3,496,190	\$ 0.0001476	\$ 516.04
Total Offering Amounts					\$11,629,186.46		\$ 1,716.47
Total Fee Offsets							—
Net Fee Due							\$ 1,716.47

- (1) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the “Securities Act”), this Registration Statement on Form S-8 (this “Registration Statement”) shall also cover any additional shares of common stock, par value \$0.0001 per share (the “Common Stock”) of Spectral AI, Inc. (formerly known as Rosecliff Acquisition Corp I) (the “Registrant”), that become issuable under the Spectral MD, Inc. 2018 Long-Term Incentive Plan (the “2018 Plan”) and the Spectral MD Holdings, Ltd. 2022 Long-Term Incentive Plan (the “2022 Plan”) by reason of any stock dividend, stock split, recapitalization or any other similar transactions.
- (2) Represents 3,526,200 shares of Common Stock issuable upon the exercise of outstanding stock option awards as of the date of this Registration Statement assumed under the 2018 Plan. No further grants will be made under the 2018 Plan.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) of the Securities Act, and based on \$2.16, which is the weighted average exercise price (rounded to the nearest cent) of the outstanding option awards under the 2018 Plan as of the date of this Registration Statement.
- (4) Represents 88,749 shares of Common Stock issuable upon the exercise of outstanding stock option awards under the 2022 Plan as of the date of this Registration Statement.
- (5) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) of the Securities Act, and based on \$4.54, which is the weighted average exercise price (rounded to the nearest cent) of the outstanding option awards under the 2022 Plan as of the date of this Registration Statement.
- (6) Represents 58,197 shares of Common Stock issuable upon the vesting of outstanding restricted stock unit awards under the 2022 Plan as of the date of this Registration Statement.
- (7) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 of the Securities Act, and based on \$1.95, the average of the high and low sale prices of the Common Stock as reported on the Nasdaq Capital Market on February 5, 2024 (such date being within five business days of the date that this Registration Statement was filed with the Securities and Exchange Commission (the “Commission”)).
- (8) Represents 1,792,918 shares of Common Stock reserved for issuance for future grants under the 2022 Plan as of the date of this Registration Statement.
- (9) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 of the Securities Act, and based on \$1.95, the average of the high and low sale prices of the Common Stock as reported on Nasdaq on February 5, 2024 (such date being within five business days of the date that this Registration Statement was filed with the Commission).