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

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): October 16, 2015**

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**LivaNova PLC**  
(Exact Name of Registrant as Specified in its Charter)

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**England and Wales**  
(State or Other Jurisdiction  
of Incorporation)

**333-203510**  
(Commission  
File Number)

**98-1268150**  
(IRS Employer  
Identification No.)

**5 Merchant Square  
London W2 1AY  
United Kingdom**  
(Address of Principal Executive Offices)

**+44 800 975 8080**  
(Registrant's Telephone Number, Including Area Code)

**N/A**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.01 Completion of Acquisition or Disposition of Assets.**

On October 19, 2015, pursuant to the Transaction Agreement, dated as of March 23, 2015 (the “*Transaction Agreement*”), by and among the LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “*Company*” or “*LivaNova*”), Sorin S.p.A. (“*Sorin*”), Cyberonics, Inc. (“*Cyberonics*”) and Cypher Merger Sub, Inc. (“*Merger Sub*”), (a) Sorin merged with and into the Company, with the Company continuing as the surviving company (the “*Sorin Merger*”) and (b) following the consummation of the Sorin Merger, Merger Sub merged with and into Cyberonics, with Cyberonics continuing as the surviving company and as a wholly owned subsidiary of the Company (the “*Cyberonics Merger*” and, together with the Sorin Merger, the “*Mergers*”).

Pursuant to the Sorin Merger, each ordinary share, par value €1 per share, of Sorin (each, a “*Sorin Ordinary Share*”) that was outstanding as of immediately prior to the effective time of the Sorin Merger, other than Sorin Ordinary Shares held in the treasury of Sorin or owned of record by the Company, Merger Sub, Cyberonics or any of their respective wholly owned subsidiaries, was automatically cancelled and converted into the right to receive 0.0472 ordinary shares of nominal value £1.00 each in the Company’s share capital (each, a “*LivaNova Ordinary Share*”).

Pursuant to the Cyberonics Merger, each share of common stock, par value \$0.01 per share, of Cyberonics (“*Cyberonics Common Stock*”) that was outstanding as of immediately prior to the effective time of the Cyberonics Merger, other than shares of Cyberonics Common Stock held in the treasury of Cyberonics or owned of record by the Company, Merger Sub, Sorin, or any of their respective wholly owned subsidiaries, was automatically cancelled and converted into the right to receive one LivaNova Ordinary Share.

The issuance of LivaNova Ordinary Shares in connection with the Mergers was registered under the Securities Act of 1933, as amended (the “*Securities Act*”), pursuant to the Company’s registration statement on Form S-4 (File No. 333-203510) filed with the United States Securities and Exchange Commission (“*SEC*”) on April 20, 2015 (as amended, the “*Registration Statement*”), and declared effective on August 19, 2015. The definitive proxy statement/prospectus of Cyberonics and the Company, dated August 21, 2015, that forms a part of the Registration Statement contains additional information about the Mergers and the other transactions contemplated by the Transaction Agreement, including a description of the treatment of equity awards and information concerning the interests of directors, executive officers and affiliates of the Company, Cyberonics and Sorin in the Mergers.

Pursuant to Rule 12g-3(a) under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), the Company is the successor issuer to Cyberonics. LivaNova Ordinary Shares are deemed to be registered under Section 12(b) of the Exchange Act, and the Company is subject to the informational requirements of the Exchange Act, and the rules and regulations promulgated thereunder. The Company hereby reports this succession in accordance with Rule 12g-3(f) under the Exchange Act. LivaNova Ordinary Shares were approved for listing on The NASDAQ Global Market (“*NASDAQ*”) and the main market of the London Stock Exchange (the “*LSE*”), in each case trading under the symbol “*LIVN*.”

Prior to the Mergers, shares of Cyberonics Common Stock were registered pursuant to Section 12(b) of the Exchange Act and listed on NASDAQ, and Sorin Ordinary Shares were listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (the “*Italian Stock Exchange*”). Shares of Cyberonics Common Stock and the Sorin Ordinary Shares were suspended from trading on NASDAQ and the Italian Stock Exchange, respectively, prior to the open of trading on October 19, 2015. In addition, NASDAQ has filed a Form 25 on Cyberonics’ behalf to withdraw shares of Cyberonics Common Stock from listing and terminate the registration of such shares under Section 12(b) of the Exchange Act. Cyberonics intends to file a Form 15 with the SEC to terminate the registration of the shares of Cyberonics Common Stock under the Exchange Act and suspend its reporting obligations under Section 15(d) of the Exchange Act in approximately ten days.

The foregoing description of the Transaction Agreement and the Mergers does not purport to be complete and is qualified in its entirety by reference to the full text of the Transaction Agreement filed as Exhibit 2.1 to the Registration Statement, which is incorporated herein by reference.

**Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

The information set forth in Item 2.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.01.

**Item 3.03 Material Modification to Rights of Security Holders.**

The information set forth in Item 2.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.03.

**Item 5.01            Changes in Control of Registrant.**

The information set forth in Item 2.01 of this Current Report on Form 8-K is incorporated by reference into this Item 5.01.

**Item 5.02            Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.*****Appointment of Directors of the Company***

In connection with the Mergers, on October 19, 2015 (the “*Closing Date*”), the following individuals, in addition to Daniel Moore and André-Michel Ballester who were previously the only directors of the Company, were appointed as members of the Company’s board of directors, effective as of the consummation of the Transactions: Rosario Bifulco, Francesco Bianchi, Hugh Morrison, Alfred J. Novak, Arthur L. Rosenthal, Stefano Gianotti and Sharon O’Kane. Each of these individuals has been determined by the board of directors of the Company to be an “independent director” for purposes of NASDAQ listing standards.

Pursuant to the Transaction Agreement, Sorin and Cyberonics each designated four directors of the Company prior to the closing of the Mergers and the remaining director was jointly selected by Sorin and Cyberonics. There are no arrangements or understandings between any director and any other person pursuant to which the director was selected as a director, other than the provisions of the Transaction Agreement.

As of the Closing Date, the Company established an Audit & Compliance Committee (the “*Audit Committee*”), Nominating & Corporate Governance Committee (the “*Nominating Committee*”) and Compensation Committee of the board of directors of the Company, with the following compositions:

Audit Committee:	Hugh Morrison (Chair) Alfred J. Novak Francesco Bianchi
Nominating Committee:	Rosario Bifulco (Chair) Stefano Gianotti Sharon O’Kane Hugh Morrison
Compensation Committee:	Arthur J. Rosenthal (Chair) Alfred J. Novak Francesco Bianchi

***Appointment of Officers of the Company***

In connection with the Mergers, on the Closing Date, each of the following individuals (the “*Executive Officers*”) were appointed as an “officer” as such term is used within the meaning of Section 16 of the Exchange Act and an “executive officer” of the Company for purposes of Rule 3b-7 under the Exchange Act, effective as of the consummation of the Transactions:

<u>Name</u>	<u>Title</u>
André-Michel Ballester	Chief Executive Officer
Vivid Sehgal	Chief Financial Officer
Piero Vecchi	Vice President & Controller
Brian Sheridan	Senior Vice President, General Counsel & Company Secretary
David Wise	Senior Vice President, Human Resources & Information Technology
Michel Darnaud	President, Cardiac Surgery
Stefano Di Lullo	President, Cardiac Rhythm Management
Rohan Hoare	President, Neuromodulation
Jacques Gutedel	President, Intercontinental

***Adoption of Equity Incentive Plan***

On October 16, 2015, the sole shareholder of LivaNova approved the adoption of the Company's 2015 Incentive Award Plan (the "*Plan*"), which was previously approved by the board of directors of the Company on September 14, 2015 subject to such shareholder approval. The Plan was adopted in order to facilitate the grant of cash and equity incentives to non-employee directors, employees (including our named executive officers) and consultants of the Company and certain of our affiliates and to enable the Company and certain of our affiliates to obtain and retain services of these individuals. The Plan became effective as of the Closing Date. Incentive awards may be granted under the Plan in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, other stock- and cash-based awards and dividend equivalents. Unless the Plan is sooner terminated by the board of directors of the Company, no awards may be granted under the Plan after the tenth anniversary of its effective date.

An aggregate of 8,800,000 LivaNova Ordinary Shares are available for issuance under awards granted pursuant to the Plan, which LivaNova Ordinary Shares may be authorized but unissued shares or shares purchased in the open market. Adjustments may be made in the aggregate number of shares that may be issued under the Plan upon certain events affecting the LivaNova Ordinary Shares, such as a stock dividend, stock split, recapitalization or merger. The maximum aggregate number of shares with respect to which awards may be granted to any person in any calendar year under the Plan is 1,000,000 and the maximum aggregate amount of cash that may be paid in cash to any one person during any calendar year with respect to one or more awards payable in cash under the Plan is \$10,000,000. The sum of the grant date fair value of equity-based awards and the amount of any cash-based awards granted to a non-employee director under the Plan during any calendar year may not exceed \$500,000.

The Plan includes the authority to grant awards that are intended to qualify as "qualified performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended, including awards that vest or pay out based on any of the following performance criteria: (i) net earnings or losses (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization and (E) non-cash equity-based compensation expense); (ii) gross or net sales or revenue or sales or revenue growth; (iii) net income (either before or after taxes); (iv) adjusted net income; (v) operating earnings or profit (either before or after taxes); (vi) cash flow (including, but not limited to, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital (or invested capital) and cost of capital; (ix) return on stockholders' equity; (x) total stockholder return; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs, reductions in costs and cost control measures; (xiv) expenses; (xv) working capital; (xvi) earnings or loss per share; (xvii) adjusted earnings or loss per share; (xviii) price per share or dividends per share (or appreciation in and/or maintenance of such price or dividends); (xix) regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product); (xx) implementation or completion of critical projects; (xxi) market share; (xxii) economic value; (xxiii) productivity; (xxiv) operating efficiency; (xxv) economic value-added; (xxvi) cash flow return on capital; (xxvii) return on net assets; (xxviii); funds from operations; (xxix) funds available for distributions; (xxx) sales and sales unit volume; (xxxi) licensing revenue; (xxxii) brand recognition and acceptance; (xxxiii) inventory turns or cycle time; (xxxiv) market penetration and geographic business expansion; (xxxv) customer satisfaction/growth; (xxxvi) customer service; (xxxvi) employee satisfaction; (xxxvii) recruitment and maintenance of personnel; (xxxviii) human resources management; (xxxix) supervision of litigation and other legal matters; (xl) strategic partnerships and transactions; (xli) financial ratios (including those measuring liquidity, activity, profitability or leverage); (xlii) new or existing store results and operations and new store openings; (xliii) supply chain achievements; (xliv) debt levels or reductions; (xlv) sales-related goals; (xlvi) financing and other capital raising transactions; (xlvii) year-end cash; (xlviii) acquisition activity; (xlix) investment sourcing activity; or (l) marketing initiatives, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

A complete copy of the Plan is filed herewith as Exhibit 10.1 and incorporated herein by reference. The above summary of the Plan does not purport to be complete and is qualified in its entirety by reference to such exhibit.

***Grant of Stock Appreciation Rights Under Equity Incentive Plan***

On the Closing Date, we granted stock appreciation rights ("SARs") under the Plan and award agreements thereunder (each, a "*SAR Award Agreement*") to certain of our employees, including certain of our executive officers. Each of these SARs will entitle the holder to receive the excess of (i) the fair market value of one LivaNova Ordinary Share at the time of exercise

of the SAR over (ii) the fair market value of one LivaNova Ordinary Share on the date of grant of the SAR, or \$69.39, which we refer to as the strike price. The SARs may be settled in LivaNova Ordinary Shares and/or cash, as determined by Livanova and as set forth in the SAR Award Agreements. Fifty percent of each award will vest on October 19, 2016, and 50% will vest on October 19, 2017, in each case subject to the continued employment of the holder through the applicable vesting date, except as described below. Once vested, the SARs will have an exercise window of three years following the vesting date. Fifty percent of the LivaNova Ordinary Shares that become vested under each SAR award will be locked-up and non-transferable for 18 months following the applicable vesting date. If any SAR recipient's employment is terminated by the Company without cause or by the individual for good reason (as each term is defined in the SAR Award Agreements), the recipient will be eligible for pro-rata vesting of the SARs, and no lock-up period will apply to the SARs. In such case, vested SARs may be exercised for one year following such termination. The vesting of the SARs will also be accelerated upon a change in control, as defined in the SAR Award Agreements.

The number of SARs provided to each individual who was granted SARs on the Closing Date is shown in the table below:

<u>Named Executive Officer</u>	<u>Number of SARs</u>
André-Michel Ballester	147,173
Michel Darnaud	52,473
Stefano di Lullo	52,473
Brian Sheridan	52,473
Ed Andrie	52,473
Jacques Gutedel	57,473
Demetrio Mauro	20,822
Pritpal Shinmar	10,411
David Wise	52,473
Rohan Hoare	52,473
Vivid Sehgal	52,473
Total	<u>598,189</u>

Complete copies of the form SAR Award Agreement for non-United States holders and the form SAR Award Agreement for United States holders are filed herewith as Exhibits 10.2 and 10.3, respectively, and incorporated herein by reference. The above summary of the SAR Award Agreements does not purport to be complete and is qualified in its entirety by reference to such exhibits.

#### ***Adoption of Non-Employee Director Compensation Policy and Entry Into Director Appointment Letters***

On the Closing Date, the board of directors of the Company adopted the LivaNova Non-Employee Director Compensation Policy (the "*Director Compensation Policy*"), pursuant to which each non-employee director of the Company will receive a fee of \$60,000 per annum, in addition to restricted stock units (with a one year vesting period) with a value of \$160,000 per annum under the Plan and an award agreement thereunder (a "*Director RSU Agreement*"). The chairperson of the board of directors of the Company (currently Daniel J. Moore) will receive an additional fee of \$60,000 per annum and additional restricted stock units (with a one year vesting period) with a value of \$90,000 per annum. The chairperson of the Audit Committee (currently Hugh Morrison) will receive an additional fee of \$30,000 per annum. The chairperson of the Compensation Committee (currently Arthur Rosenthal), will receive an additional fee of \$20,000 per annum. The chairperson of the Nominating Committee (currently Rosario Bifulco) will

receive an additional fee of \$15,000 per annum. Each member of the Audit Committee other than the chairperson (currently Alfred J. Novak and Francesco Bianchi) will receive an additional fee of \$15,000 per annum. Each member of the Compensation Committee other than the chairperson (currently Alfred J. Novak and Francesco Bianchi) will receive an additional fee of \$8,000 per annum. Each member of the Nominating Committee other than the chairperson (currently Stefano Gianotti, Sharon O’Kane and Hugh Morrison) will receive an additional fee of \$6,000 per annum. The cash retainers will be paid quarterly in advance, and the first such payment was made on the Closing Date to cover the period from the Closing Date to the end of the current quarter. The annual restricted stock unit awards will be paid in advance on the date of each annual general meeting of LivaNova shareholders, and the first such grant was made on the Closing Date to cover the period from the Closing Date through the first annual general meeting. The directors will also be reimbursed for all proper and reasonable expenses incurred in performing their duties.

The Company entered into a director appointment letter with each non-employee director (each, a “*Director Appointment Letters*”) providing the terms of appointment and removal of each director and setting forth the terms of the non-employee director compensation policy as applicable to such director. Each letter of appointment contains confidentiality obligations, which will apply during appointment and after termination thereof.

The foregoing description of the Director Compensation Policy, the Director Appointment Letters and the Director RSU Agreements is a summary and does not purport to be complete. Such description is qualified in its entirety by reference to the text of the Director Compensation Policy, the Director Appointment Letters and the form of Director RSU Agreement, which are filed with this Current Report on Form 8-K as Exhibits 10.4, 10.5 and 10.6, respectively, and are incorporated herein by reference.

### ***Service Agreement with Chief Executive Officer***

The Company entered into a Service Agreement with Mr. André-Michel Ballester (the “*CEO Service Agreement*”) on the Closing Date, pursuant to which Mr. Ballester will serve as the Company’s Chief Executive Officer, reporting to the board of directors of the Company. The CEO Service Agreement provides Mr. Ballester with an annual base salary of £575,000 and an opportunity to earn an annual discretionary bonus with a target of 100% of Mr. Ballester’s annual base salary, subject to the achievement of performance objectives to be determined by the Compensation Committee.

The agreement may be terminated by either party giving twelve months’ prior written notice. LivaNova may terminate the agreement immediately by providing payment in lieu of notice.

Mr. Ballester will be subject to twelve month non-competition and non-solicitation restrictions (which are set-off against any period that he spends on garden leave) in respect of LivaNova clients, prospective clients, suppliers, products, services and employees. These restrictions apply from the date of the termination of his employment and apply in the United Kingdom and any other country where LivaNova conducts business at the date of termination.

A copy of the CEO Service Agreement is filed herewith as Exhibit 10.7. The foregoing description of the CEO Service Agreement is a summary only and is qualified in its entirety by the full text of the CEO Service Agreement, which is incorporated herein by reference.

### ***Side Letter***

On the Closing Date, the Company’s board of directors issued a side letter (the “*Side Letter*”) to Mr. Ballester addressing certain intended future grants of equity awards to him. The Side Letter confirmed that the Compensation Committee will be asked to recommend the grant, later in 2015, of time-based restricted stock units with respect to LivaNova Ordinary Shares with a grant-date value of \$5 million, which will vest with respect to 20% of the LivaNova Ordinary Shares subject to such award in each of the first three years following the grant and with respect to 40% of the LivaNova Ordinary Shares subject to such award in the fourth year following the grant. In addition, the Side Letter confirmed that the Compensation Committee will be asked to recommend the grant to Mr. Ballester, in 2016, of (i) performance-based restricted stock units with a grant-date value of \$3 million, one third of which will be eligible to vest in equal annual installments in the first four years following the date of grant subject to the achievement of net sales revenue targets to be determined by the Compensation Committee, one third of which will be eligible to vest in equal annual installments in the first four years following the date of grant subject to the achievement of adjusted net income targets to be determined by the Compensation Committee, and one-third of which will be eligible to vest in equal annual installments in the first four years following the date of grant subject to the achievement of a 50-day average closing price of the LivaNova Ordinary Shares, the price and the averaging period to be determined by the Compensation Committee, and (ii) stock options with a grant-date value of \$1 million, which will vest in equal annual installments in the first four years following the date of grant. The Side Letter also

confirmed that the board of directors will recommend to the Compensation Committee that Mr. Ballester be eligible for annual grants of equity awards in 2017, 2018 and 2019, as determined by the Compensation Committee.

A copy of the Side Letter described above is filed herewith as Exhibit 10.8. The foregoing description of the Side Letter is a summary only and is qualified in its entirety by the full text of the Side Letter, which is incorporated herein by reference.

**Item 5.07            Submission of Matters to a Vote of Security Holders.**

On October 16, 2015, Sorin, as the sole shareholder of LivaNova, approved the adoption of the 2015 Plan and certain other matters necessary for the consummation of the Mergers.

**Item 7.01            Regulation FD Disclosure.**

On the Closing Date, LivaNova issued a press release announcing the closing of the Mergers. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information included in this Item 7.01 and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01            Financial Statements and Exhibits.**

- (a)    Financial Statements of Business Acquired.

To be filed by amendment not later than 71 calendar days after the date this Current Report is required to be filed.

- (b)    Pro Forma Financial Information.

To be filed by amendment not later than 71 calendar days after the date this Current Report is required to be filed.

- (d)    Exhibits.

The information set forth in the Exhibit Index following the signature page hereto is incorporated herein by reference.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LivaNova PLC

Date: October 19, 2015

By: /s/ Brian Sheridan

Name: Brian Sheridan

Title Company Secretary



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## EXHIBIT INDEX

Exhibit No.	Description
2.1	Transaction Agreement, dated as of March 23, 2015, by and among LivaNova PLC (formerly known as Sand Holdco Limited), Sorin S.p.A., Cyberonics, Inc. and Cypher Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-4 filed by LivaNova PLC on April 20, 2015, as amended).
10.1	LivaNova PLC 2015 Incentive Award Plan, adopted on October 16, 2015*
10.2	Form of SAR Award Agreement (Non-U.S. Form)*
10.3	Form of SAR Award Agreement (U.S. Form)*
10.4	LivaNova Non-Employee Director Compensation Policy, adopted on October 19, 2015*
10.5	Director Appointment Letters*
10.6	Form of Director RSU Agreement*
10.7	Service Agreement, dated as of October 19, 2015, between LivaNova PLC and André-Michel Ballester*
10.8	Side Letter, dated as of October 19, 2015, issued to André-Michel Ballester*
99.1	Press release issued by LivaNova PLC on October 19, 2015*

\*Filed herewith

**LIVANOVA PLC**  
**2015 INCENTIVE AWARD PLAN**

**ARTICLE 1.**

**PURPOSE**

The purpose of the LivaNova PLC 2015 Incentive Award Plan (as it may be amended or restated from time to time, the “Plan”) is to promote the success and enhance the value of LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “Company”), by linking the individual interests of the members of the Board, Employees, and Consultants to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

**ARTICLE 2.**

**DEFINITIONS AND CONSTRUCTION**

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 “Administrator” shall mean the entity that conducts the general administration of the Plan as provided in Article 12. With reference to the duties of the Committee under the Plan which have been delegated to one or more persons pursuant to Section 12.6, or as to which the Board has assumed, the term “Administrator” shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.

2.2 “Applicable Accounting Standards” shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company’s financial statements under United States federal securities laws from time to time.

2.3 “Applicable Law” shall mean any applicable law, including without limitation: (a) provisions of the Listing Rules of the London Stock Exchange published by the UK Listing Authority, the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, state, local or foreign, applicable in the United Kingdom, United States or any other jurisdiction; and (c) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

2.4 “Automatic Exercise Date” shall mean, with respect to an Option or a Stock Appreciation Right, the last business day of the applicable Option Term or Stock Appreciation Right Term that was initially established by the Administrator for such Option or Stock Appreciation Right (*e.g.*, the last business day prior to the tenth anniversary of the date of grant of such Option or Stock Appreciation Right if the Option or Stock Appreciation Right initially had a ten-year Option Term or Stock Appreciation Right Term, as applicable).

2.5 “Award” shall mean an Option, a Stock Appreciation Right, a Restricted Stock award, a Restricted Stock Unit award, an Other Stock or Cash Based Award or a Dividend Equivalent award, which may be awarded or granted under the Plan.

2.6 “Award Agreement” shall mean any written notice, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine consistent with the Plan.

2.7 “Award Limit” shall mean with respect to Awards that shall be payable in Shares or in cash, as the case may be, the respective limit set forth in Section 3.2.

2.8 “Board” shall mean the Board of Directors of the Company.

2.9 “Closing” shall mean the closing of the transactions contemplated by the Transaction Agreement among Sorin S.P.A., Sand Holdco Limited, Cypher Merger Sub, Inc. and Cyberonics, Inc., dated as of February 26, 2015.

2.10 “Control” shall have the meaning given in section 995 (2) of the Income Tax Act 2007, unless otherwise specified;

2.11 “Change in Control” shall mean and includes each of the following:

- (a) a Sale; or
- (b) a Takeover.

The Administrator shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

2.12 “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder, whether issued prior or subsequent to the grant of any Award.

2.13 “Committee” shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board or the Compensation Committee of the Board described in Article 12 hereof.

2.14 “Company” shall have the meaning set forth in Article 1.

2.15 “Consultant” shall mean any consultant or adviser engaged to provide services to the Company or any Subsidiary who qualifies as a consultant or advisor under the applicable rules of the Securities and Exchange Commission for registration of shares on a Form S-8 Registration Statement.

2.16 “Covered Employee” shall mean any Employee who is, or could become, a “covered employee” within the meaning of Section 162(m) of the Code.

2.17 “Director” shall mean a member of the Board, as constituted from time to time.

2.18 “Director Limit” shall have the meaning set forth in Section 4.6.

2.19 “Dividend Equivalent” shall mean a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 10.2.

2.20 “DRO” shall mean a “domestic relations order” as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

2.21 “Effective Date” shall mean the date of the Closing; provided that the Plan shall be effective immediately following the Closing on the Effective Date and in any event prior to Listing.

2.22 “Eligible Individual” shall mean any person who is an Employee, a Consultant or a Non-Employee Director, as determined by the Administrator.

2.23 “Employee” shall mean any officer or other employee (as determined in accordance with Section 3401(c) of the Code and the Treasury Regulations thereunder) of the Company or of any Subsidiary.

2.24 “Equity Restructuring” shall mean a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other securities of the Company) or the share price of the Shares (or other securities) and causes a change in the per-share value of the Shares underlying outstanding Awards.

2.25 “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.26 “Expiration Date” shall have the meaning given to such term in Section 13.1(c).

2.27 “Fair Market Value” shall mean, as of any given date, the value of a Share determined as follows:

(a) If the Shares are (i) listed on any established securities exchange (such as the New York Stock Exchange, the NASDAQ Capital Market, the NASDAQ Global Market and

the NASDAQ Global Select Market), (ii) listed on any national market system or (iii) listed quoted or traded on any automated quotation system, their Fair Market Value shall be the closing sales price for a Share as quoted on such exchange or system for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(b) If the Shares are not listed on an established securities exchange, national market system or automated quotation system, but the Shares are regularly quoted by a recognized securities dealer, their Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a Share on such date, the high bid and low asked prices for a Share on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(c) If the Shares are neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, their Fair Market Value shall be established by the Administrator in good faith.

Notwithstanding the foregoing, with respect to any Award granted on or prior to the Public Trading Date, the Fair Market Value shall mean the opening price of a Share on the Public Trading Date.

2.28 “Greater Than 10% Stockholder” shall mean an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or any subsidiary corporation (as defined in Section 424(f) of the Code) or parent corporation thereof (as defined in Section 424(e) of the Code).

2.29 “Holder” shall mean a person who has been granted an Award.

2.30 “Incentive Stock Option” shall mean an Option that is intended to qualify as an incentive stock option and conforms to the applicable provisions of Section 422 of the Code.

2.31 “Listing” shall mean the time upon which the Shares are first listed and begin trading on any national securities exchange (as defined in the Exchange Act).

2.32 “Non-Employee Director” shall mean a Director of the Company who is not an Employee.

2.33 “Non-Employee Director Equity Compensation Policy” shall have the meaning set forth in Section 4.6.

2.34 “Non-Qualified Stock Option” shall mean an Option that is not an Incentive Stock Option or which is designated as an Incentive Stock Option but does not meet the applicable requirements of Section 422 of the Code.

2.35 “Option” shall mean a right to purchase Shares at a specified exercise price, granted under Article 6. An Option shall be either a Non-Qualified Stock Option or an Incentive Stock Option; provided, however, that Options granted to Non-Employee Directors and Consultants shall only be Non-Qualified Stock Options.

2.36 “Option Term” shall have the meaning set forth in Section 6.4.

2.37 “Organizational Documents” shall mean, collectively, (a) the Company’s articles of association, certificate of incorporation, bylaws or other similar organizational documents relating to the creation and governance of the Company, and (b) the Committee’s charter or other similar organizational documentation relating to the creation and governance of the Committee.

2.38 “Other Stock or Cash Based Award” shall mean a cash bonus award, stock bonus award, performance award or incentive award that is paid in cash, Shares or a combination of both, awarded under Section 10.1, which may include, without limitation, deferred stock, deferred stock units, stock payments and performance awards.

2.39 “Performance-Based Compensation” shall mean any compensation that is intended to qualify as “performance-based compensation” as described in Section 162(m)(4)(C) of the Code.

2.40 “Performance Criteria” shall mean the criteria (and adjustments) that the Administrator selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:

(a) The Performance Criteria that shall be used to establish Performance Goals are limited to the following: (i) net earnings or losses (either before or after one or more of the following: (A) interest, (B) taxes, (C) depreciation, (D) amortization and (E) non-cash equity-based compensation expense); (ii) gross or net sales or revenue or sales or revenue growth; (iii) net income (either before or after taxes); (iv) adjusted net income; (v) operating earnings or profit (either before or after taxes); (vi) cash flow (including, but not limited to, operating cash flow and free cash flow); (vii) return on assets; (viii) return on capital (or invested capital) and cost of capital; (ix) return on stockholders’ equity; (x) total stockholder return; (xi) return on sales; (xii) gross or net profit or operating margin; (xiii) costs, reductions in costs and cost control measures; (xiv) expenses; (xv) working capital; (xvi) earnings or loss per share; (xvii) adjusted earnings or loss per share; (xviii) price per share or dividends per share (or appreciation in and/or maintenance of such price or dividends); (xix) regulatory achievements or compliance (including, without limitation, regulatory body approval for commercialization of a product); (xx) implementation or completion of critical projects; (xxi) market share; (xxii) economic value; (xxiii) productivity; (xxiv) operating efficiency; (xxv) economic value-added; (xxvi) cash flow return on capital; (xxvii) return on net assets; (xxviii); funds from operations; (xxix) funds available for distributions; (xxx) sales and sales unit volume; (xxxi) licensing revenue; (xxxii) brand recognition and acceptance; (xxxiii) inventory turns or cycle time; (xxxiv) market penetration and geographic business expansion; (xxxv) customer satisfaction/growth; (xxxvi) customer service; (xxxvi) employee satisfaction; (xxxvii) recruitment and maintenance of personnel; (xxxviii) human resources management; (xxxix) supervision of litigation and other legal matters; (xl) strategic partnerships and transactions; (xli) financial ratios (including those measuring liquidity, activity, profitability or leverage); (xlii) new or existing store results and operations and new store openings; (xliii) supply chain achievements; (xliv) debt levels or

reductions; (xlv) sales-related goals; (xlvi) financing and other capital raising transactions; (xlvii) year-end cash; (xlviii) acquisition activity; (xlix) investment sourcing activity; (l) marketing initiatives, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

(b) The Administrator, in its sole discretion, may provide that one or more objectively determinable adjustments shall be made to one or more of the Performance Goals. Such adjustments may include, but are not limited to, one or more of the following: (i) items related to a change in Applicable Accounting Standards; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (vii) items related to the sale or disposition of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under Applicable Accounting Standards; (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the Performance Period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquired in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; (xix) items attributable to expenses incurred in connection with a reduction in force or early retirement initiative; (xx) items relating to foreign exchange or currency transactions and/or fluctuations; or (xxi) items relating to any other unusual or nonrecurring events or changes in Applicable Law, Applicable Accounting Standards or business conditions. For all Awards intended to qualify as Performance-Based Compensation, such determinations shall be made within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Code.

2.41 "Performance Goals" shall mean, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a Subsidiary, division, business unit, or an individual. The achievement of each Performance Goal shall be determined, to the extent applicable, with reference to Applicable Accounting Standards.

2.42 "Performance Period" shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Holder's right to, vesting of, and/or the payment in respect of, an Award.

2.43 "Permitted Transferee" shall mean, with respect to a Holder, any "family member" of the Holder, as defined in the General Instructions to Form S-8 Registration Statement under the Securities Act (or any successor form thereto), or any other transferee specifically approved by the Administrator after taking into account Applicable Law.

2.44 “Plan” shall have the meaning set forth in Article 1.

2.45 “Program” shall mean any program adopted by the Administrator pursuant to the Plan containing the terms and conditions intended to govern a specified type of Award granted under the Plan and pursuant to which such type of Award may be granted under the Plan.

2.46 “Public Trading Date” shall mean the date of Listing.

2.47 “Restricted Stock” shall mean Shares awarded under Article 8 that is subject to certain restrictions and may be subject to risk of forfeiture or repurchase.

2.48 “Restricted Stock Units” shall mean the right to receive Shares awarded under Article 9.

2.49 “Sale” shall mean the sale of all or substantially all of the assets of the Company.

2.50 “SAR Term” shall have the meaning set forth in Section 6.4.

2.51 “Section 409A” shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance that may be issued after the Effective Date.

2.52 “Securities Act” shall mean the Securities Act of 1933, as amended.

2.53 “Shares” shall mean ordinary shares in the capital of the Company.

2.54 “Stock Appreciation Right” shall mean an Award entitling the Holder (or other person entitled to exercise pursuant to the Plan) to exercise all or a specified portion thereof (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount (in cash or Shares, at the discretion of the Administrator) determined by multiplying the difference obtained by subtracting the exercise price per share of such Award from the Fair Market Value on the date of exercise of such Award by the number of Shares with respect to which such Award shall have been exercised, subject to any caps or limitations the Administrator may impose.

2.55 “Subsidiary” shall mean a company that is a subsidiary of the Company within the meaning of Section 1159 of the Companies Act 2006.

2.56 “Substitute Award” shall mean an Award granted under the Plan in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock, in any case, upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity; provided, however, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.



2.57 “Takeover” shall mean if any person (or a group of persons acting in concert) (the “Acquiring Person”):

(a) obtains Control of the Company as the result of making a general offer to:-

(i) acquire all of the issued ordinary share capital of the Company, which is made on a condition that, if it is satisfied, the Acquiring Person will have Control of the Company; or

(ii) acquire all of the shares in the Company which are of the same class as the Shares; or

(b) obtains Control of the Company as a result of a compromise or arrangement sanctioned by a court under Section 899 of the Companies Act 2006, or sanctioned under any other similar law of another jurisdiction; or

(c) becomes bound or entitled under Sections 979 to 985 of the Companies Act 2006 (or similar law of another jurisdiction) to acquire shares of the same class as the Shares; or

(d) obtains Control of the Company in any other way.

2.58 “Termination of Service” shall mean:

(a) As to a Consultant, the time when the engagement of a Holder as a Consultant to the Company or a Subsidiary is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment or service with the Company or any Subsidiary.

(b) As to a Non-Employee Director, the time when a Holder who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Holder simultaneously commences or remains in employment or service with the Company or any Subsidiary.

(c) As to an Employee, the time when the employee-employer relationship between a Holder and the Company or any Subsidiary is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement; but excluding terminations where the Holder simultaneously commences or remains in employment or service with the Company or any Subsidiary.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, whether a Termination of Service has occurred, whether a Termination of Service resulted from a discharge for cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, that, with respect to Incentive Stock Options, unless the Administrator otherwise provides in the terms of any Program, Award Agreement or otherwise,

or as otherwise required by Applicable Law, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then-applicable regulations and revenue rulings under said Section. For purposes of the Plan, a Holder's employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Subsidiary employing or contracting with such Holder ceases to remain an Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

### **ARTICLE 3.**

#### **SHARES SUBJECT TO THE PLAN**

##### **3.1 Number of Shares.**

(a) Subject to Sections 3.1(b) and 13.2, the aggregate number of Shares which may be issued or transferred pursuant to Awards (including, without limitation, Incentive Stock Options) under the Plan is 8,800,000. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury Shares or Shares purchased on the open market.

(b) If any Shares subject to an Award are forfeited or expire, are converted to shares of another Person in connection with a Takeover, Sale, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares or other similar event, or such Award is settled for cash (in whole or in part) (including Shares repurchased by the Company under Section 8.4 at the same price paid by the Holder), the Shares subject to such Award shall, to the extent of such forfeiture, expiration or cash settlement, again be available for future grants of Awards under the Plan. Notwithstanding anything to the contrary contained herein, the following Shares shall not be added to the Shares authorized for grant under Section 3.1(a) and shall not be available for future grants of Awards: (i) Shares tendered by a Holder or withheld by the Company in payment of the exercise price of an Option; (ii) Shares tendered by the Holder or withheld by the Company to satisfy any tax withholding obligation with respect to an Option or Stock Appreciation Right; (iii) Shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right on exercise thereof; and (iv) Shares purchased on the open market with the cash proceeds from the exercise of Options. Any Shares repurchased by the Company under Section 8.4 at the same price paid by the Holder so that such Shares are returned to the Company shall again be available for Awards. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the Shares available for issuance under the Plan. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code.

(c) Substitute Awards shall not reduce the Shares authorized for grant under the Plan, except as may be required by reason of Section 422 of the Code. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or

any Subsidiary combines has shares available under a pre-existing plan approved by its stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of shares of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available Shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Subsidiaries immediately prior to such acquisition or combination.

3.2 Limitation on Number of Shares Subject to Awards. Notwithstanding any provision in the Plan to the contrary, and subject to Section 13.2, the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be 1,000,000 and the maximum aggregate amount of cash that may be paid in cash to any one person during any calendar year with respect to one or more Awards payable in cash shall be \$10,000,000. To the extent required by Section 162(m) of the Code, Shares subject to Awards that are cancelled shall continue to be counted against the Award Limit.

## **ARTICLE 4.**

### **GRANTING OF AWARDS**

4.1 Participation. The Administrator may, from time to time, select from among all Eligible Individuals, those to whom an Award shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. Except for any Non-Employee Director's right to Awards that may be required pursuant to the Non-Employee Director Equity Compensation Policy as described in Section 4.6, no Eligible Individual or other Person shall have any right to be granted an Award pursuant to the Plan and neither the Company nor the Administrator is obligated to treat Eligible Individuals, Holders or any other persons uniformly. Participation by each Holder in the Plan shall be voluntary and nothing in the Plan or any Program shall be construed as mandating that any Eligible Individual or other Person shall participate in the Plan.

4.2 Award Agreement. Each Award shall be evidenced by an Award Agreement that sets forth the terms, conditions and limitations for such Award as determined by the Administrator in its sole discretion (consistent with the requirements of the Plan and any applicable Program). Award Agreements evidencing Awards intended to qualify as Performance-Based Compensation shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 162(m) of the Code. Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

4.3 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any individual who is then

subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 of the Exchange Act and any amendments thereto) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

4.4 At-Will Service. Nothing in the Plan or in any Program or Award Agreement hereunder shall confer upon any Holder any right to continue in the employ of, or as a Director or Consultant for, the Company or any Subsidiary, or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which rights are hereby expressly reserved, to discharge any Holder at any time for any reason whatsoever, with or without cause, and with or without notice, or to terminate or change all other terms and conditions of employment or engagement, except to the extent expressly provided otherwise in a written agreement between the Holder and the Company or any Subsidiary.

4.5 Foreign Holders. Notwithstanding any provision of the Plan or applicable Program to the contrary, in order to comply with the laws in countries other than the United States in which the Company and its Subsidiaries operate or have Employees, Non-Employee Directors or Consultants, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, the Administrator, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals to comply with Applicable Law (including, without limitation, applicable foreign laws or listing requirements of any foreign securities exchange); (d) establish sub-plans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; provided, however, that no such sub-plans and/or modifications shall increase the share limitation contained in Section 3.1, the Award Limit or the Director Limit; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any foreign securities exchange.

4.6 Non-Employee Director Awards. The Administrator, in its sole discretion, may provide that Awards granted to Non-Employee Directors shall be granted pursuant to a written nondiscretionary formula established by the Administrator (the “Non-Employee Director Equity Compensation Policy”), subject to the limitations of the Plan. The Non-Employee Director Equity Compensation Policy shall set forth the type of Award(s) to be granted to Non-Employee Directors, the number of Shares to be subject to Non-Employee Director Awards, the conditions on which such Awards shall be granted, become exercisable and/or payable and expire, and such other terms and conditions as the Administrator shall determine in its sole discretion. The Non-Employee Director Equity Compensation Policy may be modified by the Administrator from time to time in its sole discretion. Notwithstanding any provision to the contrary in the Plan or in the Non-Employee Director Equity Compensation Policy, the sum of the grant date fair value of equity-based Awards and the amount of any cash-based Awards granted to a Non-Employee Director during any calendar year shall not exceed \$500,000 (the “Director Limit”).

## ARTICLE 5.

### PROVISIONS APPLICABLE TO AWARDS INTENDED TO QUALIFY AS PERFORMANCE-BASED COMPENSATION

5.1 Purpose. The Administrator, in its sole discretion, may determine whether such Award is intended to qualify as Performance-Based Compensation. If the Administrator, in its sole discretion, decides to grant an Award that is intended to qualify as Performance-Based Compensation (other than an Option or Stock Appreciation Right), then the provisions of this Article 5 shall control over any contrary provision contained in the Plan or any applicable Program. The Administrator, in its sole discretion, may grant Awards to other Eligible Individuals that are based on Performance Criteria or Performance Goals or any such other criteria and goals as the Administrator shall establish, but that do not satisfy the requirements of this Article 5 and that are not intended to qualify as Performance-Based Compensation. Unless otherwise specified by the Administrator at the time of grant, the Performance Criteria with respect to an Award intended to be Performance-Based Compensation payable to a Covered Employee shall be determined on the basis of Applicable Accounting Standards.

5.2 Procedures with Respect to Performance-Based Awards. To the extent necessary to comply with the requirements of Section 162(m)(4)(C) of the Code, with respect to any Award which is intended to qualify as Performance-Based Compensation, no later than 90 days following the commencement of any Performance Period or any designated fiscal period or period of service (or such earlier time as may be required under Section 162(m) of the Code), the Administrator shall, in writing, (a) designate one or more Eligible Individuals, (b) select the Performance Criteria applicable to the Performance Period, (c) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period based on the Performance Criteria, and (d) specify the relationship between Performance Criteria and the Performance Goals and the amounts of such Awards, as applicable, to be earned by each Covered Employee for such Performance Period. Following the completion of each Performance Period, the Administrator shall certify in writing whether and the extent to which the applicable Performance Goals have been achieved for such Performance Period. In determining the amount earned under such Awards, unless otherwise provided in an Award Agreement, the Administrator shall have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Administrator may deem relevant, including the assessment of individual or corporate performance for the Performance Period.

5.3 Payment of Performance-Based Awards. Unless otherwise provided in the applicable Program or Award Agreement and only to the extent otherwise permitted by Section 162(m) of the Code, as to an Award that is intended to qualify as Performance-Based Compensation, the Holder must be employed by the Company or a Subsidiary throughout the Performance Period. Unless otherwise provided in the applicable Program or Award Agreement, a Holder shall be eligible to receive payment pursuant to such Awards for a Performance Period only if and to the extent the Performance Goals for such Performance Period are achieved.

5.4 Additional Limitations. Notwithstanding any other provision of the Plan and except as otherwise determined by the Administrator, any Award which is granted to an Eligible

Individual and is intended to qualify as Performance-Based Compensation shall be subject to any additional limitations set forth in Section 162(m) of the Code or any regulations or rulings issued thereunder that are requirements for qualification as Performance-Based Compensation, and the Plan and the applicable Program and Award Agreement shall be deemed amended to the extent necessary to conform to such requirements.

## ARTICLE 6.

### GRANTING OF OPTIONS AND STOCK APPRECIATION RIGHTS

6.1 Granting of Options and Stock Appreciation Rights to Eligible Individuals. The Administrator is authorized to grant Options and Stock Appreciation Rights to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine, which shall not be inconsistent with the Plan.

6.2 Qualification of Incentive Stock Options. The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of the Company's present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. No person who qualifies as a Greater Than 10% Stockholder may be granted an Incentive Stock Option unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. To the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Holder during any calendar year under the Plan, and all other plans of the Company and any parent corporation or subsidiary corporation thereof (as defined in Section 424(e) and 424(f) of the Code, respectively), exceeds \$100,000, the Options shall be treated as Non-Qualified Stock Options to the extent required by Section 422 of the Code. The rule set forth in the immediately preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted and the fair market value of stock shall be determined as of the time the respective options were granted. Any interpretations and rules under the Plan with respect to Incentive Stock Options shall be consistent with the provisions of Section 422 of the Code. Neither the Company nor the Administrator shall have any liability to a Holder, or any other Person, (a) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (b) for any action or omission by the Company or the Administrator that causes an Option not to qualify as an Incentive Stock Option, including without limitation, the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option.

6.3 Option and Stock Appreciation Right Exercise Price. The exercise price per Share subject to each Option and Stock Appreciation Right shall be set by the Administrator, but shall not be less than 100% of the Fair Market Value of a Share on the date the Option or Stock Appreciation Right, as applicable, is granted (or, as to Incentive Stock Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). In addition, in the case of Incentive Stock Options granted to a Greater Than 10% Stockholder,

such price shall not be less than 110% of the Fair Market Value of a Share on the date the Option is granted (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). Notwithstanding the foregoing, in the case of an Option or Stock Appreciation Right that is a Substitute Award, the exercise price per share of the Shares subject to such Option or Stock Appreciation Right, as applicable, may be less than the Fair Market Value per share on the date of grant; provided that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Section 424 and 409A of the Code.

**6.4 Option and SAR Term.** The term of each Option (the “Option Term”) and the term of each Stock Appreciation Right (the “SAR Term”) shall be set by the Administrator in its sole discretion; provided, however, that the Option Term or SAR Term, as applicable, shall not be more than (a) ten (10) years from the date the Option or Stock Appreciation Right, as applicable, is granted to an Eligible Individual (other than a Greater Than 10% Stockholder), or (b) five (5) years from the date an Incentive Stock Option is granted to a Greater Than 10% Stockholder. Except as limited by the requirements of Section 409A or Section 422 of the Code and regulations and rulings thereunder or the first sentence of this Section 6.4 and without limiting the Company’s rights under Section 11.7, the Administrator may extend the Option Term of any outstanding Option or the SAR Term of any outstanding Stock Appreciation Right, and may extend the time period during which vested Options or Stock Appreciation Rights may be exercised, in connection with any Termination of Service of the Holder or otherwise, and may amend, subject to Section 11.7 and 13.1, any other term or condition of such Option or Stock Appreciation Right relating to such Termination of Service of the Holder or otherwise.

**6.5 Option and SAR Vesting.** The period during which the right to exercise, in whole or in part, an Option or Stock Appreciation Right vests in the Holder shall be set by the Administrator and set forth in the applicable Award Agreement. Unless otherwise determined by the Administrator in the Award Agreement, the applicable Program or by action of the Administrator following the grant of the Option or Stock Appreciation Right, (a) no portion of an Option or Stock Appreciation Right which is unexercisable at a Holder’s Termination of Service shall thereafter become exercisable and (b) the portion of an Option or Stock Appreciation Right that is unexercisable at a Holder’s Termination of Service shall automatically expire on the date of such Termination of Service.

**6.6 Substitution of Stock Appreciation Rights; Early Exercise of Options.** The Administrator may provide in the applicable Program or Award Agreement evidencing the grant of an Option that the Administrator, in its sole discretion, shall have the right to substitute a Stock Appreciation Right for such Option at any time prior to or upon exercise of such Option; provided that such Stock Appreciation Right shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, and shall also have the same exercise price, vesting schedule and remaining term as the substituted Option. The Administrator may provide in the terms of an Award Agreement that the Holder may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the Option so exercised. Shares of Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

## ARTICLE 7.

### EXERCISE OF OPTIONS AND STOCK APPRECIATION RIGHTS

7.1 Exercise and Payment. An exercisable Option or Stock Appreciation Right may be exercised in whole or in part. However, an Option or Stock Appreciation Right shall not be exercisable with respect to fractional Shares and the Administrator may require that, by the terms of the Option or Stock Appreciation Right, a partial exercise must be with respect to a minimum number of Shares. Payment of the amounts payable with respect to Stock Appreciation Rights pursuant to this Article 7 shall be in cash, Shares (based on its Fair Market Value as of the date the Stock Appreciation Right is exercised), or a combination of both, as determined by the Administrator.

7.2 Manner of Exercise. Except as set forth in Section 7.3, all or a portion of an exercisable Option or Stock Appreciation Right shall be deemed exercised upon delivery of all of the following to the Secretary of the Company, the stock plan administrator of the Company or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option or Stock Appreciation Right, or a portion thereof, is exercised. The notice shall be signed by the Holder or other person then entitled to exercise the Option or Stock Appreciation Right or such portion thereof;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with Applicable Law.

(c) In the event that the Option or Stock Appreciation Right shall be exercised pursuant to Section 11.3 by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option or Stock Appreciation Right, as determined in the sole discretion of the Administrator; and

(d) Full payment of the applicable withholding taxes for the Shares with respect to which the Option or Stock Appreciation Right, or portion thereof, is exercised, and, in the case of an Option, full payment of the exercise price, in a manner permitted by the Administrator in accordance with Sections 11.1 and 11.2.

7.3 Expiration of Option Term or SAR Term: Automatic Exercise of In-The-Money Options and Stock Appreciation Rights. Unless otherwise provided by the Administrator in an Award Agreement or otherwise or as otherwise directed by an Option or Stock Appreciation Rights Holder in writing to the Company, each vested and exercisable Option and Stock Appreciation Right outstanding on the Automatic Exercise Date with an exercise price per Share that is less than the Fair Market Value per Share as of such date shall automatically and without further action by the Option or Stock Appreciation Rights Holder or the Company be exercised on the Automatic Exercise Date. In the sole discretion of the Administrator, payment of the exercise price of any such Option shall be made pursuant to Section 11.1(b) or 11.1(c) and the Company or any Subsidiary shall be entitled to deduct or withhold an amount sufficient to satisfy



all taxes associated with such exercise in accordance with Section 11.2. Unless otherwise determined by the Administrator, this Section 7.3 shall not apply to an Option or Stock Appreciation Right if the Holder of such Option or Stock Appreciation Right incurs a Termination of Service on or before the Automatic Exercise Date. For the avoidance of doubt, no Option or Stock Appreciation Right with an exercise price per Share that is equal to or greater than the Fair Market Value per Share on the Automatic Exercise Date shall be exercised pursuant to this Section 7.3.

7.4 Notification Regarding Disposition. The Holder shall give the Company prompt written or electronic notice of any disposition of Shares acquired by exercise of an Incentive Stock Option which occurs within (a) two years from the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) such Option to such Holder, or (b) one year after the date of transfer of such Shares to such Holder. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Holder in such disposition or other transfer.

## **ARTICLE 8.**

### **AWARD OF RESTRICTED STOCK**

8.1 Award of Restricted Stock. The Administrator is authorized to grant Restricted Stock to Eligible Individuals, and shall determine the terms and conditions, including the restrictions applicable to each award of Restricted Stock, which terms and conditions shall not be inconsistent with the Plan or any applicable Program, and may impose such conditions on the issuance of such Restricted Stock as it deems appropriate. The Administrator shall establish the purchase price, if any, and form of payment for Restricted Stock; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value, if any, of the Shares to be purchased, unless otherwise permitted by Applicable Law. In all cases, legal consideration shall be required for each issuance of Restricted Stock to the extent required by Applicable Law.

8.2 Rights as Stockholders. Subject to Section 8.4, upon issuance of Restricted Stock, the Holder shall have, unless otherwise provided by the Administrator, all the rights of a stockholder with respect to said Shares, subject to the restrictions in the Plan, any applicable Program and/or the applicable Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the Shares to the extent such dividends and other distributions have a record date that is on or after the date on which the Holder to whom such Restricted Stock are granted becomes the record holder of such Restricted Stock; provided, however, that, in the sole discretion of the Administrator, any extraordinary distributions with respect to the Shares may be subject to the restrictions set forth in Section 8.3. In addition, with respect to a share of Restricted Stock with performance-based vesting, dividends which are paid prior to vesting shall only be paid out to the Holder to the extent that the performance-based vesting conditions are subsequently satisfied and the share of Restricted Stock vests.

8.3 Restrictions. All shares of Restricted Stock (including any shares received by Holders thereof with respect to shares of Restricted Stock as a result of stock dividends, stock

splits or any other form of recapitalization) shall be subject to such restrictions and vesting requirements as the Administrator shall provide in the applicable Program or Award Agreement. By action taken after the Restricted Stock is issued, the Administrator may, on such terms and conditions as it may determine to be appropriate, accelerate the vesting of such Restricted Stock by removing any or all of the restrictions imposed by the terms of the applicable Program or Award Agreement.

8.4 Repurchase or Forfeiture of Restricted Stock. Except as otherwise determined by the Administrator, if no price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Holder's rights in unvested Restricted Stock then subject to restrictions shall lapse, and such Restricted Stock shall be surrendered to the Company or a person nominated by the Company without consideration on the date of such Termination of Service. If a price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Company or a person nominated by the Company shall have the right to repurchase from the Holder the unvested Restricted Stock then subject to restrictions at a cash price per share equal to the price paid by the Holder for such Restricted Stock or such other amount as may be specified in the applicable Program or Award Agreement. Notwithstanding the foregoing, the Administrator, in its sole discretion, may provide that upon certain events, including, without limitation, a Change in Control, the Holder's death, retirement or disability or any other specified Termination of Service or any other event, the Holder's rights in unvested Restricted Stock then subject to restrictions shall not lapse, such Restricted Stock shall vest and cease to be forfeitable and, if applicable, the Company shall cease to have a right of repurchase.

8.5 Section 83(b) Election. If a Holder makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Holder would otherwise be taxable under Section 83(a) of the Code, the Holder shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service along with proof of the timely filing thereof with the Internal Revenue Service.

## **ARTICLE 9.**

### **AWARD OF RESTRICTED STOCK UNITS**

9.1 Grant of Restricted Stock Units. The Administrator is authorized to grant Awards of Restricted Stock Units to any Eligible Individual selected by the Administrator in such amounts and subject to such terms and conditions as determined by the Administrator.

9.2 Term. Except as otherwise provided herein, the term of a Restricted Stock Unit award shall be set by the Administrator in its sole discretion.

9.3 Purchase Price. The Administrator shall specify the purchase price, if any, to be paid by the Holder to the Company with respect to any Restricted Stock Unit award; provided, however, that value of the consideration shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

9.4 Vesting of Restricted Stock Units. At the time of grant, the Administrator shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate, including, without limitation, vesting based upon the Holder's duration of service to the Company or any Subsidiary, one or more Performance Criteria, Company performance, individual performance or other specific criteria, in each case on a specified date or dates or over any period or periods, as determined by the Administrator.

9.5 Maturity and Payment. At the time of grant, the Administrator shall specify the maturity date applicable to each grant of Restricted Stock Units, which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the Holder (if permitted by the applicable Award Agreement); provided that, except as otherwise determined by the Administrator, and subject to compliance with Section 409A, in no event shall the maturity date relating to each Restricted Stock Unit occur following the later of (a) the 15<sup>th</sup> day of the third month following the end of calendar year in which the applicable portion of the Restricted Stock Unit vests; or (b) the 15<sup>th</sup> day of the third month following the end of the Company's fiscal year in which the applicable portion of the Restricted Stock Unit vests. On the maturity date, the Company shall, in accordance with the applicable Award Agreement and subject to Section 11.4(f), transfer to the Holder one unrestricted, fully transferable Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited, or in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of such Shares on the maturity date or a combination of cash and Shares as determined by the Administrator.

9.6 Payment upon Termination of Service. An Award of Restricted Stock Units shall only be payable while the Holder is an Employee, a Consultant or a member of the Board, as applicable; provided, however, that the Administrator, in its sole discretion, may provide (in an Award Agreement or otherwise) that a Restricted Stock Unit award may be paid subsequent to a Termination of Service in certain events, including a Change in Control, the Holder's death, retirement or disability or any other specified Termination of Service.

## **ARTICLE 10.**

### **AWARD OF OTHER STOCK OR CASH BASED AWARDS AND DIVIDEND EQUIVALENTS**

10.1 Other Stock or Cash Based Awards. The Administrator is authorized to (a) grant Other Stock or Cash Based Awards, including awards entitling a Holder to receive Shares or cash to be delivered immediately or in the future, to any Eligible Individual and (b) determine whether such Other Stock or Cash Based Awards shall be Performance-Based Compensation. Subject to the provisions of the Plan and any applicable Program, the Administrator shall determine the terms and conditions of each Other Stock or Cash Based Award, including the term of the Award, any exercise or purchase price, performance goals, including the Performance Criteria, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement. Other Stock or Cash Based Awards may be paid in cash, Shares, or a combination of cash and Shares, as determined by the Administrator, and may be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments, as a part of a bonus, deferred bonus, deferred compensation or other arrangement, and/or as payment in lieu of compensation to which an Eligible Individual is otherwise entitled.

10.2 Dividend Equivalents. Dividend Equivalents may be granted by the Administrator, either alone or in tandem with another Award, based on dividends declared on the Shares, to be credited as of dividend payment dates during the period between the date the Dividend Equivalents are granted to a Holder and the date such Dividend Equivalents terminate or expire, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such restrictions and limitations as may be determined by the Administrator. In addition, Dividend Equivalents with respect to an Award with performance-based vesting that are based on dividends paid prior to the vesting of such Award shall only be paid out to the Holder to the extent that the performance-based vesting conditions are subsequently satisfied and the Award vests. Notwithstanding the foregoing, no Dividend Equivalents shall be payable with respect to Options or Stock Appreciation Rights.

## **ARTICLE 11.**

### **ADDITIONAL TERMS OF AWARDS**

11.1 Payment. The Administrator shall determine the method or methods by which payments by any Holder with respect to any Awards granted under the Plan shall be made, including, without limitation: (a) cash or check, (b) Shares (including, in the case of payment of the exercise price of an Award, Shares issuable pursuant to the exercise of the Award) or Shares held for such minimum period of time as may be established by the Administrator, in each case, having a Fair Market Value on the date of delivery equal to the aggregate payments required, (c) delivery of a written or electronic notice that the Holder has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable upon exercise or vesting of an Award, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required; provided that payment of such proceeds is then made to the Company upon settlement of such sale, (d) other form of legal consideration acceptable to the Administrator in its sole discretion, or (e) any combination of the above permitted forms of payment. Notwithstanding any other provision of the Plan to the contrary, no Holder who is a Director or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

11.2 Tax Withholding. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Holder to remit to the Company, an amount sufficient to satisfy any federal, state, local and foreign taxes (including the Holder’s FICA, employment tax or other social security contribution obligation) required by law to be withheld or otherwise arising with respect to any taxable event concerning a Holder arising as a result of the Plan or any Award. The Administrator may, in its sole discretion and in satisfaction of the foregoing requirement, allow a Holder to satisfy such obligations by any payment means

described in Section 11.1 hereof, including without limitation, by allowing such Holder to have the Company or any Subsidiary withhold Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a fair market value on the date of withholding or repurchase no greater than the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income (or such other number as would not result in adverse financial accounting consequences for the Company or any of its Subsidiaries). The Administrator shall determine the fair market value of the Shares, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of Shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.

### 11.3 Transferability of Awards.

(a) Except as otherwise provided in Sections 11.3(b) and 11.3(c):

(i) No Award under the Plan may be sold, pledged, assigned or transferred in any manner other than (A) by will or the laws of descent and distribution or (B) subject to the consent of the Administrator, pursuant to a DRO, unless and until such Award has been exercised or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed;

(ii) No Award or interest or right therein shall be liable for or otherwise subject to the debts, contracts or engagements of the Holder or the Holder's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed, and any attempted disposition of an Award prior to satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by Section 11.3(a)(i); and

(iii) During the lifetime of the Holder, only the Holder may exercise any exercisable portion of an Award granted to such Holder under the Plan, unless it has been disposed of pursuant to a DRO. After the death of the Holder, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Program or Award Agreement, be exercised by the Holder's personal representative or by any person empowered to do so under the deceased Holder's will or under the then-applicable laws of descent and distribution.

(b) Notwithstanding Section 11.3(a), the Administrator, in its sole discretion, may determine to permit a Holder or a Permitted Transferee of such Holder to transfer an Award other than an Incentive Stock Option (unless such Incentive Stock Option is intended to become a Nonqualified Stock Option) to any one or more Permitted Transferees of such Holder, subject

to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee other than (A) to another Permitted Transferee of the applicable Holder or (B) by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Holder (other than the ability to further transfer the Award to any Person other than another Permitted Transferee of the applicable Holder); and (iii) the Holder (or transferring Permitted Transferee) and the receiving Permitted Transferee shall execute any and all documents requested by the Administrator, including, without limitation documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under Applicable Law and (C) evidence the transfer. In addition, and further notwithstanding Section 11.3(a), hereof, the Administrator, in its sole discretion, may determine to permit a Holder to transfer Incentive Stock Options to a trust that constitutes a Permitted Transferee if, under Section 671 of the Code and other Applicable Law, the Holder is considered the sole beneficial owner of the Incentive Stock Option while it is held in the trust.

(c) Notwithstanding Section 11.3(a), a Holder may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Holder and to receive any distribution with respect to any Award upon the Holder's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Program or Award Agreement applicable to the Holder and any additional restrictions deemed necessary or appropriate by the Administrator. If the Holder is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a community property state, a designation of a person other than the Holder's spouse or domestic partner, as applicable, as the Holder's beneficiary with respect to more than 50% of the Holder's interest in the Award shall not be effective without the prior written or electronic consent of the Holder's spouse or domestic partner. If no beneficiary has been designated or survives the Holder, payment shall be made to the person entitled thereto pursuant to the Holder's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Holder at any time; provided that the change or revocation is delivered in writing to the Administrator prior to the Holder's death.

#### 11.4 Conditions to Issuance of Shares.

(a) The Administrator shall determine the methods by which Shares shall be delivered or deemed to be delivered to Holders. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel, that the issuance of such Shares is in compliance with Applicable Law and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Administrator may require that a Holder make such reasonable covenants, agreements and representations as the Administrator, in its sole discretion, deems advisable in order to comply with Applicable Law.

(b) All share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as

the Administrator deems necessary or advisable to comply with Applicable Law. The Administrator may place legends on any share certificate or book entry to reference restrictions applicable to the Shares (including, without limitation, restrictions applicable to Restricted Stock).

(c) The Administrator shall have the right to require any Holder to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) No fractional Shares shall be issued and the Administrator, in its sole discretion, shall determine whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding down.

(e) The Company, in its sole discretion, may (i) retain physical possession of any stock certificate evidencing Shares until any restrictions thereon shall have lapsed and/or (ii) require that the stock certificates evidencing such Shares be held in custody by a designated escrow agent (which may but need not be the Company) until the restrictions thereon shall have lapsed, and that the Holder deliver a stock power, endorsed in blank, relating to such Shares.

(f) Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by Applicable Law, the Company shall not deliver to any Holder certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

**11.5 Forfeiture and Claw-Back Provisions.** All Awards (including any proceeds, gains or other economic benefit actually or constructively received by a Holder upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award) shall be subject to the terms of applicable law, regulation and governance codes that regulate or govern executive remuneration and compensation from time to time and the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of Applicable Law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

**11.6 Prohibition on Repricing.** Subject to Section 13.2, the Administrator shall not, without the approval of the stockholders of the Company, (a) authorize the amendment of any outstanding Option or Stock Appreciation Right to reduce its price per Share, or (b) cancel any Option or Stock Appreciation Right in exchange for cash or another Award when the Option or Stock Appreciation Right price per Share exceeds the Fair Market Value of the underlying Shares. Furthermore, for purposes of this Section 11.6, except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination or exchange of shares), the terms of outstanding Awards may not be amended to reduce the exercise price per Share of outstanding Options or Stock Appreciation

Rights to cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other Awards or Options or Stock Appreciation Rights with an exercise price per Share that is less than the exercise price per Share of the original Options or Stock Appreciation Rights without the approval of the stockholders of the Company.

11.7 Amendment of Awards. Subject to Applicable Law, the Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Holder's consent to such action shall be required unless (a) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Holder, or (b) the change is otherwise permitted under the Plan (including, without limitation, under Section 13.2 or 13.10).

11.8 Data Privacy. As a condition of receipt of any Award, each Holder explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this Section 11.8 by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Holder's participation in the Plan. The Company and its Subsidiaries may hold certain personal information about a Holder, including but not limited to, the Holder's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its Subsidiaries, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "Data"). The Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Holder's participation in the Plan, and the Company and its Subsidiaries may each further transfer the Data to any third parties assisting the Company and its Subsidiaries in the implementation, administration and management of the Plan. These recipients may be located in the Holder's country, or elsewhere, and the Holder's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each Holder authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Holder's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or any of its Subsidiaries or the Holder may elect to deposit any Shares. The Data related to a Holder will be held only as long as is necessary to implement, administer, and manage the Holder's participation in the Plan. A Holder may, at any time, view the Data held by the Company with respect to such Holder, request additional information about the storage and processing of the Data with respect to such Holder, recommend any necessary corrections to the Data with respect to the Holder or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel Holder's ability to participate in the Plan and, in the Administrator's discretion, the Holder may forfeit any outstanding Awards if the Holder refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Holders may contact their local human resources representative.



## ARTICLE 12.

### ADMINISTRATION

12.1 Administrator. The Committee shall administer the Plan (except as otherwise permitted herein). To the extent necessary to comply with Rule 16b-3 of the Exchange Act, and with respect to Awards that are intended to be Performance-Based Compensation, including Options and Stock Appreciation Rights, then the Committee shall take all action with respect to such Awards, and the individuals taking such action shall consist solely of two or more Non-Employee Directors, each of whom is intended to qualify as both a “non-employee director” as defined by Rule 16b-3 of the Exchange Act or any successor rule and an “outside director” for purposes of Section 162(m) of the Code. Additionally, to the extent required by Applicable Law, each of the individuals constituting the Committee shall be an “independent director” under the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded. Notwithstanding the foregoing, any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 12.1 or the Organizational Documents. Except as may otherwise be provided in the Organizational Documents or as otherwise required by Applicable Law, (a) appointment of Committee members shall be effective upon acceptance of appointment, (b) Committee members may resign at any time by delivering written or electronic notice to the Board and (c) vacancies in the Committee may only be filled by the Board. Notwithstanding the foregoing, (a) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Non-Employee Directors and, with respect to such Awards, the terms “Administrator” as used in the Plan shall be deemed to refer to the Board and (b) the Board or Committee may delegate its authority hereunder to the extent permitted by Section 12.6.

12.2 Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the power to interpret the Plan, all Programs and Award Agreements, and to adopt such rules for the administration, interpretation and application of the Plan and any Program as are not inconsistent with the Plan, to interpret, amend or revoke any such rules and to amend any Program or Award Agreement; provided that the rights or obligations of the Holder of the Award that is the subject of any such Program or Award Agreement are not materially and adversely affected by such amendment, unless the consent of the Holder is obtained or such amendment is otherwise permitted under Section 11.5 or Section 13.10. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee in its capacity as the Administrator under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act or any successor rule, or Section 162(m) of the Code, or any regulations or rules issued thereunder, or the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded are required to be determined in the sole discretion of the Committee.

12.3 Action by the Administrator. Unless otherwise established by the Board, set forth in any Organizational Documents or as required by Applicable Law, a majority of the Administrator shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by all members of the

Administrator in lieu of a meeting, shall be deemed the acts of the Administrator. Each member of the Administrator is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

12.4 Authority of Administrator. Subject to the Organizational Documents, any specific designation in the Plan and Applicable Law, the Administrator has the exclusive power, authority and sole discretion to:

- (a) Designate Eligible Individuals to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Eligible Individual (including, without limitation, any Awards granted in tandem with another Award granted pursuant to the Plan);
- (c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, purchase price, any Performance Criteria or performance criteria, any reload provision, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and claw-back and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;
- (e) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- (f) Prescribe the form of each Award Agreement, which need not be identical for each Holder;
- (g) Decide all other matters that must be determined in connection with an Award;
- (h) Establish, adopt, or revise any Programs, rules and regulations as it may deem necessary or advisable to administer the Plan;
- (i) Interpret the terms of, and any matter arising pursuant to, the Plan, any Program or any Award Agreement;
- (j) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan; and

(k) Accelerate wholly or partially the vesting or lapse of restrictions of any Award or portion thereof at any time after the grant of an Award, subject to whatever terms and conditions it selects and Section 13.2.

12.5 Decisions Binding. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Program or any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding and conclusive on all Persons.

12.6 Delegation of Authority. The Board or Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to this Article 12; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act, (b) Covered Employees with respect to Awards intended to constitute Performance Based Compensation, or (c) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under any Organizational Documents and Applicable Law (including, without limitation, Section 162(m) of the Code). Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation or that are otherwise included in the applicable Organizational Documents, and the Board or Committee, as applicable, may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 12.6 shall serve in such capacity at the pleasure of the Board or the Committee, as applicable, and the Board or the Committee may abolish any committee at any time and re-vest in itself any previously delegated authority.

## ARTICLE 13.

### MISCELLANEOUS PROVISIONS

#### 13.1 Amendment, Suspension or Termination of the Plan.

(a) Except as otherwise provided in Section 13.1(b), the Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board; provided that, except as provided in Section 11.5 and Section 13.10, no amendment, suspension or termination of the Plan shall, without the consent of the Holder, materially and adversely affect any rights or obligations under any Award theretofore granted or awarded, unless the Award itself otherwise expressly so provides.

(b) Notwithstanding Section 13.1(a), the Board may not, except as provided in Section 13.2, take any of the following actions without approval of the Company's stockholders given within twelve (12) months before or after such action: (i) increase the limit imposed in Section 3.1 on the maximum number of Shares which may be issued under the Plan, the Award Limit or the Director Limit, (ii) reduce the price per share of any outstanding Option or Stock Appreciation Right granted under the Plan or take any action prohibited under Section 11.6, or (iii) cancel any Option or Stock Appreciation Right in exchange for cash or another Award in violation of Section 11.6.

(c) No Awards may be granted or awarded during any period of suspension or after termination of the Plan, and notwithstanding anything herein to the contrary, in no event may any Award be granted under the Plan after the tenth (10<sup>th</sup>) anniversary of the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders (such anniversary, the "Expiration Date"). Any Awards that are outstanding on the Expiration Date shall remain in force according to the terms of the Plan, the applicable Program and the applicable Award Agreement.

### 13.2 Changes in Shares or Assets of the Company, Acquisition or Liquidation of the Company and Other Corporate Events.

(a) In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of the Company's stock or the share price of the Company's stock other than an Equity Restructuring, the Administrator may make equitable adjustments, if any, to reflect such change with respect to: (i) the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 on the maximum number and kind of Shares which may be issued under the Plan and adjustments of the Award Limit); (ii) the number and kind of Shares (or other securities or property) subject to outstanding Awards; (iii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); (iv) the grant or exercise price per share for any outstanding Awards under the Plan; and (v) the number and kind of Shares (or other securities or property) for which automatic grants are subsequently to be made to new and continuing Non-Employee Directors pursuant to Section 4.6. Any adjustment affecting an Award intended as Performance-Based Compensation shall be made consistent with the requirements of Section 162(m) of the Code unless otherwise determined by the Administrator.

(b) In the event of any transaction or event described in Section 13.2(a) or any unusual or nonrecurring transactions or events affecting the Company, any Subsidiary of the Company, or the financial statements of the Company or any Subsidiary, or of changes in Applicable Law or Applicable Accounting Standards, the Administrator, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in Applicable Law or Applicable Accounting Standards:

(i) To provide for the termination of any such Award in exchange for an amount of cash and/or other property with a value equal to the amount that would have been attained upon the exercise of such Award or realization of the Holder's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 13.2 the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Holder's rights, then such Award may be terminated by the Company without payment);

(ii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(iii) To make adjustments in the number and type of Shares of the Company's stock (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards and Awards which may be granted in the future;

(iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the Plan or the applicable Program or Award Agreement;

(v) To replace such Award with other rights or property selected by the Administrator; and/or

(vi) To provide that the Award cannot vest, be exercised or become payable after such event.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Sections 13.2(a) and 13.2(b):

(i) The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted (and the adjustments provided under this Section 13.2(c)(i) shall be nondiscretionary and shall be final and binding on the affected Holder and the Company); and/or

(ii) The Administrator shall make such equitable adjustments, if any, as the Administrator, in its sole discretion, may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitation in Section 3.1 on the maximum number and kind of Shares which may be issued under the Plan and adjustments of the Award Limit).

(d) Notwithstanding any other provision of the Plan, in the event of a Change in Control, unless the Administrator elects to (i) terminate an Award in exchange for cash, rights or property, or (ii) cause an Award to become fully exercisable and no longer subject to any forfeiture restrictions prior to the consummation of a Change in Control, pursuant to Section 13.2, (A) such Award (other than any portion subject to performance-based vesting) shall continue in effect or be assumed or an equivalent Award substituted by the successor corporation or a parent or subsidiary of the successor corporation and (B) the portion of such Award subject to performance-based vesting shall be subject to the terms and conditions of the applicable Award Agreement and, in the absence of applicable terms and conditions, the Administrator's discretion.

(e) In the event that the successor corporation in a Change in Control refuses to assume or substitute for an Award (other than any portion subject to performance-based vesting), the Administrator may cause (i) any or all of such Award (or portion thereof) to terminate in exchange for cash, rights or other property pursuant to Section 13.2(b)(i) or (ii) any or all of such Award (or portion thereof) to become fully exercisable immediately prior to the consummation of such transaction and all forfeiture restrictions on any or all of such Award to lapse. If any such Award is exercisable in lieu of assumption or substitution in the event of a Change in Control, the Administrator shall notify the Holder that such Award shall be fully exercisable for a period of fifteen (15) days from the date of such notice, contingent upon the occurrence of the Change in Control, and such Award shall terminate upon the expiration of such period.

(f) For the purposes of this Section 13.2, an Award shall be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of the Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control was not solely shares of the successor (or acquiring) corporation or its parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Award, for each Share subject to an Award, to be solely shares of the successor (or acquiring) corporation or its parent equal in fair market value to the per-share consideration received by holders of the Shares in the Change in Control.

(g) The Administrator, in its sole discretion, may include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(h) Unless otherwise determined by the Administrator, no adjustment or action described in this Section 13.2 or in any other provision of the Plan shall be authorized to the extent it would (i) with respect to Awards which are granted to Covered Employees and are intended to qualify as Performance-Based Compensation, cause such Award to fail to so qualify as Performance-Based Compensation, (ii) cause the Plan to violate Section 422(b)(1) of the Code, (iii) result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 of the Exchange Act, or (iv) cause an Award to fail to be exempt from or comply with Section 409A.

(i) The existence of the Plan, any Program, any Award Agreement and/or the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company 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 stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose

rights are superior to or affect the Shares or the rights thereof or which are convertible into or exchangeable for Shares, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(j) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares or the share price of the Shares including any Equity Restructuring, for reasons of administrative convenience, the Administrator, in its sole discretion, may refuse to permit the exercise of any Award during a period of up to thirty (30) days prior to the consummation of any such transaction.

13.3 Approval of Plan by Stockholders. The Plan shall be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's initial adoption of the Plan.

13.4 No Stockholders Rights. Except as otherwise provided herein or in an applicable Program or Award Agreement, a Holder shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Holder becomes the record owner of such Shares.

13.5 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Holder may be permitted through the use of such an automated system.

13.6 Effect of Plan upon Other Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Subsidiary. Nothing in the Plan shall be construed to limit the right of the Company or any Subsidiary: (a) to establish any other forms of incentives or compensation for Employees, Directors or Consultants of the Company or any Subsidiary, or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.

13.7 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan and the issuance and delivery of Shares and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all Applicable Law (including but not limited to state, federal and foreign securities law and margin requirements), and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all

Applicable Law. The Administrator, in its sole discretion, may take whatever actions it deems necessary or appropriate to effect compliance with Applicable Law, including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars. Notwithstanding anything to the contrary herein, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate Applicable Law. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to Applicable Law.

13.8 Titles and Headings, References to Sections of Applicable Law. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act or any other Applicable Law shall include any amendment or successor thereto.

13.9 Governing Law. The Plan and any Programs and Award Agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

13.10 Section 409A. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A, the Plan, the Program pursuant to which such Award is granted and the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A. To the extent applicable, the Plan, the Program and any Award Agreements shall be interpreted in accordance with Section 409A. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Administrator determines that any Award may be subject to Section 409A, the Administrator may (but is not obligated to), without a Holder's consent, adopt such amendments to the Plan and the applicable Program and Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (a) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under Section 409A. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall have no obligation under this Section 13.10 or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Holder or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, "nonqualified deferred compensation" subject to the imposition of taxes, penalties and/or interest under Section 409A.

13.11 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Holder pursuant to an Award, nothing contained in the Plan or any Program or Award Agreement shall give the Holder any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.12 Indemnification. To the extent permitted under Applicable Law and the Organizational Documents, each member of the Administrator shall be indemnified and held



harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Organizational Documents, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.13 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.14 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

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**LIVANOVA PLC**  
**2015 INCENTIVE AWARD PLAN**

**SUB-PLAN FOR UK PARTICIPANTS**

**1. Purpose**

Pursuant to the powers granted by the Administrator in Section 4.5 of the LivaNova PLC 2015 Incentive Award Plan (as it may be amended or restated from time to time, the “Plan”), the Administrator has adopted this UK Sub-Plan (the “Sub-Plan”). The purpose of the Sub-Plan is to promote the success and enhance the value of LivaNova PLC (the “Company”), by linking the individual interests of Employees, to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Sub-Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of Employees upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent. Only Employees may receive Awards under the Sub-Plan.

**2. Definitions and Construction**

Wherever the following terms are: (i) used in the Sub-Plan; or (ii) used in the Plan but apply to Awards made under the Sub-Plan, they shall have the meanings specified below, unless the context clearly indicates otherwise. Capitalized terms used in the Sub-Plan which are not defined herein shall have the meaning given in the Plan, and where the context requires any references to the “Plan” in those definitions shall be a reference to the Sub-Plan. The singular pronoun shall include the plural where the context so indicates.

- (a) “Award” means, individually, or collectively, a grant under the Sub-Plan of an Option, a Stock Appreciation Right, a Restricted Stock award, a Restricted Stock Unit award, an Other Stock or Cash Based Award, or a Dividend Equivalent award.
- (b) “Employee” shall mean any person who is an employee of the Company or a Subsidiary as determined by the Administrator.

**3. Shares Subject to the Plan**

- (a) Subject to the terms of Section 3(b) of this Sub-Plan, the provisions of Section 3 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.
- (b) The aggregate number of Shares which may be issued or transferred pursuant to Awards under the Sub-Plan, when taken together with the number of Shares which may be issued or transferred pursuant to Awards under the Plan or any other sub-plan shall not exceed the limits specified by Section 3 of the Plan, as amended from time to time.

#### **4. Granting of Awards**

- (a) The Sub-Plan forms the rules of the employee share scheme applicable to Awards made under the Sub-Plan to Employees of the Company and any Subsidiaries based in the United Kingdom or in any other jurisdiction at the discretion of the Administrator. Other Eligible Individuals who are not Employees (such as Consultants or Non-Employee Directors) are not eligible to receive Awards and become Eligible Individuals pursuant to this Sub-Plan. References to the phrase “Eligible Individual” shall be interpreted as referring only to Employees when that phrase in the Plan is used in the context of the Sub-Plan and Awards granted to Employees under this Sub-Plan and references to the phrase “Termination of Service” shall be interpreted as referring only to the date the Eligible Individual ceases to be an Employee when that phrase in the Plan is used in the context of the Sub-Plan and Awards granted to Employees under the Sub-Plan.
- (b) The following language set out below is in addition to the terms of Section 4.4:-  
*“Neither the Sub-Plan nor any Award made under the Sub-Plan shall give the Holder any rights to compensation or damages including for any loss or potential loss that the Holder may suffer by reason of being unable to exercise any Option or forfeiting any Award or Shares as a result of the termination of the Sub-Plan, the lapsing or termination of an Award or the Holder’s Termination of Service including where any Termination of Service is subsequently held to be wrongful or unfair.”*
- (c) The provisions of Section 4 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

#### **5. Provisions Applicable to Awards Intended to Qualify as Performance-Based Compensation**

The provisions of Section 5 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

#### **6. Granting of Stock Options and Stock Appreciation Rights**

- (a) The Administrator may grant Options and Stock Appreciation Rights to Employees from time to time, in its sole discretion, on such terms and conditions as it may determine, which shall not be inconsistent with the Sub-Plan.
- (b) Unless otherwise determined appropriate by the Administrator, any Option granted under this Sub-Plan shall be a Non-Qualified Stock Option.
- (c) The exercise price per Share subject to each Option and Stock Appreciation Right shall be set by the Administrator, but (except for Substitute Awards) shall not be less than 100% of the Fair Market Value of a Share on the date the Option or Share Appreciation Right, as applicable, is granted.

(d) The provisions of Section 6.3 to 6.6 (inclusive) of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

## **7. Exercise of Options and Stock Appreciation Rights**

The provisions of Section 7 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

## **8. Award of Restricted Stock**

The provisions of Section 8 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan. On request by the Company, Employees tax resident in the United Kingdom will be required to make an election under Section 431 of Chapter 2 Income Tax (Earnings and Pensions) Act 2003 ("ITEPA") for full disapplication of ITEPA. Employees tax resident in other jurisdictions may be required to make equivalent elections appropriate to their jurisdictions.

## **9. Award of Restricted Stock Units**

The provisions of Section 9 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

## **10. Award of Other Stock or Cash Based Awards and Dividend Equivalents**

The provisions of Section 10 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

## **11. Additional Terms of Awards**

- (a) Except as set out below, the provisions of Section 11 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.
- (b) Section 11.2 of the Plan shall be amended so that the word "foreign taxes" when used in Section 11.2 shall include income tax, employee's National Insurance contributions and (at the discretion of the Company) employer's National Insurance contributions or other similar taxes arising in any jurisdiction (any, a "Tax Liability") that is attributable to: (i) the grant or exercise of or any benefit derived from an Award; (ii) the transfer or issue of shares of Shares to an Employee on satisfaction of an Award; (iii) any restrictions applicable to any shares of Shares held by an Employee ceasing to apply to those Shares; or (iv) the disposal of any Shares. The Employee will indemnify and keep indemnified the Company and his/her employing company, if different, from and against any liability for or obligation to pay any Tax Liability.
- (c) Section 11.3(b) and Section 11.3(c) of the Plan and references to "DRO" will not apply to the Sub-Plan.

## **12. Administration**

The provisions of Section 12 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.

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**13. Miscellaneous Provisions**

- (a) The provisions of Section 13 of the Plan shall apply to this Sub-Plan as if references to the Plan are references to the Sub-Plan.
- (b) In the event of a conflict between the terms of the Sub-Plan and the Plan with respect to Awards granted to Employees based in the United Kingdom under the Sub-Plan, the terms of the Sub-Plan will control.

**LIVANOVA PLC**  
**2015 INCENTIVE AWARD SUB-PLAN**  
**STOCK APPRECIATION RIGHT GRANT NOTICE AND**  
**STOCK APPRECIATION RIGHT AGREEMENT**

LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “Company”), pursuant to its 2015 Incentive Award Sub-Plan, as amended from time to time (the “Sub-Plan”), hereby grants to the holder listed below (the “Participant”) an award of stock appreciation rights over the number of ordinary shares of the Company (“Shares”) set forth below (the “SARs”). Upon exercise, each SAR represents the right to receive an amount equal to the Fair Market Value of one Share on the date of exercise less the Exercise Price per Share set forth below. Payment of such amount shall be in cash, Shares (based on their Fair Market Value as of the date the SAR is exercised) or a combination of both, as determined by the Administrator. The SARs are subject to the terms and conditions set forth in this SAR Grant Notice (this “Grant Notice”), the SAR Agreement attached hereto as Exhibit A (the “Agreement”), the Sub-Plan and the special provisions for Participant’s country of residence, if any, attached hereto as Exhibit B (the “Foreign Appendix”), each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in (or by reference in) the Sub-Plan shall have the same defined meanings in this Grant Notice and the Agreement.

**Participant:** [\_\_\_\_\_]

**Grant Date:** [\_\_\_\_\_]

**Grant Number** [\_\_\_\_\_]

**Exercise Price Per Share:** \$[\_\_\_\_\_]

**Total Exercise Price:** \$[\_\_\_\_\_]

**Total Number of Shares Subject to SARs:** [\_\_\_\_\_]

**Expiration Date:** For each vesting installment, third anniversary of the vesting date.

**Vesting Schedule:** Subject to the terms and conditions of the Agreement, the SARs shall vest in equal installments of 50% of the total number of Shares subject to the SARs on each of the first two anniversaries of the Grant Date.

By Participant’s signature below, Participant agrees to be bound by the terms and conditions of the Sub-Plan, the Agreement, the Foreign Appendix , if applicable, and this Grant Notice. Participant has reviewed the Sub-Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement, the Foreign Appendix, if applicable, and the Sub-Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Sub-Plan, this Grant Notice, the Foreign Appendix, if applicable or the Agreement.

**LIVANOVA PLC**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PARTICIPANT**

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

**EXHIBIT A**  
**TO STOCK APPRECIATION RIGHT GRANT NOTICE**

**STOCK APPRECIATION RIGHT AGREEMENT**

Pursuant to the Stock Appreciation Right Grant Notice (the “**Grant Notice**”) to which this Stock Appreciation Right Agreement (this “**Agreement**”) is attached, LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “**Company**”) has granted to Participant Stock Appreciation Rights (“**SARs**”) under the Company’s 2015 Incentive Award Sub-Plan (as amended from time to time, the “**Sub-Plan**”) over the number of Shares set forth in the Grant Notice.

**ARTICLE I.**

**GENERAL**

Section 1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Sub-Plan or the Grant Notice. For purposes of this Agreement:

(a) “**Disability**” shall be defined as in Participant’s employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean a condition that, in the opinion of the Administrator, has a long-term adverse effect on the day-to-day activities of a Participant.

(b) “**Good Cause**” shall be defined as in Participant’s employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean:

(i) Participant’s willful failure to substantially perform his duties for the Company or a Subsidiary (other than any such failure resulting from Participant’s Disability);

(ii) Participant’s willful failure to carry out or comply with, in any material respect, any lawful directive of the Board;

(iii) Participant’s commission at any time of any act or omission that results in, or may reasonably be expected to result in, a conviction of or pleading guilty to at any time of any criminal offence (excluding driving offences in respect of which a custodial sentence cannot be imposed);

(iv) Participant’s unlawful use (including being under the influence) or possession of illegal drugs on the Company’s or a Subsidiary’s premises or while performing Participant’s duties and responsibilities for the Company or a Subsidiary;

(v) Participant’s commission at any time of any act of fraud, embezzlement, willful misappropriation, material misconduct, or breach of fiduciary duty against the Company or a Subsidiary (or any predecessor thereto or successor thereof); or

(vi) Participant’s material breach of this Agreement or any agreement with the Company or a Subsidiary to which he or she is a party (including, without limitation, any breach of the restrictive covenants of any such agreement),



and which, in the case of clauses (i), (ii) and (vi), continues beyond 30 days after the Company has provided Participant written notice of such failure or breach (to the extent that, in the reasonable judgment of the Board, such failure or breach can be cured by Participant). Whether or not an event giving rise to “Good Cause” occurs will be determined by the Board in its sole good faith discretion.

(c) “Good Reason” shall be defined as in Participant’s employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean:

- (i) a material diminution in Participant’s authority, duties or responsibilities; or
- (ii) a material reduction in Participant’s annual base salary or target bonus,

in case of either of the foregoing, which remains uncured after 30 days following the Company’s receipt of written notice from Participant that Participant believes in good faith that such condition constitutes Good Reason; provided that Participant shall provide such written notice within a period not to exceed 90 days following Participant’s knowledge of the initial existence of such condition or occurrence of such event. Notwithstanding the foregoing, a Termination of Service shall not be for Good Reason unless Participant resigns within six months after the occurrence of the applicable event.

Section 1.2 Incorporation of Terms of Sub-Plan and Foreign Appendix. The SARs are subject to the terms and conditions set forth in the Sub-Plan and the Foreign Appendix, if applicable, each of which is incorporated herein by reference, as well as this Agreement. In the event of any inconsistency between the Sub-Plan and this Agreement, the terms of the Sub-Plan shall control. In the event of any inconsistency between the Sub-Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control.

## **ARTICLE II.**

### **GRANT OF SARs**

Section 2.1 Grant of SARs. In consideration of Participant’s past and/or continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the “Grant Date”), the Company has granted to Participant the SARs over the aggregate number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Sub-Plan, the Foreign Appendix, if applicable, and this Agreement, subject to adjustment as provided in Section 13.2 of the Sub-Plan.

Section 2.2 Exercise Price The exercise price per share of the Shares covered by the SARs (the “Exercise Price”) shall be as set forth in the Grant Notice.

Section 2.3 Consideration to the Company. In consideration of the grant of the SARs by the Company, Participant agrees to render faithful and efficient services to the Company or any Subsidiary. Nothing in the Sub-Plan, the Grant Notice, the Foreign Appendix, if applicable or this Agreement shall confer upon Participant any right to continue in the employ or service of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and the Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

### **ARTICLE III.**

#### **PERIOD OF EXERCISABILITY**

Section 3.1 Commencement of Exercisability.

(a) Subject to Participant’s continued employment with or service to the Company or a Subsidiary on each applicable vesting date and subject to Sections 3.1(b), (c), (d), 3.2 and 3.3 hereof, the SARs shall become vested and exercisable in such amounts and at such times as are set forth in the Grant Notice.

(b) In the event of a Change in Control that occurs following the Grant Date, the SARs shall become fully vested and exercisable immediately prior to, but subject to the consummation of, such Change in Control, subject to Participant’s continuous employment with or service to the Company or a Subsidiary through such Change in Control.

(c) A prorated portion of the SARs shall become vested and exercisable upon Participant’s Termination of Service if Participant’s service is terminated by the Company or a Subsidiary without Good Cause or by Participant for Good Reason, with such portion equal to the excess of (i) the product of (A) the aggregate number of SARs covered by this Award and (B) a fraction, the numerator of which is the number of days in the period beginning on the Grant Date and ending on the date of Participant’s Termination of Service and the denominator of which is 730, over (ii) the number of SARs that shall have become vested and exercisable prior to the date of Participant’s Termination of Service.

(d) In the event of Participant’s Termination of Service due to Participant’s death or Disability, the SARs shall become fully vested and exercisable upon such Termination of Service.

(e) Unless otherwise determined by the Administrator or as set forth in a written agreement between Participant and the Company, except as provided in Section 3.1(c) or (d), any portion of the SARs that has not become vested and exercisable on or prior to the date of Participant’s Termination of Service shall be forfeited on the date of Participant’s Termination of Service and shall not thereafter become vested or exercisable.

Section 3.2 Duration of Exercisability. The installments provided for in the vesting schedule set forth in the Grant Notice are cumulative. Each such installment that becomes vested and exercisable pursuant to the vesting schedule set forth in the Grant Notice shall remain vested and exercisable until it becomes unexercisable under Section 3.3 hereof. Once the SARs become unexercisable, they shall be forfeited immediately.

Section 3.3 Expiration of SARs. The SARs may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The expiration date set forth in the Grant Notice;

(b) Except as the Administrator may otherwise approve, in the event of Participant's Termination of Service by the Company or a Subsidiary without Good Cause, by Participant for Good Reason or by reason of Participant's death or Disability, the expiration of one year from the date of Participant's Termination of Service;

(c) Except as the Administrator may otherwise approve, immediately upon Participant's Termination of Service by the Company or a Subsidiary for Good Cause; or

(d) Except as the Administrator may otherwise approve, the expiration of three months) from the date of Participant's Termination of Service for any reason not described in Section 3.3(b) or 3.3(c).

#### **ARTICLE IV.**

##### **EXERCISE**

Section 4.1 Person Eligible to Exercise. During the lifetime of Participant, only Participant may exercise the SARs. After the death of Participant, any exercisable portion of the SARs may, prior to the time when the SARs become unexercisable under Section 3.3 hereof, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

Section 4.2 Partial Exercise. Any exercisable portion of the SARs or all of the SARs, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the SARs or portion thereof becomes unexercisable under Section 3.3 hereof. However, the SARs shall not be exercisable with respect to fractional shares.

Section 4.3 Manner of Exercise. The SARs, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company (or any third party administrator or other person or entity designated by the Company), during regular business hours, of all of the following prior to the time when the SARs or such portion thereof become unexercisable under Section 3.3 hereof:

(a) An exercise notice in a form specified by the Administrator, stating that the SARs or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator;

(b) The payment of any applicable Tax Liability in accordance with Section 4.5;

(c) Any other written representations or documents as may be required in the Administrator's sole discretion to effect compliance with Applicable Law; and

(d) In the event the SARs or portion thereof shall be exercised pursuant to Section 4.1 hereof by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the SARs.

Notwithstanding any of the foregoing, the Administrator shall have the right to specify all conditions of the manner of exercise, which conditions may vary by country and which may be subject to change from time to time.

Section 4.4 Time of Settlement. The Shares or cash payable upon exercise of the SARs or any portion thereof shall be provided to Participant within 60 days following the date of exercise of the SARs or such portion. Any such cash shall be payable in a lump sum.

Section 4.5 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) The Company and its Subsidiaries have the authority to deduct or withhold, or require Participant to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy any applicable federal, state, local and foreign taxes (including income tax, employees' (and at the discretion of the Company, employer's) National Insurance contributions, social security contributions and the employee portion of any FICA obligation) required by law to be withheld or otherwise arising with respect to any taxable event arising pursuant to this Agreement, including the grant or vesting of the SARs, the settlement of the SARs on vesting in either Shares or cash and the sale of any of the Shares (any a "Tax Liability"). The Company and its Subsidiaries may withhold or Participant may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Company or the Subsidiary with respect to which the withholding obligation arises;

(ii) by the deduction of such amount from other compensation payable to Participant;

(iii) with the consent of the Administrator, by requesting that the Company withhold a net number of Shares issuable upon the exercise of the SARs having a then current Fair Market Value or, if the SARs are settled in cash, an amount of the cash payment made with respect to the SARs, in each case not exceeding the amount necessary to satisfy the Tax Liability based on the minimum applicable statutory rates for such Tax Liability or such other rate as does not result in adverse accounting consequences for the Company;

(iv) with the consent of the Administrator, by tendering to the Company Shares having a then current Fair Market Value not exceeding the amount necessary to satisfy the Tax Liability based on the minimum applicable statutory rates for such Tax Liability or such other rate as does not result in adverse accounting consequences for the Company;

(v) if the Administrator determines to settle the SARs in Shares, through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to any Shares then issuable to Participant upon exercise of the SARs that are not subject to the lock-up period described in Section 5.1, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company or the Subsidiary with respect to which the Tax Liability arises in satisfaction of such Tax Liability; provided that payment of such proceeds is then made to the Company or the applicable Subsidiary at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or

(vi) in any combination of the foregoing.

(b) The Company shall not be obligated to deliver any cash or any certificate representing Shares issuable with respect to the exercise of the SARs to, or to cause any such Shares to be held in book-entry form by, Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes applicable with respect to the taxable income of Participant resulting from the exercise of the SARs or any other taxable event related to the SARs; *provided, however*, that no payment shall be delayed under this Section 4.5(b) if such delay would result in a violation of Section 409A.

(c) With respect to any Tax Liability arising in connection with the SARs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 4.5(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 4.5(a)(ii) or Section 4.5(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate.

(d) In the event any Tax Liability arising in connection with the SARs will be satisfied under Section 4.5(a)(iii), then the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those Shares then issuable upon the exercise of the SARs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Tax Liability (subject to Section 5.1) and to remit the proceeds of such sale to the Company or the Subsidiary. Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 4.5(d). In the event of any such broker-assisted sale of Shares: (a) any Shares to be sold through a broker-assisted sale will be sold on the day the tax withholding obligation arises, or as soon thereafter as practicable; (b) such Shares may be sold as part of a block trade with other participants in the Sub-Plan in which all participants receive an average price; (c) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale; (d) to the extent the proceeds of such sale exceed the applicable Tax Liability, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (e) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable Tax Liability; and (f) in the event the proceeds of such sale are insufficient to satisfy the applicable Tax Liability, Participant agrees to pay immediately upon demand to the Company or the Subsidiary an amount in cash sufficient to satisfy any remaining portion of the Tax Liability.

(e) Participant is ultimately liable and responsible for and indemnifies the company and each Subsidiary against all Tax Liability arising in connection with the SARs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the SARs. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any Tax Liability in connection with the awarding, vesting or exercise of the SARs or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the SARs to reduce or eliminate any Tax Liability.

**Section 4.6 Conditions to Issuance of Shares.** If the Administrator determines to settle any SARs in Shares, the Company shall not be required to issue or deliver any Shares upon the exercise of such SARs prior to fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of such Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body that the Administrator shall, in its absolute discretion, deem necessary or advisable, (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable and (d) the receipt of full payment of any applicable withholding tax in accordance with Section 4.5 by the Company or its Subsidiary with respect to which the applicable withholding obligation arises.

Section 4.7 Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of any of the Shares subject to the SARs unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars and delivered to Participant (including through electronic delivery to a brokerage account). No adjustment shall be made for a dividend or other right for which the record date is prior to the date of such issuance, recordation and delivery, except as provided in Section 13 of the Sub-Plan. Except as otherwise provided herein, if the Administrator determines to settle the SARs in Shares, after such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such shares.

## **ARTICLE V.**

### **POST-EXERCISE LOCK-UP PERIOD FOR SHARES**

Section 5.1 Lock-Up Period. Participant shall not be permitted to sell, pledge, assign or transfer in any manner 50% of the Shares received upon each exercise of any SARs until the earliest of (i) the completion of the 18-month period immediately following the date of vesting of such SARs, (ii) the date of a Change in Control and (iii) the date of Participant's Termination of Service by the Company without Good Cause or by Participant for Good Reason.

## **ARTICLE VI.**

### **OTHER PROVISIONS**

Section 6.1 Administration. The Administrator shall have the power to interpret the Sub-Plan, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement and to adopt such rules for the administration, interpretation and application of the Sub-Plan, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Sub-Plan, the Grant Notice, the Foreign Appendix, if applicable, or this Agreement.

Section 6.2 SARs Not Transferable. Without limiting the generality of any other provision hereof, the SARs shall be subject to the restrictions on transferability set forth in Section 11 of the Sub-Plan.

Section 6.3 Adjustments. Participant acknowledges that the SARs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Sub-Plan, including Section 13 of the Sub-Plan.

Section 6.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 6.4, either

party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by reputable overnight courier or by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 6.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 6.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 6.7 Conformity to Securities Laws. Participant acknowledges that the Sub-Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission and state securities laws and regulations and to the extent deemed applicable by the Administrator, the provisions of the Listing Rules of the London Stock Exchange published by the UK Listing Authority. Notwithstanding anything herein to the contrary, the Sub-Plan shall be administered, and the SARs are granted and may be exercised, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Sub-Plan and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law.

Section 6.8 Amendment, Suspension and Termination. To the extent permitted by the Sub-Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, *provided, however,* that, except as may otherwise be provided by the Sub-Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the SARs in any material way without the prior written consent of Participant.

Section 6.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 11 and the Sub-Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

Section 6.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Sub-Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Sub-Plan, the SARs, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

Section 6.11 Not a Contract of Service Relationship. Nothing in this Agreement or in the Sub-Plan shall confer upon Participant any right to continue to serve as an Employee of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and the Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant. Neither the Sub-Plan, the Grant Notice, nor this Agreement afford the Participant any rights to compensation or damages including for loss or potential loss that the Participant may suffer by reason of being unable to exercise the SAR as a result of the termination of the Sub-Plan, lapse of the SAR or the termination of the Participant's employment.

Section 6.12 SARs Not Part of Employment Compensation. The SARs and the Shares subject to the SAR are extraordinary items that do not constitute part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer, its parent, or any Subsidiary or affiliate of the Company.

Section 6.13 Data Protection. By signing the Grant Notice and this Agreement, the Participant acknowledges and agrees that:

(a) the Company or the Participant's Employer are permitted to hold and process personal (and sensitive) information and data about the Participant as part of their personnel and other business records and may use such information in the course of its business.

(b) the Company or the Participant's Employer may disclose such information (as described in (a) above) to third parties, including where they are situated outside the European Economic Area, in the event that such disclosure is in their view required for the proper conduct of their business; and

(c) this section applies to any information held, used or disclosed in any medium.

Section 6.14 Entire Agreement. The Sub-Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company, the Subsidiaries and Participant with respect to the subject matter hereof.

Section 6.15 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A. However, notwithstanding any other provision of the Plan, the Grant Notice, the Foreign Appendix, if applicable, or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Notwithstanding anything herein to the contrary, no provision of the Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Participant or any other person to the Company or any of its Subsidiaries, employees or agents.

Section 6.16 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.



Section 6.17 Limitation on Participant's Rights. Participation in the Sub-Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Sub-Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the SARs, and rights no greater than the right to receive Shares or cash as a general unsecured creditor with respect to the SARs, as and when exercised pursuant to the terms hereof.

Section 6.18 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument.

Section 6.19 Special Provisions for SARs Granted to Participants Outside the U.S. If Participant performs services for the Company outside of the United States, the SARs shall be subject to the special provisions, if any, for Participant's country of residence, as set forth in the Foreign Appendix.

(a) If Participant relocates to one of the countries included in the Foreign Appendix during the life of this Option, the special provisions for such country shall apply to Participant, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Sub-Plan.

(b) The Company reserves the right to impose other requirements on this Award and any Shares received upon exercise of the SARs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Sub-Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

\* \* \* \*

**EXHIBIT B**  
**TO STOCK APPRECIATION RIGHT GRANT NOTICE**

**SPECIAL PROVISIONS FOR SARS**

**GRANTED TO PARTICIPANTS OUTSIDE THE U.S.**

This Exhibit B includes special terms and conditions applicable to Participants in the countries below. These terms and conditions are in addition to those set forth in the SAR Agreement (the “Agreement”) and the Sub-Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement, these terms and conditions shall prevail. Any capitalized term used in this Exhibit B without definition shall have the meaning ascribed to such term in the Sub-Plan or the Agreement, as applicable.

This Foreign Appendix also includes information relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Sub-Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of [ ], 2015. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information herein as the only source of information relating to the consequences of participation in the Sub-Plan because the information may be out of date at the time the SARs are exercised or any Shares acquired under the Sub-Plan are sold.

In addition, the information is general in nature and may not apply to the particular situation of Participant, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, if Participant is a citizen or resident of a country other than the one in which he or she is currently working, the information contained herein may not be applicable to Participant.

**LIVANOVA PLC**  
**2015 INCENTIVE AWARD PLAN**  
**STOCK APPRECIATION RIGHT GRANT NOTICE AND**  
**STOCK APPRECIATION RIGHT AGREEMENT**

LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “Company”), pursuant to its 2015 Incentive Award Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Participant”) an award of stock appreciation rights over the number of ordinary shares of the Company (“Shares”) set forth below (the “SARs”). Upon exercise, each SAR represents the right to receive an amount equal to the Fair Market Value of one Share on the date of exercise less the Exercise Price per Share set forth below. Payment of such amount shall be in cash, Shares (based on their Fair Market Value as of the date the SAR is exercised) or a combination of both, as determined by the Administrator. The SARs are subject to the terms and conditions set forth in this SAR Grant Notice (this “Grant Notice”), the SAR Agreement attached hereto as Exhibit A (the “Agreement”), the special provisions for Participant’s country of residence, if any, attached hereto as Exhibit B (the “Foreign Appendix”) and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Agreement.

**Participant:** [\_\_\_\_\_]

**Grant Date:** [\_\_\_\_\_]

**Grant Number:** [\_\_\_\_\_]

**Exercise Price Per Share:** \$[\_\_\_\_\_]

**Total Exercise Price:** \$[\_\_\_\_\_]

**Total Number of Shares Subject to SARs:** [\_\_\_\_\_]

**Expiration Date:** For each vesting installment, third anniversary of the vesting date.

**Vesting Schedule:** Subject to the terms and conditions of the Agreement, the SARs shall vest in equal installments of 50% of the total number of Shares subject to the SARs on each of the first two anniversaries of the Grant Date.

By Participant’s signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice. Participant has reviewed the Plan, the Agreement, the Foreign Appendix, if applicable, and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement, the Foreign Appendix, if applicable, and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice, the Foreign Appendix, if applicable, or the Agreement. If Participant is married, his or her spouse has signed the Consent of Spouse attached to this Grant Notice as Exhibit C.

**LIVANOVA PLC**

**PARTICIPANT**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

**EXHIBIT A**  
**TO STOCK APPRECIATION RIGHT GRANT NOTICE**

**STOCK APPRECIATION RIGHT AGREEMENT**

Pursuant to the Stock Appreciation Right Grant Notice (the “**Grant Notice**”) to which this Stock Appreciation Right Agreement (this “**Agreement**”) is attached, LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “**Company**”) has granted to Participant Stock Appreciation Rights (“**SARs**”) under the Company’s 2015 Incentive Award Plan (as amended from time to time, the “**Plan**”) over the number of Shares set forth in the Grant Notice.

**ARTICLE I.**

**GENERAL**

Section 1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice. For purposes of this Agreement:

(a) “Disability” shall be defined as in Participant’s employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean Participant’s inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that can be expected to last for a continuous period of not less than 12 months.

(b) “Good Cause” shall be defined as in Participant’s employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean:

(i) Participant’s willful failure to substantially perform his duties for the Company or a Subsidiary (other than any such failure resulting from Participant’s Disability);

(ii) Participant’s willful failure to carry out or comply with, in any material respect, any lawful directive of the Board;

(iii) Participant’s commission at any time of any act or omission that results in, or may reasonably be expected to result in, a conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony or crime involving moral turpitude;

(iv) Participant’s unlawful use (including being under the influence) or possession of illegal drugs on the Company’s or a Subsidiary’s premises or while performing Participant’s duties and responsibilities for the Company or a Subsidiary;

(v) Participant’s commission at any time of any act of fraud, embezzlement, willful misappropriation, material misconduct, or breach of fiduciary duty against the Company or a Subsidiary (or any predecessor thereto or successor thereof); or

(vi) Participant's material breach of this Agreement or any agreement with the Company or a Subsidiary to which he or she is a party (including, without limitation, any breach of the restrictive covenants of any such agreement),

and which, in the case of clauses (i), (ii) and (vi), continues beyond 30 days after the Company has provided Participant written notice of such failure or breach (to the extent that, in the reasonable judgment of the Board, such failure or breach can be cured by Participant). Whether or not an event giving rise to "Good Cause" occurs will be determined by the Board in its sole good faith discretion.

(c) "Good Reason" shall be defined as in Participant's employment letter or agreement with the Company or a Subsidiary, as amended from time to time, or if Participant is not a party to such a letter or agreement or such letter or agreement does not contain such a definition, shall mean:

- (i) a material diminution in Participant's authority, duties or responsibilities; or
- (ii) a material reduction in Participant's annual base salary or target bonus,

in case of either of the foregoing, which remains uncured after 30 days following the Company's receipt of written notice from Participant that Participant believes in good faith that such condition constitutes Good Reason; provided that Participant shall provide such written notice within a period not to exceed 90 days following Participant's knowledge of the initial existence of such condition or occurrence of such event. Notwithstanding the foregoing, a Termination of Service shall not be for Good Reason unless Participant resigns within six months after the occurrence of the applicable event.

Section 1.2 Incorporation of Terms of Plan and Foreign Appendix. The SARs are subject to the terms and conditions set forth in the Plan and the Foreign Appendix, if applicable, each of which is incorporated herein by reference, as well as this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. In the event of any inconsistency between the Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control.

## **ARTICLE II.**

### **GRANT OF SARs**

Section 2.1 Grant of SARs. In consideration of Participant's past and/or continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the SARs over the aggregate number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Plan, the Foreign Appendix, if applicable, and this Agreement, subject to adjustment as provided in Section 13.2 of the Plan.

Section 2.2 Exercise Price The exercise price per share of the Shares covered by the SARs (the "Exercise Price") shall be as set forth in the Grant Notice.

Section 2.3 Consideration to the Company. In consideration of the grant of the SARs by the Company, Participant agrees to render faithful and efficient services to the Company or any Subsidiary. Nothing in the Plan, the Grant Notice, the Foreign Appendix, if applicable, or this Agreement shall confer upon Participant any right to continue in the employ or service of the Company or any Subsidiary or shall

interfere with or restrict in any way the rights of the Company and the Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

### ARTICLE III.

#### PERIOD OF EXERCISABILITY

##### Section 3.1 Commencement of Exercisability.

(a) Subject to Participant's continued employment with or service to the Company or a Subsidiary on each applicable vesting date and subject to Sections 3.1(b), (c), (d), 3.2 and 3.3 hereof, the SARs shall become vested and exercisable in such amounts and at such times as are set forth in the Grant Notice.

(b) In the event of a Change in Control that occurs following the Grant Date, the SARs shall become fully vested and exercisable immediately prior to, but subject to the consummation of, such Change in Control, subject to Participant's continuous employment with or service to the Company or a Subsidiary through such Change in Control.

(c) A prorated portion of the SARs shall become vested and exercisable upon Participant's Termination of Service if Participant's service is terminated by the Company or a Subsidiary without Good Cause or by Participant for Good Reason, with such portion equal to the excess of (i) the product of (A) the aggregate number of SARs covered by this Award and (B) a fraction, the numerator of which is the number of days in the period beginning on the Grant Date and ending on the date of Participant's Termination of Service and the denominator of which is 730, over (ii) the number of SARs that shall have become vested and exercisable prior to the date of Participant's Termination of Service.

(d) In the event of Participant's Termination of Service due to Participant's death or Disability, the SARs shall become fully vested and exercisable upon such Termination of Service.

(e) Unless otherwise determined by the Administrator or as set forth in a written agreement between Participant and the Company, except as provided in Section 3.1(c) or (d), any portion of the SARs that has not become vested and exercisable on or prior to the date of Participant's Termination of Service shall be forfeited on the date of Participant's Termination of Service and shall not thereafter become vested or exercisable.

Section 3.2 Duration of Exercisability. The installments provided for in the vesting schedule set forth in the Grant Notice are cumulative. Each such installment that becomes vested and exercisable pursuant to the vesting schedule set forth in the Grant Notice shall remain vested and exercisable until it becomes unexercisable under Section 3.3 hereof. Once the SARs become unexercisable, they shall be forfeited immediately.

Section 3.3 Expiration of SARs. The SARs may not be exercised to any extent by anyone after the first to occur of the following events:

- (a) The expiration date set forth in the Grant Notice;

(b) Except as the Administrator may otherwise approve, in the event of Participant's Termination of Service by the Company or a Subsidiary without Good Cause, by Participant for Good Reason or by reason of Participant's death or Disability, the expiration of one year from the date of Participant's Termination of Service;

(c) Except as the Administrator may otherwise approve, immediately upon Participant's Termination of Service by the Company or a Subsidiary for Good Cause; or

(d) Except as the Administrator may otherwise approve, the expiration of three months) from the date of Participant's Termination of Service for any reason not described in Section 3.3(b) or 3.3(c).

## **ARTICLE IV.**

### **EXERCISE**

Section 4.1 Person Eligible to Exercise. During the lifetime of Participant, only Participant may exercise the SARs. After the death of Participant, any exercisable portion of the SARs may, prior to the time when the SARs become unexercisable under Section 3.3 hereof, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

Section 4.2 Partial Exercise. Any exercisable portion of the SARs or all of the SARs, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the SARs or portion thereof becomes unexercisable under Section 3.3 hereof. However, the SARs shall not be exercisable with respect to fractional shares.

Section 4.3 Manner of Exercise. The SARs, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company (or any third party administrator or other person or entity designated by the Company), during regular business hours, of all of the following prior to the time when the SARs or such portion thereof become unexercisable under Section 3.3 hereof:

(a) An exercise notice in a form specified by the Administrator, stating that the SARs or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator;

(b) The payment of any applicable withholding tax in accordance with Section 4.5;

(c) Any other written representations or documents as may be required in the Administrator's sole discretion to effect compliance with Applicable Law; and

(d) In the event the SARs or portion thereof shall be exercised pursuant to Section 4.1 hereof by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the SARs.

Notwithstanding any of the foregoing, the Administrator shall have the right to specify all conditions of the manner of exercise, which conditions may vary by country and which may be subject to change from time to time.



Section 4.4 Time of Settlement. The Shares or cash payable upon exercise of the SARs or any portion thereof shall be provided to Participant within 60 days following the date of exercise of the SARs or such portion. Any such cash shall be payable in a lump sum.

Section 4.5 Tax Withholding. Notwithstanding any other provision of this Agreement:

(a) The Company and its Subsidiaries have the authority to deduct or withhold, or require Participant to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy any applicable federal, state, local and foreign taxes (including the employee portion of any FICA obligation) required by law to be withheld with respect to any taxable event arising pursuant to this Agreement. The Company and its Subsidiaries may withhold or Participant may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Company or the Subsidiary with respect to which the withholding obligation arises;

(ii) by the deduction of such amount from other compensation payable to Participant;

(iii) by the Company withholding a net number of Shares issuable upon the exercise of the SARs having a then current Fair Market Value or, if the SARs are settled in cash, an amount of the cash payment made with respect to the SARs, in each case not exceeding the amount necessary to satisfy the withholding obligation of the Company and the Subsidiaries based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes or such other rate as does not result in adverse accounting consequences for the Company;

(iv) with the consent of the Administrator, by tendering to the Company Shares having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes or such other rate as does not result in adverse accounting consequences for the Company;

(v) if the Administrator determines to settle the SARs in Shares, through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to any Shares then issuable to Participant upon exercise of the SARs that are not subject to the lock-up period described in Section 5.1, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company or the Subsidiary with respect to which the withholding obligation arises in satisfaction of such withholding taxes; *provided* that payment of such proceeds is then made to the Company or the applicable Subsidiary at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or

(vi) in any combination of the foregoing.

Unless the Board otherwise determines, the Company and its Subsidiaries shall withhold using the method described in clause (iii) above.

(b) The Company shall not be obligated to deliver any cash or any certificate representing Shares issuable with respect to the exercise of the SARs to, or to cause any such Shares to be held in book-entry form by, Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state,

local and foreign taxes applicable with respect to the taxable income of Participant resulting from the exercise of the SARs or any other taxable event related to the SARs; *provided, however*, that no payment shall be delayed under this Section 4.5(b) if such delay would result in a violation of Section 409A.

(c) With respect to any withholding taxes arising in connection with the SARs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 4.5(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 4.5(a)(ii) or Section 4.5(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate.

(d) In the event any tax withholding obligation arising in connection with the SARs will be satisfied under Section 4.5(a)(iii), then the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those Shares then issuable upon the exercise of the SARs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the tax withholding obligation (subject to Section 5.1) and to remit the proceeds of such sale to the Company or the Subsidiary with respect to which the withholding obligation arises. Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 4.5(d). In the event of any such broker-assisted sale of Shares: (a) any Shares to be sold through a broker-assisted sale will be sold on the day the tax withholding obligation arises, or as soon thereafter as practicable; (b) such Shares may be sold as part of a block trade with other participants in the Plan in which all participants receive an average price; (c) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages or expenses relating to any such sale; (d) to the extent the proceeds of such sale exceed the applicable tax withholding obligation, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (e) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable tax withholding obligation; and (f) in the event the proceeds of such sale are insufficient to satisfy the applicable tax withholding obligation, Participant agrees to pay immediately upon demand to the Company or the Subsidiary with respect to which the withholding obligation arises an amount in cash sufficient to satisfy any remaining portion of the Company's or the applicable Subsidiary's withholding obligation.

(e) Participant is ultimately liable and responsible for all taxes owed in connection with the SARs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the SARs. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or exercise of the SARs or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the SARs to reduce or eliminate Participant's tax liability.

**Section 4.6 Conditions to Issuance of Shares.** If the Administrator determines to settle any SARs in Shares, the Company shall not be required to issue or deliver any Shares upon the exercise of such SARs prior to fulfillment of all of the following conditions: (a) the admission of such Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of such Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body that the Administrator shall, in its absolute discretion, deem necessary or advisable, (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute

discretion, determine to be necessary or advisable and (d) the receipt of full payment of any applicable withholding tax in accordance with Section 4.5 by the Company or its Subsidiary with respect to which the applicable withholding obligation arises.

Section 4.7 Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of any of the Shares subject to the SARs unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars and delivered to Participant (including through electronic delivery to a brokerage account). No adjustment shall be made for a dividend or other right for which the record date is prior to the date of such issuance, recordation and delivery, except as provided in Section 13.2 of the Plan. Except as otherwise provided herein, if the Administrator determines to settle the SARs in Shares, after such issuance, recordation and delivery, Participant will have all the rights of a shareholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such shares.

## **ARTICLE V.**

### **POST-EXERCISE LOCK-UP PERIOD FOR SHARES**

Section 5.1 Lock-Up Period. Participant shall not be permitted to sell, pledge, assign or transfer in any manner 50% of the Shares received upon each exercise of any SARs until the earliest of (i) the completion of the 18-month period immediately following the date of vesting of such SARs, (ii) the date of a Change in Control and (iii) the date of Participant's Termination of Service by the Company without Good Cause or by Participant for Good Reason.

## **ARTICLE VI.**

### **OTHER PROVISIONS**

Section 6.1 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice, the Foreign Appendix, if applicable, or this Agreement.

Section 6.2 SARs Not Transferable. Without limiting the generality of any other provision hereof, the SARs shall be subject to the restrictions on transferability set forth in Section 11.3 of the Plan.

Section 6.3 Adjustments. Participant acknowledges that the SARs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 13.2 of the Plan.

Section 6.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 6.4,

either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by reputable overnight courier or by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 6.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 6.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 6.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission and state securities laws and regulations, and to the extent deemed applicable by the Administrator, the provisions of the Listing Rules of the London Stock Exchange published by the UK Listing Authority. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the SARs are granted and may be exercised, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law.

Section 6.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, *provided, however*, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the SARs in any material way without the prior written consent of Participant.

Section 6.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 11.3 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

Section 6.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the SARs, the Grant Notice, the Foreign Appendix, if applicable, and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

Section 6.11 Not a Contract of Service Relationship. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an Employee, Director, Consultant or other service provider of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and the Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

Section 6.12 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company, the Subsidiaries and Participant with respect to the subject matter hereof.

Section 6.13 Section 409A. This Award is not intended to constitute “nonqualified deferred compensation” within the meaning of Section 409A. However, notwithstanding any other provision of the Plan, the Grant Notice, the Foreign Appendix, if applicable, or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Notwithstanding anything herein to the contrary, no provision of the Plan shall be interpreted or construed to transfer any liability for failure to comply with the requirements of Section 409A from Participant or any other person to the Company or any of its Subsidiaries, employees or agents.

Section 6.14 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

Section 6.15 Limitation on Participant’s Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the SARs, and rights no greater than the right to receive Shares or cash as a general unsecured creditor with respect to the SARs, as and when exercised pursuant to the terms hereof.

Section 6.16 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument.

Section 6.17 Special Provisions for SARs Granted to Participants Outside the U.S. If Participant performs services for the Company outside of the United States, the SARs shall be subject to the special provisions, if any, for Participant’s country of residence, as set forth in the Foreign Appendix.

(a) If Participant relocates to one of the countries included in the Foreign Appendix during the life of this Option, the special provisions for such country shall apply to Participant, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

(b) The Company reserves the right to impose other requirements on this Award and any Shares received upon exercise of the SARs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

\* \* \* \*

**EXHIBIT B**  
**TO STOCK APPRECIATION RIGHT GRANT NOTICE**

**SPECIAL PROVISIONS FOR SARS**

**GRANTED TO PARTICIPANTS OUTSIDE THE U.S.**

This Exhibit B includes special terms and conditions applicable to Participants in the countries below. These terms and conditions are in addition to those set forth in the SAR Agreement (the “Agreement”) and the Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement, these terms and conditions shall prevail. Any capitalized term used in this Exhibit B without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable.

This Foreign Appendix also includes information relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of [ ], 2015. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the SARs are exercised or any Shares acquired under the Plan are sold.

In addition, the information is general in nature and may not apply to the particular situation of Participant, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, if Participant is a citizen or resident of a country other than the one in which he or she is currently working, the information contained herein may not be applicable to Participant.

**EXHIBIT C**  
**TO STOCK APPRECIATION RIGHT GRANT NOTICE**

**CONSENT OF SPOUSE**

I, \_\_\_\_\_, spouse of \_\_\_\_\_, have read and approve the Stock Appreciation Right Grant Notice (the “***Grant Notice***”) to which this Consent of Spouse is attached and the Stock Appreciation Right Agreement (the “***Agreement***”) attached to the Grant Notice. In consideration of issuing to my spouse the stock appreciation right covering ordinary shares of LivaNova PLC set forth in the Grant Notice, I hereby appoint my spouse as my attorney-in-fact in respect of the exercise of any rights under the Agreement and agree to be bound by the provisions of the Agreement insofar as I may have any rights in said Agreement or any ordinary shares of LivaNova PLC issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the Agreement.

## LIVANOVA PLC

## NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Non-employee members of the board of directors (the “**Board**”) of LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “**Company**”), shall be eligible to receive cash and equity compensation as set forth in this Non-Employee Director Compensation Policy (this “**Policy**”). The cash and equity compensation described in this Policy shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a “**Non-Employee Director**”) who may be eligible to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Policy shall remain in effect until it is revised or rescinded by further action of the Board. This Policy may be amended, modified or terminated by the Board at any time in its sole discretion. No Non-Employee Director shall have any rights hereunder, except with respect to equity awards granted pursuant to the Policy. This Policy shall become effective on October 19, 2015 (the “**Effective Date**”).

1. Cash Compensation.

(a) Annual Retainers. Each Non-Employee Director shall receive an annual retainer of \$60,000 for service on the Board.

(b) Additional Annual Retainers. In addition, a Non-Employee Director shall receive the following annual retainers:

(i) Chairperson of the Board. A Non-Employee Director serving as the Chairperson of the Board shall receive an additional annual retainer of \$60,000 for such service.

(ii) Audit Committee. A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of \$30,000 for such service. A Non-Employee Director serving as a member of the Audit Committee (other than the Chairperson) shall receive an additional annual retainer of \$15,000 for such service.

(ii) Compensation Committee. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of \$20,000 for such service. A Non-Employee Director serving as a member of the Compensation Committee (other than the Chairperson) shall receive an additional annual retainer of \$8,000 for such service.

(iii) Nominating and Corporate Governance Committee. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of \$15,000 for such service. A Non-Employee Director serving as a member of the Nominating and Corporate Governance Committee (other than the Chairperson) shall receive an additional annual retainer of \$6,000 for such service.

(c) Payment of Retainers. The annual retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be payable by the Company in advance each calendar quarter. In the event that a Non-Employee Director is initially appointed to the Board (the date of any such initial election or appointment, such Non-Employee Director’s “**Start Date**”) on any date other than the first day of a calendar quarter (including on the Effective Date and, with respect to the Chairperson of the Board, September 14, 2015), such Non-Employee Director shall receive, on or as soon as practicable following such Non-Employee Director’s Start Date (or, if later, the Effective



Date), a prorated portion of the retainer(s) otherwise payable to such Non-Employee Director for such quarter pursuant to Sections 1(a) and 1(b), with such prorated portion determined by multiplying such otherwise payable retainer(s) by a fraction, the numerator of which is the number of days remaining from such Non-Employee Director's Start Date until the end of the applicable calendar quarter and the denominator of which is the number of days in the applicable calendar quarter. The retainers will be paid after deduction of all applicable withholding taxes and social security contributions.

2. Equity Compensation. Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2015 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (the "**Equity Plan**") and shall be granted subject to the execution and delivery of award agreements, including attached exhibits, in substantially the forms previously approved by the Board. All applicable terms of the Equity Plan apply to this Policy as if fully set forth herein, and all grants of equity awards hereby are subject in all respects to the terms of the Equity Plan. At the discretion of the Company, the exercise of an award under the Equity Plan may be subject to the Non-Employee Director paying an exercise price per share under the award of a sum not less than the nominal value of each share.

(a) Annual Awards.

(i) Each Non-Employee Director, other than the Chairperson of the Board, who (A) serves on the Board as of the date of any annual meeting of the Company's stockholders (an "**Annual Meeting**") following the Effective Date and (B) will continue to serve as a Non-Employee Director immediately following such Annual Meeting shall be automatically granted, on the date of such Annual Meeting, restricted stock units with respect to ordinary shares of the Company with a fair market value of \$160,000, based on the closing price of the Company's common stock on the NASDAQ Stock Market on the date of such Annual Meeting (with the number of shares subject to such award subject to adjustment as provided in the Equity Plan).

(ii) The Chairperson who (A) serves on the Board as of the date of any Annual Meeting following the Effective Date and (B) will continue to serve as the Chairperson immediately following such Annual Meeting shall be automatically granted, on the date of such Annual Meeting, restricted stock units with respect to ordinary shares of the Company with a fair market value of \$250,000, based on the closing price of the Company's common stock on the NASDAQ Stock Market on the date of such Annual Meeting (with the number of shares subject to such award subject to adjustment as provided in the Equity Plan).

The awards described in this Section 2(a) shall be referred to as "**Annual Awards.**" For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an Annual Meeting shall receive only an Annual Award in connection with such election, and shall not receive any Initial Award on the date of such Annual Meeting as well.

(b) Initial Awards.

(i) Each Non-Employee Director who has been initially elected or appointed to the Board prior to or on the Effective Date shall be automatically granted, on the Effective Date, restricted stock units with respect to ordinary shares of the Company with a fair market value on the Effective Date equal to \$156,164, with respect to the Chairperson of the Board, and \$84,603, with respect to each Non-Employee Director other than the Chairperson, in each case based on the closing price of the Company's common stock on the NASDAQ Stock Market on the Effective Date (with the number of shares subject to such award subject to adjustment as provided in the Equity Plan).

(ii) Except as otherwise determined by the Board, each Non-Employee Director who is initially elected or appointed to the Board following the Effective Date and prior to the first Annual Meeting shall be automatically granted, on such Non-Employee Director's Start Date, restricted stock units with respect to ordinary shares of the Company with a fair market value on such Non-Employee Director's Start Date, based on the closing price of the Company's common stock on the NASDAQ Stock Market on such Start Date, equal to the product of (A) the amount of the award for such Non-Employee Director set forth in Section 2(b)(i), and (B) a fraction, the numerator of which is (x) 193, in the case of any Non-Employee Director other than the Chairperson of the Board, or 228, in the case of the Chairperson of the Board, minus (y) the number of days in the period beginning on the Effective Date and ending on such Non-Employee Director's Start Date, and the denominator of which is 193, in the case of any Non-Employee Director other than the Chairperson of the Board, or 228, in the case of the Chairperson of the Board (with the number of shares subject to such award subject to adjustment as provided in the Equity Plan).

(iii) Except as otherwise determined by the Board, each Non-Employee Director who is initially elected or appointed to the Board following the first Annual Meeting and on a date other than the date of an Annual Meeting shall be automatically granted, on such Non-Employee Director's Start Date, restricted stock units with respect to ordinary shares of the Company with a fair market value on such Non-Employee Director's Start Date, based on the closing price of the Company's common stock on the NASDAQ Stock Market on such Start Date, equal to the product of (A) the amount of the Annual Award for such Non-Employee Director set forth in Section 2(a) and (B) a fraction, the numerator of which is (x) 365 minus (y) the number of days in the period beginning on the date of the last Annual Meeting to occur prior to such Start Date and ending on such Non-Employee Director's Start Date and the denominator of which is 365 (with the number of shares subject to such award subject to adjustment as provided in the Equity Plan).

The awards described in this Section 2(b) shall be referred to as "**Initial Awards.**" No Non-Employee Director shall be granted more than one Initial Award.

(c) Termination of Service of Employee Directors. Each member of the Board who is an employee of the Company or any parent or subsidiary of the Company whose employment with the Company and any parent or subsidiary of the Company is terminated but who remains on the Board (and becomes a Non-Employee Director) following such termination of employment will receive an Initial Award pursuant to Section 2(b) above on the date of his or her termination of employment (which shall be considered such Non-Employee Director's Start Date for purposes of such Initial Award) and, to the extent that he or she is otherwise eligible, will receive, following such termination of employment, Annual Awards as described in Section 2(a) above.

(d) Vesting of Awards Granted to Non-Employee Directors. Each Annual Award and each Initial Award shall vest on the earlier of (i) the day immediately preceding the date of the first Annual Meeting following the date of grant and (ii) the first anniversary of the date of grant. No portion of an Annual Award or Initial Award that is unvested at the time of a Non-Employee Director's termination of service on the Board shall become vested thereafter. All of a Non-Employee Director's Annual Awards and Initial Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

\* \* \* \* \*



Health innovation that matters

**PRIVATE AND CONFIDENTIAL**

Mr Daniel J. Moore  
5 Merchant Square  
London  
United Kingdom  
W2 1AY

14 September 2015

Dear Mr Moore,

**Letter of appointment**

The board of directors (the “**Board**”) of LivaNova PLC (the “**Company**”) has appointed you as Chairman of the Company.

This letter sets out the main terms of your appointment. If you need any more information, please let me know.

By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

**1. APPOINTMENT**

- 1.1 Subject to the remaining provisions of this letter, your appointment shall commence on 14 September 2015 until the Annual General Meeting (“**AGM**”) following the second full financial year of the Company, subject to the earlier termination in accordance with the Company’s articles of association, as amended from time to time (the “**Articles**”). Either party may terminate your appointment at any time on giving to the other party one month’s prior written notice.
- 1.2 Your appointment is subject to the Company’s Articles. Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders and any relevant statutory provisions relating to removal of a director. If the shareholders do not re-elect you as a director, or you are removed from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.
- 1.4 If the Board, with you abstaining, requests your resignation at any time, you will be deemed to have given notice of your resignation and your resignation will take effect on the date specified by the Board. If that date is before the end of the notice period that would otherwise be given pursuant to clause 1.1 (and you have not been asked to resign as a result of a breach by you of the terms of this Letter), then the Company will make a payment to you of the fees you would have received during the outstanding notice period.

- 1.5 Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board (or any other committee of the Board).
- 1.6 You may be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.7 Notwithstanding paragraphs 1.1 to 1.6 above, the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with the Company's anti-corruption and bribery policy and procedures or the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act 1977.
- 1.8 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any of the Company's group companies.
- 1.9 If matters arise which cause you concern about your role, you should discuss these matters with the chairman or senior independent director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other, reason, you should provide an appropriate written statement to the Board or the senior independent director for circulation to the Board.

## **2. TIME COMMITMENT**

- 2.1 You will be expected to devote such time as is necessary for the proper performance of your duties. You will be required to attend quarterly Board meetings, the AGM, at least one site visit a year, Board dinners, meetings with the non-executive directors, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. Some of these meetings may involve overseas travel. In addition, you will be required to consider all relevant papers before each meeting. Unless urgent and unavoidable circumstances prevent you from doing so, it is expected that you will attend the meetings outlined in this paragraph.

- 2.2 The nature of the role makes it impossible to be specific about the maximum time commitment. You may be required to devote additional time to the Company in respect of preparation time and ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. At certain times it may be necessary to convene additional Board, committee or shareholder meetings.
- 2.3 By accepting this appointment, you confirm that, taking into account all of your other commitments, you are able to allocate sufficient time to the Company to discharge your responsibilities effectively. You should obtain the agreement of the Board before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company.
- 2.4 You confirm that you that you have disclosed to the Board (and will continue to disclose) all of your other directorships and significant appointments and the amount of time you expect that these appointments will take up.

### 3. **ROLE AND DUTIES**

- 3.1 The Board as a whole is collectively responsible for the success of the Company. The Board's role is to:
- (a) provide entrepreneurial leadership of the Company within the framework of prudent and effective controls which enable risk to be assessed and managed;
  - (b) set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance;
  - (c) review management performance; and
  - (d) develop, set and promote the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 3.2 As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the UK Companies Act 2006, the UK Financial Conduct Authority's (the "**FCA**") Listing, Prospectus, Disclosure and Transparency Rules, the applicable requirements of the United States federal securities laws and rules and the regulations of the United States Securities and Exchange Commission (the "**SEC Rules**") and the applicable requirements of the NASDAQ Stock Market Rules (the "**NASDAQ Rules**").
- 3.4 You shall have particular regard to the general duties of directors in Part 10 of the UK Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
- (a) the likely consequences of any decision in the long term;
  - (b) the interests of the Company's employees;

- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between the members of the Company.

3.5 In your role as a non-executive director of the Company, you shall also be required to:

- (a) constructively challenge and help develop proposals on strategy;
- (b) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (c) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- (d) be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning;
- (e) scrutinise standards of conduct, compliance and control in relation to the Board and the Company generally;
- (f) devote time to developing and refreshing your knowledge and skills;
- (g) uphold high standards of integrity and probity and support the executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
- (h) insist on receiving high-quality information sufficiently in advance of Board meetings;
- (i) take into account the views of shareholders and other stakeholders where appropriate;
- (j) make sufficient time available to discharge your responsibilities effectively;
- (k) exercise relevant powers under, and abide by, the Articles;
- (l) disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles, you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;
- (m) immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to the Board;

- (n) exercise your powers as a director in accordance with the Company's policies and procedures and the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977; and
  - (o) not do anything that would cause you to be disqualified from acting as a director.
- 3.6 As Chairman, you should fulfil the role set out in your job specification drawn up by the Board. In particular, you are responsible for:-
- (a) the leadership of the Board;
  - (b) ensuring the directors receive accurate, timely and clear information;
  - (c) effective communication with the shareholders and ensuring the views of the shareholders are communicated to the Board;
  - (d) discussing governance and strategy with major shareholders;
  - (e) facilitating the effective contribution of the Company's non-executive directors and ensuring constructive relations between the executive and the non-executive directors;
  - (f) ensuring new directors receive a full formal induction on joining the Board; and
  - (g) leading regular meetings of the non-executive directors without any executives present.
- 3.7 It goes without saying that at all times you must carry out your duties diligently, with due skill, care and attention and use your best endeavours to promote and protect the interests of the Company and any company in the Company's group.
- 3.8 Unless the Board specifically authorises you to do so, you shall not enter into any legal or other commitment or contract on behalf of the Company.
- 3.9 You shall be entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your responsibilities as a non-executive director.

#### **4. FEES AND EXPENSES**

- 4.1 As more fully explained in the Non-Employee Director Compensation Policy appended to this letter of appointment, you shall be paid a gross annual fee of \$60,000 (current at the date of this letter) (the "**Annual Appointment Fee**"). In addition to the Annual Appointment Fee, you shall receive a gross annual fee of \$60,000 in respect of your appointment as Chairman of the Board (together with the Annual Appointment Fee the "**Fees**"). The Fees shall be paid in equal instalments quarterly in advance each calendar quarter. The first instalment will be paid to you on a pro-rated basis on or as soon as practicable following 19 October 2015 to cover the period from 14 September 2015 to the end of the current calendar quarter.
- 4.2 The Fees cover all duties and will be payable after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board.

4.3 The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office. The procedure and other guidance in respect of expense claims is available from the Board.

4.4 On termination of your appointment, you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

## 5. **INDEPENDENT PROFESSIONAL ADVICE**

In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director and it may be appropriate for you to seek advice from independent advisers at the Company's expense. The Company shall reimburse the reasonable cost of obtaining that advice incurred by you provided that you obtain the prior authorisation of the Board.

## 6. **OUTSIDE INTERESTS**

6.1 All directors must take decisions objectively in the best interests of the Company. You will be expected to bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. You understand and accept the obligation of a director not to put himself in a position where his own interests are in conflict with those of the Company.

6.2 You have already disclosed to the Board the significant commitments you have outside your role in the Company. You must inform the Board in advance of any changes to these commitments. In certain circumstances, you may have to seek the Board's agreement before accepting further commitments which either might give rise to a conflict of interest or a conflict with any of your duties to the Company, or which might impact on the time that you are able to devote to your role at the Company.

6.3 It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. If you become aware of any further potential or actual conflicts of interest, these should be disclosed to the chairman and company secretary as soon as you become aware of them and again you may have to seek the agreement of the Board.

6.4 The Board has determined that you are independent according to the independence criteria set out in the SEC Rules and the NASDAQ Rules.

## 7. **CONFIDENTIALITY**

7.1 During your appointment, you will have access to confidential information regarding the business and financial affairs of the Company and the Company's clients. You must not (except in the proper performance of your duties) while a director of the Company or at any time (without limit) after ceasing to be a director of the Company:

- (a) Divulge or communicate to any Person;
- (b) Use for your own purposes or for any purposes other than those of the Company or any company in the Company's group or, as appropriate, any of its or their clients; or
- (c) Through any failure to exercise due care and diligence, cause any unauthorised disclosure of;



any trade secrets or confidential information relating to the Company or any company in the Company's group or any of its or their clients. You must at all times use your best endeavours to prevent publication or disclosure of any trade secrets or confidential information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default by you.

7.2 All documentation relating to the business of the Company and any company in the Company's group or any of its or their clients (and any copies of the same) shall be and remain the property of the Company or the relevant company within the Company's group or client. This will include notes, memoranda, records, lists of customers, suppliers and employees, correspondence, computer and other discs and tapes and other material (whether made or created by you and in whatever medium or format). Please ensure that you return all property of the Company and any company in the Company's group or clients on demand and in any event on the termination of your appointment.

7.3 Nothing in this paragraph 7 shall prevent you from disclosing information which you are entitled to disclose under the UK Public Interest Disclosure Act 1998, provided that the disclosure is made in accordance with the provisions of that Act.

## **8. INSIDE INFORMATION AND DEALING IN THE COMPANY'S SHARES**

8.1 Your attention is drawn to the requirements under both law and regulation as to the disclosure of inside information, in particular to the Disclosure and Transparency Rules of the FCA and section 52 of the UK Criminal Justice Act 1993 on insider dealing and the applicable United States laws relating to insider dealing. You should avoid making any statements that might risk a breach of these requirements. If in doubt, please contact the company secretary.

8.2 During your period of appointment you are required to comply with the provisions of the Model Code (as annexed to the Listing Rules of the FCA) in relation to dealing in the Company's publicly traded or quoted securities, and any such other code as the Company may adopt from time to time which sets out the terms for dealings by directors in the Company's publicly traded or quoted securities. A copy of the current insider trading policy adopted by the Company will be provided to you separately.

## **9. INDUCTION**

In connection with your appointment, the Company will provide a comprehensive, formal and tailored induction which may involve overseas travel. We will arrange for site visits and meetings with senior and middle management and the Company's auditors. We will also give the major shareholders the opportunity to meet you.

## **10. TRAINING**

On an ongoing basis, and further to the annual evaluation process, the Company will arrange for you to develop and refresh your skills and knowledge in areas which are mutually identified as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should try to make yourself available for any relevant training sessions which may be organised for the Board.

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- 11. REVIEW PROCESS**
- The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the chairman as soon as you can.
- 12. INSURANCE AND INDEMNITY**
- 12.1 The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment.
- 12.2 The Company shall grant you a deed of indemnity against certain liabilities that may be incurred as a result of your office to the extent permitted by section 234 of the UK Companies Act 2006.
- 13. CHANGES TO PERSONAL DETAILS**
- You shall advise the company secretary promptly of any change in your address or other personal contact details.
- 14. RETURN OF PROPERTY**
- On termination of your appointment with the Company however arising, or at any time at the Board's request, you shall immediately return to the Company all documents, records, papers or other property belonging to the Company or any company in the Company's group which may be in your possession or under your control, and which relate in any way to the Company's or a group company's business affairs and you shall not retain any copies thereof.
- 15. MORAL RIGHTS**
- You hereby irrevocably waive any moral rights in all works prepared by you, in the provision of your services to the Company, to which you are now or may at any future time be entitled under Chapter IV of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.
- 16. DATA PROTECTION**
- 16.1 By signing this letter you consent to the Company holding and processing data about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the UK Data Protection Act 1998) relating to you including, as appropriate:
- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
  - (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
  - (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

- 16.2 You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company or any company in the Company's group (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.
- 16.3 You also consent to the transfer of such information to the Company's or any group company's business contacts outside the European Economic Area in order to further their business interests even where the country or territory in question does not maintain adequate data protection standards.
- 16.4 You shall comply with the Company's data protection policy, a copy of which is available from the Board. The Company may change its data protection policy at any time and will notify you in writing of any changes.

**17. THIRD PARTY RIGHTS**

- 17.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.

**18. ENTIRE AGREEMENT**

- 18.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment to the Board and supersedes and extinguishes all previous discussions, correspondence, negotiations, arrangements, agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 18.2 You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.

**19. VARIATION**

No variation of this letter shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).

**20. GOVERNING LAW AND JURISDICTION**

Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to the Board.

Yours sincerely

/s/ André-Michael Ballester

For and on behalf of **LIVANOVA PLC**

Name (printed): André-Michael Ballester

Title: Director and Chief Executive Officer

I confirm and agree to the terms of my appointment as a non-executive director of LivaNova PLC as set out in this letter.

/s/ Daniel J. Moore

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Name: DANIEL J. MOORE

Date: 14 September 2015

**PRIVATE AND CONFIDENTIAL**

Mr Rosario Bifulco  
5 Merchant Square  
London  
United Kingdom  
W2 1AY

19 October 2015

Dear Mr Bifulco,

**Letter of appointment**

The board of directors (the “**Board**”) of LivaNova PLC (the “**Company**”) has appointed you as a non-executive director of the Company.

This letter sets out the main terms of your appointment. If you need any more information, please let me know.

By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

**1. APPOINTMENT**

- 1.1 Subject to the remaining provisions of this letter, your appointment shall commence on 19 October 2015 until the Annual General Meeting (“**AGM**”) following the second full financial year of the Company, subject to the earlier termination in accordance with the Company’s articles of association, as amended from time to time (the “**Articles**”). Either party may terminate your appointment at any time on giving to the other party one month’s prior written notice.
- 1.2 Your appointment is subject to the Company’s Articles. Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders and any relevant statutory provisions relating to removal of a director. If the shareholders do not re-elect you as a director, or you are removed from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.
- 1.4 If the Board, with you abstaining, requests your resignation at any time, you will be deemed to have given notice of your resignation and your resignation will take effect on the date specified by the Board. If that date is before the end of the notice period that would otherwise be given pursuant to clause 1.1 (and you have not been asked to resign as a result of a breach by you of the terms of this Letter), then the Company will make a payment to you of the fees you would have received during the outstanding notice period.

- 1.5 Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board (or any other committee of the Board).
- 1.6 You may be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.7 Notwithstanding paragraphs 1.1 to 1.6 above, the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with the Company's anti-corruption and bribery policy and procedures or the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act 1977.
- 1.8 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any of the Company's group companies.
- 1.9 If matters arise which cause you concern about your role, you should discuss these matters with the chairman or senior independent director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other, reason, you should provide an appropriate written statement to the chairman or the senior independent director for circulation to the Board.

## **2. TIME COMMITMENT**

- 2.1 You will be expected to devote such time as is necessary for the proper performance of your duties. You will be required to attend quarterly Board meetings, the AGM, at least one site visit a year, Board dinners, meetings with the non-executive directors, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. Some of these meetings may involve overseas travel. In addition, you will be required to consider all relevant papers before each meeting. Unless urgent and unavoidable circumstances prevent you from doing so, it is expected that you will attend the meetings outlined in this paragraph.

- 2.2 You will also be required to serve as chairman of the Company’s Nominating and Governance Committee and will be expected to devote such time as is necessary for the proper performance of your duties. Any specific responsibilities or terms of reference of the Nominating and Governance Committee will be covered in a separate communication.
- 2.3 The nature of the role makes it impossible to be specific about the maximum time commitment. You may be required to devote additional time to the Company in respect of preparation time and ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. At certain times it may be necessary to convene additional Board, committee or shareholder meetings.
- 2.4 By accepting this appointment, you confirm that, taking into account all of your other commitments, you are able to allocate sufficient time to the Company to discharge your responsibilities effectively. You should obtain the agreement of the chairman before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company.
- 2.5 You confirm that you that you have disclosed to the Board (and will continue to disclose) all of your other directorships and significant appointments and the amount of time you expect that these appointments will take up.

### 3. **ROLE AND DUTIES**

- 3.1 The Board as a whole is collectively responsible for the success of the Company. The Board’s role is to:
- (a) provide entrepreneurial leadership of the Company within the framework of prudent and effective controls which enable risk to be assessed and managed;
  - (b) set the Company’s strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance;
  - (c) review management performance; and
  - (d) develop, set and promote the Company’s values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 3.2 As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the UK Companies Act 2006, the UK Financial Conduct Authority’s (the “**FCA**”) Listing, Prospectus, Disclosure and Transparency Rules, the applicable requirements of the United States federal securities laws and rules and the regulations of the United States Securities and Exchange Commission (the “**SEC Rules**”) and the applicable requirements of the NASDAQ Stock Market Rules (the “**NASDAQ Rules**”).



- 3.4 You shall have particular regard to the general duties of directors in Part 10 of the UK Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
- (a) the likely consequences of any decision in the long term;
  - (b) the interests of the Company's employees;
  - (c) the need to foster the Company's business relationships with suppliers, customers and others;
  - (d) the impact of the Company's operations on the community and the environment;
  - (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - (f) the need to act fairly as between the members of the Company.
- 3.5 In your role as a non-executive director of the Company, you shall also be required to:
- (a) constructively challenge and help develop proposals on strategy;
  - (b) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - (c) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
  - (d) be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning;
  - (e) scrutinise standards of conduct, compliance and control in relation to the Board and the Company generally;
  - (f) devote time to developing and refreshing your knowledge and skills;
  - (g) uphold high standards of integrity and probity and support the chairman and executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
  - (h) insist on receiving high-quality information sufficiently in advance of Board meetings;
  - (i) take into account the views of shareholders and other stakeholders where appropriate;
  - (j) make sufficient time available to discharge your responsibilities effectively;
  - (k) exercise relevant powers under, and abide by, the Articles;
  - (l) disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles, you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;

- (m) immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to the Board;
- (n) exercise your powers as a director in accordance with the Company's policies and procedures and the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977; and
- (o) not do anything that would cause you to be disqualified from acting as a director.

3.6 It goes without saying that at all times you must carry out your duties diligently, with due skill, care and attention and use your best endeavours to promote and protect the interests of the Company and any company in the Company's group.

3.7 Unless the Board specifically authorises you to do so, you shall not enter into any legal or other commitment or contract on behalf of the Company.

3.8 You shall be entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your responsibilities as a non-executive director.

#### 4. FEES AND EXPENSES

4.1 As more fully explained in the Non-Employee Director Compensation Policy appended to this letter of appointment, you shall be paid a gross annual fee of \$60,000 (current at the date of this letter) (the "**Annual Appointment Fee**"). In addition to the Annual Appointment Fee, you shall receive a gross annual fee of \$15,000 in respect of your appointment as chairman of the Nominating and Governance Committee (together with the Annual Appointment Fee the "**Fees**"). The Fees shall be paid in equal instalments quarterly in advance each calendar quarter. The first instalment will be paid to you on a pro-rated basis on or as soon as practicable following 19 October 2015 to cover the period to the end of the current calendar quarter.

4.2 The Fees cover all duties and will be payable after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board.

4.3 The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office. The procedure and other guidance in respect of expense claims is available from the Board.

4.4 On termination of your appointment, you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

#### 5. INDEPENDENT PROFESSIONAL ADVICE

In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director and it may be appropriate for you to seek advice from independent advisers at the Company's expense. The Company shall reimburse the reasonable cost of obtaining that advice incurred by you provided that you obtain the prior authorisation of the Board.

## **6. OUTSIDE INTERESTS**

- 6.1 All directors must take decisions objectively in the best interests of the Company. You will be expected to bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. You understand and accept the obligation of a director not to put himself in a position where his own interests are in conflict with those of the Company.
- 6.2 You have already disclosed to the Board the significant commitments you have outside your role in the Company. You must inform the chairman in advance of any changes to these commitments. In certain circumstances, you may have to seek the Board's agreement before accepting further commitments which either might give rise to a conflict of interest or a conflict with any of your duties to the Company, or which might impact on the time that you are able to devote to your role at the Company.
- 6.3 It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. If you become aware of any further potential or actual conflicts of interest, these should be disclosed to the chairman and company secretary as soon as you become aware of them and again you may have to seek the agreement of the Board.
- 6.4 The Board has determined that you are independent according to the independence criteria set out in the SEC Rules and the NASDAQ Rules.

## **7. CONFIDENTIALITY**

- 7.1 During your appointment, you will have access to confidential information regarding the business and financial affairs of the Company and the Company's clients. You must not (except in the proper performance of your duties) while a director of the Company or at any time (without limit) after ceasing to be a director of the Company:
- (a) Divulge or communicate to any Person;
  - (b) Use for your own purposes or for any purposes other than those of the Company or any company in the Company's group or, as appropriate, any of its or their clients; or
  - (c) Through any failure to exercise due care and diligence, cause any unauthorised disclosure of;
- any trade secrets or confidential information relating to the Company or any company in the Company's group or any of its or their clients. You must at all times use your best endeavours to prevent publication or disclosure of any trade secrets or confidential information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default by you.
- 7.2 All documentation relating to the business of the Company and any company in the Company's group or any of its or their clients (and any copies of the same) shall be and remain the property of the Company or the relevant company within the Company's group or client. This will include notes, memoranda, records, lists of customers, suppliers and employees, correspondence, computer and other discs and tapes and other material (whether made or created by you and in whatever medium or format). Please ensure that you return all property of the Company and any company in the Company's group or clients on demand and in any event on the termination of your appointment.

7.3 Nothing in this paragraph 7 shall prevent you from disclosing information which you are entitled to disclose under the UK Public Interest Disclosure Act 1998, provided that the disclosure is made in accordance with the provisions of that Act.

## **8. INSIDE INFORMATION AND DEALING IN THE COMPANY'S SHARES**

8.1 Your attention is drawn to the requirements under both law and regulation as to the disclosure of inside information, in particular to the Disclosure and Transparency Rules of the FCA and section 52 of the UK Criminal Justice Act 1993 on insider dealing and the applicable United States laws relating to insider dealing. You should avoid making any statements that might risk a breach of these requirements. If in doubt, please contact the chairman or company secretary.

8.2 During your period of appointment you are required to comply with the provisions of the Model Code (as annexed to the Listing Rules of the FCA) in relation to dealing in the Company's publicly traded or quoted securities, and any such other code as the Company may adopt from time to time which sets out the terms for dealings by directors in the Company's publicly traded or quoted securities. A copy of the current insider trading policy adopted by the Company will be provided to you separately.

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## **11. REVIEW PROCESS**

The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the chairman as soon as you can.

## **12. INSURANCE AND INDEMNITY**

12.1 The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment.

12.2 The Company shall grant you a deed of indemnity against certain liabilities that may be incurred as a result of your office to the extent permitted by section 234 of the UK Companies Act 2006.

## **13. CHANGES TO PERSONAL DETAILS**

You shall advise the company secretary promptly of any change in your address or other personal contact details.

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**14. RETURN OF PROPERTY**

On termination of your appointment with the Company however arising, or at any time at the Board's request, you shall immediately return to the Company all documents, records, papers or other property belonging to the Company or any company in the Company's group which may be in your possession or under your control, and which relate in any way to the Company's or a group company's business affairs and you shall not retain any copies thereof.

**15. MORAL RIGHTS**

You hereby irrevocably waive any moral rights in all works prepared by you, in the provision of your services to the Company, to which you are now or may at any future time be entitled under Chapter IV of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.

**16. DATA PROTECTION**

16.1 By signing this letter you consent to the Company holding and processing data about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the UK Data Protection Act 1998) relating to you including, as appropriate:

- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
- (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
- (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

16.2 You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company or any company in the Company's group (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.

16.3 You also consent to the transfer of such information to the Company's or any group company's business contacts outside the European Economic Area in order to further their business interests even where the country or territory in question does not maintain adequate data protection standards.

16.4 You shall comply with the Company's data protection policy, a copy of which is available from the Board. The Company may change its data protection policy at any time and will notify you in writing of any changes.

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- 17. THIRD PARTY RIGHTS**
- 17.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.
- 18. ENTIRE AGREEMENT**
- 18.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment to the Board and supersedes and extinguishes all previous discussions, correspondence, negotiations, arrangements, agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 18.2 You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.
- 19. VARIATION**
- No variation of this letter shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).
- 20. GOVERNING LAW AND JURISDICTION**
- Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to the Board.

Yours sincerely

/s/ André-Michael Ballester

For and on behalf of **LIVANOVA PLC**

Name (printed): André-Michael Ballester

Title: Director and Chief Executive Officer

I confirm and agree to the terms of my appointment as a non-executive director of LivaNova PLC as set out in this letter.

/s/ Rosario Bifulco

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Name (printed): ROSARIO BIFULCO

Date: 19 October 2015



**PRIVATE AND CONFIDENTIAL**

Mr Hugh Morrison  
5 Merchant Square  
London  
United Kingdom  
W2 1AY

19 October 2015

Dear Mr Morrison,

**Letter of appointment**

The board of directors (the “**Board**”) of LivaNova PLC (the “**Company**”) has appointed you as a non-executive director of the Company.

This letter sets out the main terms of your appointment. If you need any more information, please let me know.

By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

**1. APPOINTMENT**

- 1.1 Subject to the remaining provisions of this letter, your appointment shall commence on 19 October 2015 until the Annual General Meeting (“**AGM**”) following the second full financial year of the Company, subject to the earlier termination in accordance with the Company’s articles of association, as amended from time to time (the “**Articles**”). Either party may terminate your appointment at any time on giving to the other party one month’s prior written notice.
- 1.2 Your appointment is subject to the Company’s Articles. Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders and any relevant statutory provisions relating to removal of a director. If the shareholders do not re-elect you as a director, or you are removed from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.
- 1.4 If the Board, with you abstaining, requests your resignation at any time, you will be deemed to have given notice of your resignation and your resignation will take effect on the date specified by the Board. If that date is before the end of the notice period that would otherwise be given pursuant to clause 1.1 (and you have not been asked to resign as a result of a breach by you of the terms of this Letter), then the Company will make a payment to you of the fees you would have received during the outstanding notice period.

- 1.5 Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board (or any other committee of the Board).
- 1.6 You may be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.7 Notwithstanding paragraphs 1.1 to 1.6 above, the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with the Company's anti-corruption and bribery policy and procedures or the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act 1977.
- 1.8 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any of the Company's group companies.
- 1.9 If matters arise which cause you concern about your role, you should discuss these matters with the chairman or senior independent director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other, reason, you should provide an appropriate written statement to the chairman or the senior independent director for circulation to the Board.

## **2. TIME COMMITMENT**

- 2.1 You will be expected to devote such time as is necessary for the proper performance of your duties. You will be required to attend quarterly Board meetings, the AGM, at least one site visit a year, Board dinners, meetings with the non-executive directors, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. Some of these meetings may involve overseas travel. In addition, you will be required to consider all relevant papers before each meeting. Unless urgent and unavoidable circumstances prevent you from doing so, it is expected that you will attend the meetings outlined in this paragraph.

- 2.2 You will also be required to serve as chairman of the Company's Audit Committee and as a member of the Company's Nominating and Governance Committee and will be expected to devote such time as is necessary for the proper performance of your duties. Any specific responsibilities or terms of reference of the Audit Committee and Nominating and Governance Committee will be covered in a separate communication.
- 2.3 The nature of the role makes it impossible to be specific about the maximum time commitment. You may be required to devote additional time to the Company in respect of preparation time and ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. At certain times it may be necessary to convene additional Board, committee or shareholder meetings.
- 2.4 By accepting this appointment, you confirm that, taking into account all of your other commitments, you are able to allocate sufficient time to the Company to discharge your responsibilities effectively. You should obtain the agreement of the chairman before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company.
- 2.5 You confirm that you that you have disclosed to the Board (and will continue to disclose) all of your other directorships and significant appointments and the amount of time you expect that these appointments will take up.

### 3. **ROLE AND DUTIES**

- 3.1 The Board as a whole is collectively responsible for the success of the Company. The Board's role is to:
- (a) provide entrepreneurial leadership of the Company within the framework of prudent and effective controls which enable risk to be assessed and managed;
  - (b) set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance;
  - (c) review management performance; and
  - (d) develop, set and promote the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 3.2 As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the UK Companies Act 2006, the UK Financial Conduct Authority's (the "**FCA**") Listing, Prospectus, Disclosure and Transparency Rules, the applicable requirements of the United States federal securities laws and rules and the regulations of the United States Securities and Exchange Commission (the "**SEC Rules**") and the applicable requirements of the NASDAQ Stock Market Rules (the "**NASDAQ Rules**").

- 3.4 You shall have particular regard to the general duties of directors in Part 10 of the UK Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
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You shall advise the company secretary promptly of any change in your address or other personal contact details.

**14. RETURN OF PROPERTY**

On termination of your appointment with the Company however arising, or at any time at the Board's request, you shall immediately return to the Company all documents, records, papers or other property belonging to the Company or any company in the Company's group which may be in your possession or under your control, and which relate in any way to the Company's or a group company's business affairs and you shall not retain any copies thereof.

**15. MORAL RIGHTS**

You hereby irrevocably waive any moral rights in all works prepared by you, in the provision of your services to the Company, to which you are now or may at any future time be entitled under Chapter IV of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.

**16. DATA PROTECTION**

16.1 By signing this letter you consent to the Company holding and processing data about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the UK Data Protection Act 1998) relating to you including, as appropriate:

- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
- (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
- (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

16.2 You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company or any company in the Company's group (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.

16.3 You also consent to the transfer of such information to the Company's or any group company's business contacts outside the European Economic Area in order to further their business interests even where the country or territory in question does not maintain adequate data protection standards.



16.4 You shall comply with the Company's data protection policy, a copy of which is available from the Board. The Company may change its data protection policy at any time and will notify you in writing of any changes.

**17. THIRD PARTY RIGHTS**

17.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.

**18. ENTIRE AGREEMENT**

18.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment to the Board and supersedes and extinguishes all previous discussions, correspondence, negotiations, arrangements, agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.

18.2 You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.

**19. VARIATION**

No variation of this letter shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).

**20. GOVERNING LAW AND JURISDICTION**

Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to the Board.

Yours sincerely

/s/ André-Michael Ballester

For and on behalf of **LIVANOVA PLC**

Name (printed): André-Michael Ballester

Title: Director and Chief Executive Officer

I confirm and agree to the terms of my appointment as a non-executive director of LivaNova PLC as set out in this letter.

/s/ Hugh Morrison

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Name (printed): HUGH MORRISON

Date: 19 October 2015

**PRIVATE AND CONFIDENTIAL**

Mr Alfred J. Novak  
5 Merchant Square  
London  
United Kingdom  
W2 1AY

19 October 2015

Dear Mr Novak,

**Letter of appointment**

The board of directors (the “**Board**”) of LivaNova PLC (the “**Company**”) has appointed you as a non-executive director of the Company.

This letter sets out the main terms of your appointment. If you need any more information, please let me know.

By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

**1. APPOINTMENT**

- 1.1 Subject to the remaining provisions of this letter, your appointment shall commence on 19 October 2015 until the Annual General Meeting (“**AGM**”) following the second full financial year of the Company, subject to the earlier termination in accordance with the Company’s articles of association, as amended from time to time (the “**Articles**”). Either party may terminate your appointment at any time on giving to the other party one month’s prior written notice.
- 1.2 Your appointment is subject to the Company’s Articles. Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders and any relevant statutory provisions relating to removal of a director. If the shareholders do not re-elect you as a director, or you are removed from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.
- 1.4 If the Board, with you abstaining, requests your resignation at any time, you will be deemed to have given notice of your resignation and your resignation will take effect on the date specified by the Board. If that date is before the end of the notice period that would otherwise be given pursuant to clause 1.1 (and you have not been asked to resign as a result of a breach by you of the terms of this Letter), then the Company will make a payment to you of the fees you would have received during the outstanding notice period.

- 1.5 Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board (or any other committee of the Board).
- 1.6 You may be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.7 Notwithstanding paragraphs 1.1 to 1.6 above, the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with the Company's anti-corruption and bribery policy and procedures or the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act 1977.
- 1.8 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any of the Company's group companies.
- 1.9 If matters arise which cause you concern about your role, you should discuss these matters with the chairman or senior independent director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other, reason, you should provide an appropriate written statement to the chairman or the senior independent director for circulation to the Board.

## **2. TIME COMMITMENT**

- 2.1 You will be expected to devote such time as is necessary for the proper performance of your duties. You will be required to attend quarterly Board meetings, the AGM, at least one site visit a year, Board dinners, meetings with the non-executive directors, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. Some of these meetings may involve overseas travel. In addition, you will be required to consider all relevant papers before each meeting. Unless urgent and unavoidable circumstances prevent you from doing so, it is expected that you will attend the meetings outlined in this paragraph.

- 2.2 You will also be required to serve as a member of the Company's Audit Committee and also as a member of the Company's Compensation Committee and will be expected to devote such time as is necessary for the proper performance of your duties. Any specific responsibilities or terms of reference of the Audit Committee or Compensation Committee will be covered in a separate communication.
- 2.3 The nature of the role makes it impossible to be specific about the maximum time commitment. You may be required to devote additional time to the Company in respect of preparation time and ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. At certain times it may be necessary to convene additional Board, committee or shareholder meetings.
- 2.4 By accepting this appointment, you confirm that, taking into account all of your other commitments, you are able to allocate sufficient time to the Company to discharge your responsibilities effectively. You should obtain the agreement of the chairman before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company.
- 2.5 You confirm that you that you have disclosed to the Board (and will continue to disclose) all of your other directorships and significant appointments and the amount of time you expect that these appointments will take up.

### 3. **ROLE AND DUTIES**

- 3.1 The Board as a whole is collectively responsible for the success of the Company. The Board's role is to:
- (a) provide entrepreneurial leadership of the Company within the framework of prudent and effective controls which enable risk to be assessed and managed;
  - (b) set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance;
  - (c) review management performance; and
  - (d) develop, set and promote the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 3.2 As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the UK Companies Act 2006, the UK Financial Conduct Authority's (the "**FCA**") Listing, Prospectus, Disclosure and Transparency Rules, the applicable requirements of the United States federal securities laws and rules and the regulations of the United States Securities and Exchange Commission (the "**SEC Rules**") and the applicable requirements of the NASDAQ Stock Market Rules (the "**NASDAQ Rules**").

- 3.4 You shall have particular regard to the general duties of directors in Part 10 of the UK Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
- (a) the likely consequences of any decision in the long term;
  - (b) the interests of the Company's employees;
  - (c) the need to foster the Company's business relationships with suppliers, customers and others;
  - (d) the impact of the Company's operations on the community and the environment;
  - (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - (f) the need to act fairly as between the members of the Company.
- 3.5 In your role as a non-executive director of the Company, you shall also be required to:
- (a) constructively challenge and help develop proposals on strategy;
  - (b) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - (c) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
  - (d) be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning;
  - (e) scrutinise standards of conduct, compliance and control in relation to the Board and the Company generally;
  - (f) devote time to developing and refreshing your knowledge and skills;
  - (g) uphold high standards of integrity and probity and support the chairman and executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
  - (h) insist on receiving high-quality information sufficiently in advance of Board meetings;
  - (i) take into account the views of shareholders and other stakeholders where appropriate;
  - (j) make sufficient time available to discharge your responsibilities effectively;
  - (k) exercise relevant powers under, and abide by, the Articles;
  - (l) disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles, you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;

- (m) immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to the Board;
- (n) exercise your powers as a director in accordance with the Company's policies and procedures and the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977; and
- (o) not do anything that would cause you to be disqualified from acting as a director.

3.6 It goes without saying that at all times you must carry out your duties diligently, with due skill, care and attention and use your best endeavours to promote and protect the interests of the Company and any company in the Company's group.

3.7 Unless the Board specifically authorises you to do so, you shall not enter into any legal or other commitment or contract on behalf of the Company.

3.8 You shall be entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your responsibilities as a non-executive director.

#### 4. FEES AND EXPENSES

4.1 As more fully explained in the Non-Employee Director Compensation Policy appended to this letter of appointment, you shall be paid a gross annual fee of \$60,000 (current at the date of this letter) (the "**Annual Appointment Fee**"). In addition to the Annual Appointment Fee, you shall receive a gross annual fee of \$15,000 in respect of your appointment as a member of the Audit Committee and a gross annual fee of \$8,000 in respect of your appointment as a member of the Compensation Committee (together with the Annual Appointment Fee the "**Fees**"). The Fees shall be paid in equal instalments quarterly in advance each calendar quarter. The first instalment will be paid to you on a pro-rated basis on or as soon as practicable following 19 October 2015 to cover the period to the end of the current calendar quarter.

4.2 The Fees cover all duties and will be payable after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board.

4.3 The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office. The procedure and other guidance in respect of expense claims is available from the Board.

4.4 On termination of your appointment, you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

#### 5. INDEPENDENT PROFESSIONAL ADVICE

In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director and it may be appropriate for you to seek advice from independent advisers at the Company's expense. The Company shall reimburse the reasonable cost of obtaining that advice incurred by you provided that you obtain the prior authorisation of the Board.



## **6. OUTSIDE INTERESTS**

- 6.1 All directors must take decisions objectively in the best interests of the Company. You will be expected to bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. You understand and accept the obligation of a director not to put himself in a position where his own interests are in conflict with those of the Company.
- 6.2 You have already disclosed to the Board the significant commitments you have outside your role in the Company. You must inform the chairman in advance of any changes to these commitments. In certain circumstances, you may have to seek the Board's agreement before accepting further commitments which either might give rise to a conflict of interest or a conflict with any of your duties to the Company, or which might impact on the time that you are able to devote to your role at the Company.
- 6.3 It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. If you become aware of any further potential or actual conflicts of interest, these should be disclosed to the chairman and company secretary as soon as you become aware of them and again you may have to seek the agreement of the Board.
- 6.4 The Board has determined that you are independent according to the independence criteria set out in the SEC Rules and the NASDAQ Rules.

## **7. CONFIDENTIALITY**

- 7.1 During your appointment, you will have access to confidential information regarding the business and financial affairs of the Company and the Company's clients. You must not (except in the proper performance of your duties) while a director of the Company or at any time (without limit) after ceasing to be a director of the Company:
- (a) Divulge or communicate to any Person;
  - (b) Use for your own purposes or for any purposes other than those of the Company or any company in the Company's group or, as appropriate, any of its or their clients; or
  - (c) Through any failure to exercise due care and diligence, cause any unauthorised disclosure of;
- any trade secrets or confidential information relating to the Company or any company in the Company's group or any of its or their clients. You must at all times use your best endeavours to prevent publication or disclosure of any trade secrets or confidential information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default by you.
- 7.2 All documentation relating to the business of the Company and any company in the Company's group or any of its or their clients (and any copies of the same) shall be and remain the property of the Company or the relevant company within the Company's group or client. This will include notes, memoranda, records, lists of customers, suppliers and employees, correspondence, computer and other discs and tapes and other material (whether made or created by you and in whatever medium or format). Please ensure that you return all property of the Company and any company in the Company's group or clients on demand and in any event on the termination of your appointment.

7.3 Nothing in this paragraph 7 shall prevent you from disclosing information which you are entitled to disclose under the UK Public Interest Disclosure Act 1998, provided that the disclosure is made in accordance with the provisions of that Act.

## **8. INSIDE INFORMATION AND DEALING IN THE COMPANY'S SHARES**

8.1 Your attention is drawn to the requirements under both law and regulation as to the disclosure of inside information, in particular to the Disclosure and Transparency Rules of the FCA and section 52 of the UK Criminal Justice Act 1993 on insider dealing and the applicable United States laws relating to insider dealing. You should avoid making any statements that might risk a breach of these requirements. If in doubt, please contact the chairman or company secretary.

8.2 During your period of appointment you are required to comply with the provisions of the Model Code (as annexed to the Listing Rules of the FCA) in relation to dealing in the Company's publicly traded or quoted securities, and any such other code as the Company may adopt from time to time which sets out the terms for dealings by directors in the Company's publicly traded or quoted securities. A copy of the current insider trading policy adopted by the Company will be provided to you separately.

## **9. INDUCTION**

In connection with your appointment, the Company will provide a comprehensive, formal and tailored induction which may involve overseas travel. We will arrange for site visits and meetings with senior and middle management and the Company's auditors. We will also give the major shareholders the opportunity to meet you.

## **10. TRAINING**

On an ongoing basis, and further to the annual evaluation process, the Company will arrange for you to develop and refresh your skills and knowledge in areas which are mutually identified as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should try to make yourself available for any relevant training sessions which may be organised for the Board.

## **11. REVIEW PROCESS**

The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the chairman as soon as you can.

## **12. INSURANCE AND INDEMNITY**

12.1 The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment.

12.2 The Company shall grant you a deed of indemnity against certain liabilities that may be incurred as a result of your office to the extent permitted by section 234 of the UK Companies Act 2006.

## **13. CHANGES TO PERSONAL DETAILS**

You shall advise the company secretary promptly of any change in your address or other personal contact details.

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**14. RETURN OF PROPERTY**

On termination of your appointment with the Company however arising, or at any time at the Board's request, you shall immediately return to the Company all documents, records, papers or other property belonging to the Company or any company in the Company's group which may be in your possession or under your control, and which relate in any way to the Company's or a group company's business affairs and you shall not retain any copies thereof.

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You hereby irrevocably waive any moral rights in all works prepared by you, in the provision of your services to the Company, to which you are now or may at any future time be entitled under Chapter IV of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.

**16. DATA PROTECTION**

16.1 By signing this letter you consent to the Company holding and processing data about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the UK Data Protection Act 1998) relating to you including, as appropriate:

- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
- (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
- (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

16.2 You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company or any company in the Company's group (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.

16.3 You also consent to the transfer of such information to the Company's or any group company's business contacts outside the European Economic Area in order to further their business interests even where the country or territory in question does not maintain adequate data protection standards.

16.4 You shall comply with the Company's data protection policy, a copy of which is available from the Board. The Company may change its data protection policy at any time and will notify you in writing of any changes.

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- 17. THIRD PARTY RIGHTS**
- 17.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.
- 18. ENTIRE AGREEMENT**
- 18.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment to the Board and supersedes and extinguishes all previous discussions, correspondence, negotiations, arrangements, agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 18.2 You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.
- 19. VARIATION**
- No variation of this letter shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).
- 20. GOVERNING LAW AND JURISDICTION**
- Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to the Board.

Yours sincerely

/s/ André-Michael Ballester

For and on behalf of **LIVANOVA PLC**

Name (printed): André-Michael Ballester

Title: Director and Chief Executive Officer

I confirm and agree to the terms of my appointment as a non-executive director of LivaNova PLC as set out in this letter.

/s/ Alfred J. Novak

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Name (printed): ALFRED J. NOVAK

Date: 19 October 2015

**PRIVATE AND CONFIDENTIAL**

Mr Arthur Rosenthal  
5 Merchant Square  
London  
United Kingdom  
W2 1AY

19 October 2015

Dear Mr Rosenthal,

**Letter of appointment**

The board of directors (the “**Board**”) of LivaNova PLC (the “**Company**”) has appointed you as a non-executive director of the Company.

This letter sets out the main terms of your appointment. If you need any more information, please let me know.

By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

**1. APPOINTMENT**

- 1.1 Subject to the remaining provisions of this letter, your appointment shall commence on 19 October 2015 until the Annual General Meeting (“**AGM**”) following the second full financial year of the Company, subject to the earlier termination in accordance with the Company’s articles of association, as amended from time to time (the “**Articles**”). Either party may terminate your appointment at any time on giving to the other party one month’s prior written notice.
- 1.2 Your appointment is subject to the Company’s Articles. Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders and any relevant statutory provisions relating to removal of a director. If the shareholders do not re-elect you as a director, or you are removed from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.
- 1.4 If the Board, with you abstaining, requests your resignation at any time, you will be deemed to have given notice of your resignation and your resignation will take effect on the date specified by the Board. If that date is before the end of the notice period that would otherwise be given pursuant to clause 1.1 (and you have not been asked to resign as a result of a breach by you of the terms of this Letter), then the Company will make a payment to you of the fees you would have received during the outstanding notice period.

- 1.5 Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board (or any other committee of the Board).
- 1.6 You may be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.7 Notwithstanding paragraphs 1.1 to 1.6 above, the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with the Company's anti-corruption and bribery policy and procedures or the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act 1977.
- 1.8 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any of the Company's group companies.
- 1.9 If matters arise which cause you concern about your role, you should discuss these matters with the chairman or senior independent director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other, reason, you should provide an appropriate written statement to the chairman or the senior independent director for circulation to the Board.

## **2. TIME COMMITMENT**

- 2.1 You will be expected to devote such time as is necessary for the proper performance of your duties. You will be required to attend quarterly Board meetings, the AGM, at least one site visit a year, Board dinners, meetings with the non-executive directors, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. Some of these meetings may involve overseas travel. In addition, you will be required to consider all relevant papers before each meeting. Unless urgent and unavoidable circumstances prevent you from doing so, it is expected that you will attend the meetings outlined in this paragraph.



- 2.2 You will also be required to serve as chairman of the Company's Compensation Committee and will be expected to devote such time as is necessary for the proper performance of your duties. Any specific responsibilities or terms of reference of the Compensation Committee will be covered in a separate communication.
- 2.3 The nature of the role makes it impossible to be specific about the maximum time commitment. You may be required to devote additional time to the Company in respect of preparation time and ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. At certain times it may be necessary to convene additional Board, committee or shareholder meetings.
- 2.4 By accepting this appointment, you confirm that, taking into account all of your other commitments, you are able to allocate sufficient time to the Company to discharge your responsibilities effectively. You should obtain the agreement of the chairman before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company.
- 2.5 You confirm that you that you have disclosed to the Board (and will continue to disclose) all of your other directorships and significant appointments and the amount of time you expect that these appointments will take up.

### 3. **ROLE AND DUTIES**

- 3.1 The Board as a whole is collectively responsible for the success of the Company. The Board's role is to:
- (a) provide entrepreneurial leadership of the Company within the framework of prudent and effective controls which enable risk to be assessed and managed;
  - (b) set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance;
  - (c) review management performance; and
  - (d) develop, set and promote the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 3.2 As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the UK Companies Act 2006, the UK Financial Conduct Authority's (the "**FCA**") Listing, Prospectus, Disclosure and Transparency Rules, the applicable requirements of the United States federal securities laws and rules and the regulations of the United States Securities and Exchange Commission (the "**SEC Rules**") and the applicable requirements of the NASDAQ Stock Market Rules (the "**NASDAQ Rules**").

- 3.4 You shall have particular regard to the general duties of directors in Part 10 of the UK Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
- (a) the likely consequences of any decision in the long term;
  - (b) the interests of the Company's employees;
  - (c) the need to foster the Company's business relationships with suppliers, customers and others;
  - (d) the impact of the Company's operations on the community and the environment;
  - (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - (f) the need to act fairly as between the members of the Company.
- 3.5 In your role as a non-executive director of the Company, you shall also be required to:
- (a) constructively challenge and help develop proposals on strategy;
  - (b) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - (c) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
  - (d) be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning;
  - (e) scrutinise standards of conduct, compliance and control in relation to the Board and the Company generally;
  - (f) devote time to developing and refreshing your knowledge and skills;
  - (g) uphold high standards of integrity and probity and support the chairman and executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
  - (h) insist on receiving high-quality information sufficiently in advance of Board meetings;
  - (i) take into account the views of shareholders and other stakeholders where appropriate;
  - (j) make sufficient time available to discharge your responsibilities effectively;
  - (k) exercise relevant powers under, and abide by, the Articles;
  - (l) disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles, you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;

- (m) immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to the Board;
- (n) exercise your powers as a director in accordance with the Company's policies and procedures and the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977; and
- (o) not do anything that would cause you to be disqualified from acting as a director.

3.6 It goes without saying that at all times you must carry out your duties diligently, with due skill, care and attention and use your best endeavours to promote and protect the interests of the Company and any company in the Company's group.

3.7 Unless the Board specifically authorises you to do so, you shall not enter into any legal or other commitment or contract on behalf of the Company.

3.8 You shall be entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your responsibilities as a non-executive director.

#### 4. FEES AND EXPENSES

4.1 As more fully explained in the Non-Employee Director Compensation Policy appended to this letter of appointment, you shall be paid a gross annual fee of \$60,000 (current at the date of this letter) (the "**Annual Appointment Fee**"). In addition to the Annual Appointment Fee, you shall receive a gross annual fee of \$20,000 in respect of your appointment as chairman of the Compensation Committee (together with the Annual Appointment Fee the "**Fees**"). The Fees shall be paid in equal instalments quarterly in advance each calendar quarter. The first instalment will be paid to you on a pro-rated basis on or as soon as practicable following 19 October 2015 to cover the period to the end of the current calendar quarter.

4.2 The Fees cover all duties and will be payable after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board.

4.3 The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office. The procedure and other guidance in respect of expense claims is available from the Board.

4.4 On termination of your appointment, you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

#### 5. INDEPENDENT PROFESSIONAL ADVICE

In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director and it may be appropriate for you to seek advice from independent advisers at the Company's expense. The Company shall reimburse the reasonable cost of obtaining that advice incurred by you provided that you obtain the prior authorisation of the Board.

## **6. OUTSIDE INTERESTS**

- 6.1 All directors must take decisions objectively in the best interests of the Company. You will be expected to bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. You understand and accept the obligation of a director not to put himself in a position where his own interests are in conflict with those of the Company.
- 6.2 You have already disclosed to the Board the significant commitments you have outside your role in the Company. You must inform the chairman in advance of any changes to these commitments. In certain circumstances, you may have to seek the Board's agreement before accepting further commitments which either might give rise to a conflict of interest or a conflict with any of your duties to the Company, or which might impact on the time that you are able to devote to your role at the Company.
- 6.3 It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. If you become aware of any further potential or actual conflicts of interest, these should be disclosed to the chairman and company secretary as soon as you become aware of them and again you may have to seek the agreement of the Board.
- 6.4 The Board has determined that you are independent according to the independence criteria set out in the SEC Rules and the NASDAQ Rules.

## **7. CONFIDENTIALITY**

- 7.1 During your appointment, you will have access to confidential information regarding the business and financial affairs of the Company and the Company's clients. You must not (except in the proper performance of your duties) while a director of the Company or at any time (without limit) after ceasing to be a director of the Company:
- (a) Divulge or communicate to any Person;
  - (b) Use for your own purposes or for any purposes other than those of the Company or any company in the Company's group or, as appropriate, any of its or their clients; or
  - (c) Through any failure to exercise due care and diligence, cause any unauthorised disclosure of;
- any trade secrets or confidential information relating to the Company or any company in the Company's group or any of its or their clients. You must at all times use your best endeavours to prevent publication or disclosure of any trade secrets or confidential information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default by you.
- 7.2 All documentation relating to the business of the Company and any company in the Company's group or any of its or their clients (and any copies of the same) shall be and remain the property of the Company or the relevant company within the Company's group or client. This will include notes, memoranda, records, lists of customers, suppliers and employees, correspondence, computer and other discs and tapes and other material (whether made or created by you and in whatever medium or format). Please ensure that you return all property of the Company and any company in the Company's group or clients on demand and in any event on the termination of your appointment.

7.3 Nothing in this paragraph 7 shall prevent you from disclosing information which you are entitled to disclose under the UK Public Interest Disclosure Act 1998, provided that the disclosure is made in accordance with the provisions of that Act.

## **8. INSIDE INFORMATION AND DEALING IN THE COMPANY'S SHARES**

8.1 Your attention is drawn to the requirements under both law and regulation as to the disclosure of inside information, in particular to the Disclosure and Transparency Rules of the FCA and section 52 of the UK Criminal Justice Act 1993 on insider dealing and the applicable United States laws relating to insider dealing. You should avoid making any statements that might risk a breach of these requirements. If in doubt, please contact the chairman or company secretary.

8.2 During your period of appointment you are required to comply with the provisions of the Model Code (as annexed to the Listing Rules of the FCA) in relation to dealing in the Company's publicly traded or quoted securities, and any such other code as the Company may adopt from time to time which sets out the terms for dealings by directors in the Company's publicly traded or quoted securities. A copy of the current insider trading policy adopted by the Company will be provided to you separately.

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## **11. REVIEW PROCESS**

The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the chairman as soon as you can.

## **12. INSURANCE AND INDEMNITY**

12.1 The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment.

12.2 The Company shall grant you a deed of indemnity against certain liabilities that may be incurred as a result of your office to the extent permitted by section 234 of the UK Companies Act 2006.

## **13. CHANGES TO PERSONAL DETAILS**

You shall advise the company secretary promptly of any change in your address or other personal contact details.

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**14. RETURN OF PROPERTY**

On termination of your appointment with the Company however arising, or at any time at the Board's request, you shall immediately return to the Company all documents, records, papers or other property belonging to the Company or any company in the Company's group which may be in your possession or under your control, and which relate in any way to the Company's or a group company's business affairs and you shall not retain any copies thereof.

**15. MORAL RIGHTS**

You hereby irrevocably waive any moral rights in all works prepared by you, in the provision of your services to the Company, to which you are now or may at any future time be entitled under Chapter IV of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.

**16. DATA PROTECTION**

16.1 By signing this letter you consent to the Company holding and processing data about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the UK Data Protection Act 1998) relating to you including, as appropriate:

- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
- (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
- (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

16.2 You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company or any company in the Company's group (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.

16.3 You also consent to the transfer of such information to the Company's or any group company's business contacts outside the European Economic Area in order to further their business interests even where the country or territory in question does not maintain adequate data protection standards.

16.4 You shall comply with the Company's data protection policy, a copy of which is available from the Board. The Company may change its data protection policy at any time and will notify you in writing of any changes.

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- 17. THIRD PARTY RIGHTS**
- 17.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.
- 18. ENTIRE AGREEMENT**
- 18.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment to the Board and supersedes and extinguishes all previous discussions, correspondence, negotiations, arrangements, agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 18.2 You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.
- 19. VARIATION**
- No variation of this letter shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).
- 20. GOVERNING LAW AND JURISDICTION**
- Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to the Board.

Yours sincerely

/s/ André-Michael Ballester

For and on behalf of **LIVANOVA PLC**

Name (printed): André-Michael Ballester

Title: Director and Chief Executive Officer



I confirm and agree to the terms of my appointment as a non-executive director of LivaNova PLC as set out in this letter.

/s/ Arthur Rosenthal

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Name (printed): ARTHUR ROSENTHAL

Date: 19 October 2015

**PRIVATE AND CONFIDENTIAL**

Mr Francesco Bianchi  
5 Merchant Square  
London  
United Kingdom  
W2 1AY

19 October 2015

Dear Mr Bianchi,

**Letter of appointment**

The board of directors (the “**Board**”) of LivaNova PLC (the “**Company**”) has appointed you as a non-executive director of the Company.

This letter sets out the main terms of your appointment. If you need any more information, please let me know.

By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

**1. APPOINTMENT**

- 1.1 Subject to the remaining provisions of this letter, your appointment shall commence on 19 October 2015 until the Annual General Meeting (“**AGM**”) following the second full financial year of the Company, subject to the earlier termination in accordance with the Company’s articles of association, as amended from time to time (the “**Articles**”). Either party may terminate your appointment at any time on giving to the other party one month’s prior written notice.
- 1.2 Your appointment is subject to the Company’s Articles. Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders and any relevant statutory provisions relating to removal of a director. If the shareholders do not re-elect you as a director, or you are removed from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.
- 1.4 If the Board, with you abstaining, requests your resignation at any time, you will be deemed to have given notice of your resignation and your resignation will take effect on the date specified by the Board. If that date is before the end of the notice period that would otherwise be given pursuant to clause 1.1 (and you have not been asked to resign as a result of a breach by you of the terms of this Letter), then the Company will make a payment to you of the fees you would have received during the outstanding notice period.

- 1.5 Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board (or any other committee of the Board).
- 1.6 You may be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.7 Notwithstanding paragraphs 1.1 to 1.6 above, the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with the Company's anti-corruption and bribery policy and procedures or the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act 1977.
- 1.8 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any of the Company's group companies.
- 1.9 If matters arise which cause you concern about your role, you should discuss these matters with the chairman or senior independent director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other, reason, you should provide an appropriate written statement to the chairman or the senior independent director for circulation to the Board.

## **2. TIME COMMITMENT**

- 2.1 You will be expected to devote such time as is necessary for the proper performance of your duties. You will be required to attend quarterly Board meetings, the AGM, at least one site visit a year, Board dinners, meetings with the non-executive directors, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. Some of these meetings may involve overseas travel. In addition, you will be required to consider all relevant papers before each meeting. Unless urgent and unavoidable circumstances prevent you from doing so, it is expected that you will attend the meetings outlined in this paragraph.

- 2.2 You will also be required to serve as a member of the Company’s Audit Committee and as a member of the Company’s Compensation Committee and will be expected to devote such time as is necessary for the proper performance of your duties. Any specific responsibilities or terms of reference of the Audit Committee or Compensation Committee will be covered in a separate communication.
- 2.3 The nature of the role makes it impossible to be specific about the maximum time commitment. You may be required to devote additional time to the Company in respect of preparation time and ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. At certain times it may be necessary to convene additional Board, committee or shareholder meetings.
- 2.4 By accepting this appointment, you confirm that, taking into account all of your other commitments, you are able to allocate sufficient time to the Company to discharge your responsibilities effectively. You should obtain the agreement of the chairman before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company.
- 2.5 You confirm that you that you have disclosed to the Board (and will continue to disclose) all of your other directorships and significant appointments and the amount of time you expect that these appointments will take up.

### 3. **ROLE AND DUTIES**

- 3.1 The Board as a whole is collectively responsible for the success of the Company. The Board’s role is to:
- (a) provide entrepreneurial leadership of the Company within the framework of prudent and effective controls which enable risk to be assessed and managed;
  - (b) set the Company’s strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance;
  - (c) review management performance; and
  - (d) develop, set and promote the Company’s values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 3.2 As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the UK Companies Act 2006, the UK Financial Conduct Authority’s (the “**FCA**”) Listing, Prospectus, Disclosure and Transparency Rules, the applicable requirements of the United States federal securities laws and rules and the regulations of the United States Securities and Exchange Commission (the “**SEC Rules**”) and the applicable requirements of the NASDAQ Stock Market Rules (the “**NASDAQ Rules**”).

- 3.4 You shall have particular regard to the general duties of directors in Part 10 of the UK Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
- (a) the likely consequences of any decision in the long term;
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**14. RETURN OF PROPERTY**

On termination of your appointment with the Company however arising, or at any time at the Board's request, you shall immediately return to the Company all documents, records, papers or other property belonging to the Company or any company in the Company's group which may be in your possession or under your control, and which relate in any way to the Company's or a group company's business affairs and you shall not retain any copies thereof.

**15. MORAL RIGHTS**

You hereby irrevocably waive any moral rights in all works prepared by you, in the provision of your services to the Company, to which you are now or may at any future time be entitled under Chapter IV of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.

**16. DATA PROTECTION**

16.1 By signing this letter you consent to the Company holding and processing data about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the UK Data Protection Act 1998) relating to you including, as appropriate:

- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
- (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
- (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

16.2 You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company or any company in the Company's group (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.

16.3 You also consent to the transfer of such information to the Company's or any group company's business contacts outside the European Economic Area in order to further their business interests even where the country or territory in question does not maintain adequate data protection standards.

16.4 You shall comply with the Company's data protection policy, a copy of which is available from the Board. The Company may change its data protection policy at any time and will notify you in writing of any changes.

- 
- 17. THIRD PARTY RIGHTS**
- 17.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.
- 18. ENTIRE AGREEMENT**
- 18.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment to the Board and supersedes and extinguishes all previous discussions, correspondence, negotiations, arrangements, agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 18.2 You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.
- 19. VARIATION**
- No variation of this letter shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).
- 20. GOVERNING LAW AND JURISDICTION**
- Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to the Board.

Yours sincerely

/s/ André-Michael Ballester

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For and on behalf of **LIVANOVA PLC**

Name (printed): André-Michael Ballester

Title: Director and Chief Executive Officer

I confirm and agree to the terms of my appointment as a non-executive director of LivaNova PLC as set out in this letter.

/s/ Francesco Bianchi

---

Name (printed): FRANCESCO BIANCHI

Date: 19 October 2015

**PRIVATE AND CONFIDENTIAL**

Mr Stefano Gianotti  
5 Merchant Square  
London  
United Kingdom  
W2 1AY

19 October 2015

Dear Mr Gianotti,

**Letter of appointment**

The board of directors (the “**Board**”) of LivaNova PLC (the “**Company**”) has appointed you as a non-executive director of the Company.

This letter sets out the main terms of your appointment. If you need any more information, please let me know.

By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

**1. APPOINTMENT**

- 1.1 Subject to the remaining provisions of this letter, your appointment shall commence on 19 October 2015 until the Annual General Meeting (“**AGM**”) following the second full financial year of the Company, subject to the earlier termination in accordance with the Company’s articles of association, as amended from time to time (the “**Articles**”). Either party may terminate your appointment at any time on giving to the other party one month’s prior written notice.
- 1.2 Your appointment is subject to the Company’s Articles. Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders and any relevant statutory provisions relating to removal of a director. If the shareholders do not re-elect you as a director, or you are removed from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.
- 1.4 If the Board, with you abstaining, requests your resignation at any time, you will be deemed to have given notice of your resignation and your resignation will take effect on the date specified by the Board. If that date is before the end of the notice period that would otherwise be given pursuant to clause 1.1 (and you have not been asked to resign as a result of a breach by you of the terms of this Letter), then the Company will make a payment to you of the fees you would have received during the outstanding notice period.

- 1.5 Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board (or any other committee of the Board).
- 1.6 You may be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.7 Notwithstanding paragraphs 1.1 to 1.6 above, the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with the Company's anti-corruption and bribery policy and procedures or the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act 1977.
- 1.8 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any of the Company's group companies.
- 1.9 If matters arise which cause you concern about your role, you should discuss these matters with the chairman or senior independent director. If you have any concerns which cannot be resolved, and you choose to resign for that, or any other, reason, you should provide an appropriate written statement to the chairman or the senior independent director for circulation to the Board.

## **2. TIME COMMITMENT**

- 2.1 You will be expected to devote such time as is necessary for the proper performance of your duties. You will be required to attend quarterly Board meetings, the AGM, at least one site visit a year, Board dinners, meetings with the non-executive directors, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. Some of these meetings may involve overseas travel. In addition, you will be required to consider all relevant papers before each meeting. Unless urgent and unavoidable circumstances prevent you from doing so, it is expected that you will attend the meetings outlined in this paragraph.

- 2.2 You will also be required to serve as a member of the Company's Nominating and Governance Committee and will be expected to devote such time as is necessary for the proper performance of your duties. Any specific responsibilities or terms of reference of the Nominating and Governance Committee will be covered in a separate communication.
- 2.3 The nature of the role makes it impossible to be specific about the maximum time commitment. You may be required to devote additional time to the Company in respect of preparation time and ad hoc matters which may arise and particularly when the Company is undergoing a period of increased activity. At certain times it may be necessary to convene additional Board, committee or shareholder meetings.
- 2.4 By accepting this appointment, you confirm that, taking into account all of your other commitments, you are able to allocate sufficient time to the Company to discharge your responsibilities effectively. You should obtain the agreement of the chairman before accepting additional commitments that might affect the time you are able to devote to your role as a non-executive director of the Company.
- 2.5 You confirm that you that you have disclosed to the Board (and will continue to disclose) all of your other directorships and significant appointments and the amount of time you expect that these appointments will take up.

### 3. **ROLE AND DUTIES**

- 3.1 The Board as a whole is collectively responsible for the success of the Company. The Board's role is to:
- (a) provide entrepreneurial leadership of the Company within the framework of prudent and effective controls which enable risk to be assessed and managed;
  - (b) set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review management performance;
  - (c) review management performance; and
  - (d) develop, set and promote the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 3.2 As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the UK Companies Act 2006, the UK Financial Conduct Authority's (the "**FCA**") Listing, Prospectus, Disclosure and Transparency Rules, the applicable requirements of the United States federal securities laws and rules and the regulations of the United States Securities and Exchange Commission (the "**SEC Rules**") and the applicable requirements of the NASDAQ Stock Market Rules (the "**NASDAQ Rules**").

- 3.4 You shall have particular regard to the general duties of directors in Part 10 of the UK Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
- (a) the likely consequences of any decision in the long term;
  - (b) the interests of the Company's employees;
  - (c) the need to foster the Company's business relationships with suppliers, customers and others;
  - (d) the impact of the Company's operations on the community and the environment;
  - (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - (f) the need to act fairly as between the members of the Company.
- 3.5 In your role as a non-executive director of the Company, you shall also be required to:
- (a) constructively challenge and help develop proposals on strategy;
  - (b) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - (c) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
  - (d) be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning;
  - (e) scrutinise standards of conduct, compliance and control in relation to the Board and the Company generally;
  - (f) devote time to developing and refreshing your knowledge and skills;
  - (g) uphold high standards of integrity and probity and support the chairman and executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
  - (h) insist on receiving high-quality information sufficiently in advance of Board meetings;
  - (i) take into account the views of shareholders and other stakeholders where appropriate;
  - (j) make sufficient time available to discharge your responsibilities effectively;
  - (k) exercise relevant powers under, and abide by, the Articles;
  - (l) disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles, you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;



- (m) immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to the Board;
- (n) exercise your powers as a director in accordance with the Company's policies and procedures and the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977; and
- (o) not do anything that would cause you to be disqualified from acting as a director.

3.6 It goes without saying that at all times you must carry out your duties diligently, with due skill, care and attention and use your best endeavours to promote and protect the interests of the Company and any company in the Company's group.

3.7 Unless the Board specifically authorises you to do so, you shall not enter into any legal or other commitment or contract on behalf of the Company.

3.8 You shall be entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your responsibilities as a non-executive director.

#### 4. FEES AND EXPENSES

4.1 As more fully explained in the Non-Employee Director Compensation Policy appended to this letter of appointment, you shall be paid a gross annual fee of \$60,000 (current at the date of this letter) (the "**Annual Appointment Fee**"). In addition to the Annual Appointment Fee, you shall receive a gross annual fee of \$6,000 in respect of your appointment as a member of the Nominating and Governance Committee (together with the Annual Appointment Fee the "**Fees**"). The Fees shall be paid in equal instalments quarterly in advance each calendar quarter. The first instalment will be paid to you on a pro-rated basis on or as soon as practicable following 19 October 2015 to cover the period to the end of the current calendar quarter.

4.2 The Fees cover all duties and will be payable after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board.

4.3 The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office. The procedure and other guidance in respect of expense claims is available from the Board.

4.4 On termination of your appointment, you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

#### 5. INDEPENDENT PROFESSIONAL ADVICE

In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director and it may be appropriate for you to seek advice from independent advisers at the Company's expense. The Company shall reimburse the reasonable cost of obtaining that advice incurred by you provided that you obtain the prior authorisation of the Board.

## **6. OUTSIDE INTERESTS**

- 6.1 All directors must take decisions objectively in the best interests of the Company. You will be expected to bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. You understand and accept the obligation of a director not to put himself in a position where his own interests are in conflict with those of the Company.
- 6.2 You have already disclosed to the Board the significant commitments you have outside your role in the Company. You must inform the chairman in advance of any changes to these commitments. In certain circumstances, you may have to seek the Board's agreement before accepting further commitments which either might give rise to a conflict of interest or a conflict with any of your duties to the Company, or which might impact on the time that you are able to devote to your role at the Company.
- 6.3 It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. If you become aware of any further potential or actual conflicts of interest, these should be disclosed to the chairman and company secretary as soon as you become aware of them and again you may have to seek the agreement of the Board.
- 6.4 The Board has determined that you are independent according to the independence criteria set out in the SEC Rules and the NASDAQ Rules.

## **7. CONFIDENTIALITY**

- 7.1 During your appointment, you will have access to confidential information regarding the business and financial affairs of the Company and the Company's clients. You must not (except in the proper performance of your duties) while a director of the Company or at any time (without limit) after ceasing to be a director of the Company:
- (a) Divulge or communicate to any Person;
  - (b) Use for your own purposes or for any purposes other than those of the Company or any company in the Company's group or, as appropriate, any of its or their clients; or
  - (c) Through any failure to exercise due care and diligence, cause any unauthorised disclosure of;
- any trade secrets or confidential information relating to the Company or any company in the Company's group or any of its or their clients. You must at all times use your best endeavours to prevent publication or disclosure of any trade secrets or confidential information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default by you.
- 7.2 All documentation relating to the business of the Company and any company in the Company's group or any of its or their clients (and any copies of the same) shall be and remain the property of the Company or the relevant company within the Company's group or client. This will include notes, memoranda, records, lists of customers, suppliers and employees, correspondence, computer and other discs and tapes and other material (whether made or created by you and in whatever medium or format). Please ensure that you return all property of the Company and any company in the Company's group or clients on demand and in any event on the termination of your appointment.

7.3 Nothing in this paragraph 7 shall prevent you from disclosing information which you are entitled to disclose under the UK Public Interest Disclosure Act 1998, provided that the disclosure is made in accordance with the provisions of that Act.

## **8. INSIDE INFORMATION AND DEALING IN THE COMPANY'S SHARES**

8.1 Your attention is drawn to the requirements under both law and regulation as to the disclosure of inside information, in particular to the Disclosure and Transparency Rules of the FCA and section 52 of the UK Criminal Justice Act 1993 on insider dealing and the applicable United States laws relating to insider dealing. You should avoid making any statements that might risk a breach of these requirements. If in doubt, please contact the chairman or company secretary.

8.2 During your period of appointment you are required to comply with the provisions of the Model Code (as annexed to the Listing Rules of the FCA) in relation to dealing in the Company's publicly traded or quoted securities, and any such other code as the Company may adopt from time to time which sets out the terms for dealings by directors in the Company's publicly traded or quoted securities. A copy of the current insider trading policy adopted by the Company will be provided to you separately.

## **9. INDUCTION**

In connection with your appointment, the Company will provide a comprehensive, formal and tailored induction which may involve overseas travel. We will arrange for site visits and meetings with senior and middle management and the Company's auditors. We will also give the major shareholders the opportunity to meet you.

## **10. TRAINING**

On an ongoing basis, and further to the annual evaluation process, the Company will arrange for you to develop and refresh your skills and knowledge in areas which are mutually identified as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should try to make yourself available for any relevant training sessions which may be organised for the Board.

## **11. REVIEW PROCESS**

The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the chairman as soon as you can.

## **12. INSURANCE AND INDEMNITY**

12.1 The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment.

12.2 The Company shall grant you a deed of indemnity against certain liabilities that may be incurred as a result of your office to the extent permitted by section 234 of the UK Companies Act 2006.

## **13. CHANGES TO PERSONAL DETAILS**

You shall advise the company secretary promptly of any change in your address or other personal contact details.

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**14. RETURN OF PROPERTY**

On termination of your appointment with the Company however arising, or at any time at the Board's request, you shall immediately return to the Company all documents, records, papers or other property belonging to the Company or any company in the Company's group which may be in your possession or under your control, and which relate in any way to the Company's or a group company's business affairs and you shall not retain any copies thereof.

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- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
- (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
- (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

16.2 You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company or any company in the Company's group (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.

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16.4 You shall comply with the Company's data protection policy, a copy of which is available from the Board. The Company may change its data protection policy at any time and will notify you in writing of any changes.

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- 17.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.
- 18. ENTIRE AGREEMENT**
- 18.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment to the Board and supersedes and extinguishes all previous discussions, correspondence, negotiations, arrangements, agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 18.2 You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.
- 19. VARIATION**
- No variation of this letter shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).
- 20. GOVERNING LAW AND JURISDICTION**
- Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to the Board.

Yours sincerely

/s/ André-Michael Ballester

For and on behalf of **LIVANOVA PLC**

Name (printed): André-Michael Ballester

Title: Director and Chief Executive Officer

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I confirm and agree to the terms of my appointment as a non-executive director of LivaNova PLC as set out in this letter.

/s/ Stefano Gianotti

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Name (printed): STEFANO GIANOTTI

Date: 19 October 2015

**PRIVATE AND CONFIDENTIAL**

Ms Sharon O’Kane  
5 Merchant Square  
London  
United Kingdom  
W2 1AY

19 October 2015

Dear Ms O’Kane,

**Letter of appointment**

The board of directors (the “**Board**”) of LivaNova PLC (the “**Company**”) has appointed you as a non-executive director of the Company.

This letter sets out the main terms of your appointment. If you need any more information, please let me know.

By accepting this appointment, you agree that this letter is a contract for services and is not a contract of employment and you confirm that you are not subject to any restrictions which prevent you from holding office as a director.

**1. APPOINTMENT**

- 1.1 Subject to the remaining provisions of this letter, your appointment shall commence on 19 October 2015 until the Annual General Meeting (“**AGM**”) following the second full financial year of the Company, subject to the earlier termination in accordance with the Company’s articles of association, as amended from time to time (the “**Articles**”). Either party may terminate your appointment at any time on giving to the other party one month’s prior written notice.
- 1.2 Your appointment is subject to the Company’s Articles. Nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to you as a director of the Company.
- 1.3 Continuation of your appointment is contingent on your continued satisfactory performance and re-election by the shareholders and any relevant statutory provisions relating to removal of a director. If the shareholders do not re-elect you as a director, or you are removed from office under the Articles, your appointment shall terminate automatically, with immediate effect and without compensation.
- 1.4 If the Board, with you abstaining, requests your resignation at any time, you will be deemed to have given notice of your resignation and your resignation will take effect on the date specified by the Board. If that date is before the end of the notice period that would otherwise be given pursuant to clause 1.1 (and you have not been asked to resign as a result of a breach by you of the terms of this Letter), then the Company will make a payment to you of the fees you would have received during the outstanding notice period.



- 1.5 Any term renewal is subject to Board review and AGM re-election. Notwithstanding any mutual expectation, there is no right to re-nomination by the Board (or any other committee of the Board).
- 1.6 You may be required to serve on one or more Board committees. You will be provided with the relevant terms of reference on your appointment to such committee. You also may be asked to serve as a non-executive director on the board of any of the Company's subsidiaries or joint ventures, or as senior independent director. Any such appointment will be covered in a separate communication.
- 1.7 Notwithstanding paragraphs 1.1 to 1.6 above, the Company may terminate your appointment with immediate effect if you have:
- (a) committed a material breach of your obligations under this letter;
  - (b) committed any serious or repeated breach or non-observance of your obligations to the Company (which includes an obligation not to breach your statutory, fiduciary or common-law duties);
  - (c) been guilty of any fraud or dishonesty or acted in any manner which, in the Company's opinion, brings or is likely to bring you or the Company into disrepute or is materially adverse to the Company's interests;
  - (d) been convicted of an arrestable criminal offence other than a road traffic offence for which a fine or non-custodial penalty is imposed;
  - (e) been declared bankrupt or have made an arrangement with or for the benefit of your creditors, or if you have a county court administration order made against you under the County Court Act 1984;
  - (f) been disqualified from acting as a director; or
  - (g) not complied with the Company's anti-corruption and bribery policy and procedures or the UK Bribery Act 2010 or the US Foreign Corrupt Practices Act 1977.
- 1.8 On termination of your appointment, you shall, at the Company's request, resign from your office as director of the Company and any offices you hold in any of the Company's group companies.
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### 3. **ROLE AND DUTIES**

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  - (d) develop, set and promote the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- 3.2 As a non-executive director you shall have the same general legal responsibilities to the Company as any other director. You are expected to perform your duties (whether statutory, fiduciary or common law) faithfully, diligently and to a standard commensurate with the functions of your role and your knowledge, skills and experience.
- 3.3 You shall exercise your powers in your role as a non-executive director having regard to relevant obligations under prevailing law and regulation, including the UK Companies Act 2006, the UK Financial Conduct Authority's (the "**FCA**") Listing, Prospectus, Disclosure and Transparency Rules, the applicable requirements of the United States federal securities laws and rules and the regulations of the United States Securities and Exchange Commission (the "**SEC Rules**") and the applicable requirements of the NASDAQ Stock Market Rules (the "**NASDAQ Rules**").

- 3.4 You shall have particular regard to the general duties of directors in Part 10 of the UK Companies Act 2006, including the duty to promote the success of the Company under which all directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, as a director, you must have regard (among other matters) to:
- (a) the likely consequences of any decision in the long term;
  - (b) the interests of the Company's employees;
  - (c) the need to foster the Company's business relationships with suppliers, customers and others;
  - (d) the impact of the Company's operations on the community and the environment;
  - (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - (f) the need to act fairly as between the members of the Company.
- 3.5 In your role as a non-executive director of the Company, you shall also be required to:
- (a) constructively challenge and help develop proposals on strategy;
  - (b) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - (c) satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
  - (d) be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing senior management and in succession planning;
  - (e) scrutinise standards of conduct, compliance and control in relation to the Board and the Company generally;
  - (f) devote time to developing and refreshing your knowledge and skills;
  - (g) uphold high standards of integrity and probity and support the chairman and executive directors in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
  - (h) insist on receiving high-quality information sufficiently in advance of Board meetings;
  - (i) take into account the views of shareholders and other stakeholders where appropriate;
  - (j) make sufficient time available to discharge your responsibilities effectively;
  - (k) exercise relevant powers under, and abide by, the Articles;
  - (l) disclose the nature and extent of any direct or indirect interest you may have in any matter being considered at a Board or committee meeting and, except as permitted under the Articles, you will not vote on any resolution of the Board, or of one of its committees, on any matter where you have any direct or indirect interest;

- (m) immediately report your own wrongdoing or the wrongdoing or proposed wrongdoing of any employee or other director of the Company of which you become aware to the Board;
- (n) exercise your powers as a director in accordance with the Company's policies and procedures and the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977; and
- (o) not do anything that would cause you to be disqualified from acting as a director.

3.6 It goes without saying that at all times you must carry out your duties diligently, with due skill, care and attention and use your best endeavours to promote and protect the interests of the Company and any company in the Company's group.

3.7 Unless the Board specifically authorises you to do so, you shall not enter into any legal or other commitment or contract on behalf of the Company.

3.8 You shall be entitled to request all relevant information about the Company's affairs as is reasonably necessary to enable you to discharge your responsibilities as a non-executive director.

#### 4. FEES AND EXPENSES

4.1 As more fully explained in the Non-Employee Director Compensation Policy appended to this letter of appointment, you shall be paid a gross annual fee of \$60,000 (current at the date of this letter) (the "**Annual Appointment Fee**"). In addition to the Annual Appointment Fee, you shall receive a gross annual fee of \$6,000 in respect of your appointment as a member of the Nominating and Governance Committee (together with the Annual Appointment Fee the "**Fees**"). The Fees shall be paid in equal instalments quarterly in advance each calendar quarter. The first instalment will be paid to you on a pro-rated basis on or as soon as practicable following 19 October 2015 to cover the period to the end of the current calendar quarter.

4.2 The Fees cover all duties and will be payable after deduction of any taxes and other amounts that are required by law, which shall be subject to a periodic review by the Board.

4.3 The Company shall reimburse you for all reasonable and properly documented expenses that you incur in performing the duties of your office. The procedure and other guidance in respect of expense claims is available from the Board.

4.4 On termination of your appointment, you shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred before that date.

#### 5. INDEPENDENT PROFESSIONAL ADVICE

In some circumstances you may consider that you need professional advice in the furtherance of your duties as a director and it may be appropriate for you to seek advice from independent advisers at the Company's expense. The Company shall reimburse the reasonable cost of obtaining that advice incurred by you provided that you obtain the prior authorisation of the Board.

## **6. OUTSIDE INTERESTS**

- 6.1 All directors must take decisions objectively in the best interests of the Company. You will be expected to bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. You understand and accept the obligation of a director not to put himself in a position where his own interests are in conflict with those of the Company.
- 6.2 You have already disclosed to the Board the significant commitments you have outside your role in the Company. You must inform the chairman in advance of any changes to these commitments. In certain circumstances, you may have to seek the Board's agreement before accepting further commitments which either might give rise to a conflict of interest or a conflict with any of your duties to the Company, or which might impact on the time that you are able to devote to your role at the Company.
- 6.3 It is accepted and acknowledged that you have business interests other than those of the Company and have declared any conflicts that are apparent at present. If you become aware of any further potential or actual conflicts of interest, these should be disclosed to the chairman and company secretary as soon as you become aware of them and again you may have to seek the agreement of the Board.
- 6.4 The Board has determined that you are independent according to the independence criteria set out in the SEC Rules and the NASDAQ Rules.

## **7. CONFIDENTIALITY**

- 7.1 During your appointment, you will have access to confidential information regarding the business and financial affairs of the Company and the Company's clients. You must not (except in the proper performance of your duties) while a director of the Company or at any time (without limit) after ceasing to be a director of the Company:
- (a) Divulge or communicate to any Person;
  - (b) Use for your own purposes or for any purposes other than those of the Company or any company in the Company's group or, as appropriate, any of its or their clients; or
  - (c) Through any failure to exercise due care and diligence, cause any unauthorised disclosure of;
- any trade secrets or confidential information relating to the Company or any company in the Company's group or any of its or their clients. You must at all times use your best endeavours to prevent publication or disclosure of any trade secrets or confidential information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default by you.
- 7.2 All documentation relating to the business of the Company and any company in the Company's group or any of its or their clients (and any copies of the same) shall be and remain the property of the Company or the relevant company within the Company's group or client. This will include notes, memoranda, records, lists of customers, suppliers and employees, correspondence, computer and other discs and tapes and other material (whether made or created by you and in whatever medium or format). Please ensure that you return all property of the Company and any company in the Company's group or clients on demand and in any event on the termination of your appointment.

7.3 Nothing in this paragraph 7 shall prevent you from disclosing information which you are entitled to disclose under the UK Public Interest Disclosure Act 1998, provided that the disclosure is made in accordance with the provisions of that Act.

## **8. INSIDE INFORMATION AND DEALING IN THE COMPANY'S SHARES**

8.1 Your attention is drawn to the requirements under both law and regulation as to the disclosure of inside information, in particular to the Disclosure and Transparency Rules of the FCA and section 52 of the UK Criminal Justice Act 1993 on insider dealing and the applicable United States laws relating to insider dealing. You should avoid making any statements that might risk a breach of these requirements. If in doubt, please contact the chairman or company secretary.

8.2 During your period of appointment you are required to comply with the provisions of the Model Code (as annexed to the Listing Rules of the FCA) in relation to dealing in the Company's publicly traded or quoted securities, and any such other code as the Company may adopt from time to time which sets out the terms for dealings by directors in the Company's publicly traded or quoted securities. A copy of the current insider trading policy adopted by the Company will be provided to you separately.

## **9. INDUCTION**

In connection with your appointment, the Company will provide a comprehensive, formal and tailored induction which may involve overseas travel. We will arrange for site visits and meetings with senior and middle management and the Company's auditors. We will also give the major shareholders the opportunity to meet you.

## **10. TRAINING**

On an ongoing basis, and further to the annual evaluation process, the Company will arrange for you to develop and refresh your skills and knowledge in areas which are mutually identified as being likely to be required, or of benefit to you, in carrying out your duties effectively. You should try to make yourself available for any relevant training sessions which may be organised for the Board.

## **11. REVIEW PROCESS**

The performance of individual directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the chairman as soon as you can.

## **12. INSURANCE AND INDEMNITY**

12.1 The Company has directors' and officers' liability insurance and it intends to maintain such cover for the full term of your appointment.

12.2 The Company shall grant you a deed of indemnity against certain liabilities that may be incurred as a result of your office to the extent permitted by section 234 of the UK Companies Act 2006.

## **13. CHANGES TO PERSONAL DETAILS**

You shall advise the company secretary promptly of any change in your address or other personal contact details.

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**14. RETURN OF PROPERTY**

On termination of your appointment with the Company however arising, or at any time at the Board's request, you shall immediately return to the Company all documents, records, papers or other property belonging to the Company or any company in the Company's group which may be in your possession or under your control, and which relate in any way to the Company's or a group company's business affairs and you shall not retain any copies thereof.

**15. MORAL RIGHTS**

You hereby irrevocably waive any moral rights in all works prepared by you, in the provision of your services to the Company, to which you are now or may at any future time be entitled under Chapter IV of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction, including (but without limitation) the right to be identified, the right of integrity and the right against false attribution, and agree not to institute, support, maintain or permit any action or claim to the effect that any treatment, exploitation or use of such works or other materials, infringes your moral rights.

**16. DATA PROTECTION**

16.1 By signing this letter you consent to the Company holding and processing data about you for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the UK Data Protection Act 1998) relating to you including, as appropriate:

- (a) information about your physical or mental health or condition in order to monitor sick leave and take decisions as to your fitness to perform your duties; or
- (b) your racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; or
- (c) information relating to any criminal proceedings in which you have been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.

16.2 You consent to the Company making such information available to any of its group companies, those who provide products or services to the Company or any company in the Company's group (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which you work.

16.3 You also consent to the transfer of such information to the Company's or any group company's business contacts outside the European Economic Area in order to further their business interests even where the country or territory in question does not maintain adequate data protection standards.

16.4 You shall comply with the Company's data protection policy, a copy of which is available from the Board. The Company may change its data protection policy at any time and will notify you in writing of any changes.

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- 17. THIRD PARTY RIGHTS**
- 17.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this letter. No person other than you and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than you and the Company.
- 18. ENTIRE AGREEMENT**
- 18.1 This letter and any document referred to in it constitutes the entire terms and conditions of your appointment to the Board and supersedes and extinguishes all previous discussions, correspondence, negotiations, arrangements, agreements, promises, assurances, warranties, representations and understandings between you and the Company, whether written or oral, relating to its subject matter.
- 18.2 You agree that you shall have no remedies in respect of any representation, assurance or warranty (whether made innocently or negligently) that is not set out in this letter and you shall not have any claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this letter.
- 19. VARIATION**
- No variation of this letter shall be effective unless it is in writing and signed by you and the Company (or respective authorised representatives).
- 20. GOVERNING LAW AND JURISDICTION**
- Your appointment with the Company and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales and you and the Company irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this appointment or its subject matter or formation (including non-contractual disputes or claims).

Please indicate your acceptance of these terms by signing and returning the attached copy of this letter to the Board.



Yours sincerely

/s/ André-Michael Ballester

For and on behalf of **LIVANOVA PLC**

Name (printed): André-Michael Ballester

Title: Director and Chief Executive Officer

I confirm and agree to the terms of my appointment as a non-executive director of LivaNova PLC as set out in this letter.

/s/ Sharon O’Kane

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Name (printed): SHARON O’KANE

Date: 19 October 2015

**LIVANOVA PLC  
2015 INCENTIVE AWARD PLAN**

**DIRECTOR RESTRICTED STOCK UNIT AWARD GRANT NOTICE**

LivaNova PLC, a public limited company incorporated under the laws of England and Wales (the “Company”), pursuant to its 2015 Incentive Award Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Participant”) the number of Restricted Stock Units (the “RSUs”) set forth below. The RSUs are subject to the terms and conditions set forth in this Restricted Stock Unit Grant Notice (the “Grant Notice”) and the Restricted Stock Unit Agreement attached hereto as Exhibit A (the “Agreement”) and the Plan, which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in the Grant Notice and the Agreement.

**Participant:** [\_\_\_\_\_]

**Grant Date:** [\_\_\_\_\_]

**Number of RSUs:** [\_\_\_\_\_]

**Vesting Schedule:** The RSUs shall become fully vested on the earliest of (i) the first anniversary of the Grant Date, (ii) the day immediately preceding the date of the first annual meeting of the Company’s stockholders following the Grant Date and (iii) the date of a Change in Control.

By Participant’s signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and the Grant Notice. Participant has reviewed the Agreement, the Plan and the Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing the Grant Notice and fully understands all provisions of the Grant Notice, the Agreement and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Grant Notice or the Agreement. If Participant is married, his or her spouse has signed the Consent of Spouse attached to this Grant Notice as Exhibit B.

**LIVANOVA PLC**

**PARTICIPANT**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

**EXHIBIT A**  
**TO DIRECTOR RESTRICTED STOCK UNIT AWARD GRANT NOTICE**

**DIRECTOR RESTRICTED STOCK UNIT AWARD AGREEMENT**

Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to Participant the number of RSUs set forth in the Grant Notice.

**ARTICLE I.**

**GENERAL**

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1.2 Incorporation of Terms of Plan. The RSUs and the Shares issued to Participant hereunder are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

**ARTICLE II.**

**AWARD OF RESTRICTED STOCK UNITS AND DIVIDEND EQUIVALENTS**

2.1 Award of RSUs and Dividend Equivalents.

(a) In consideration of Participant's past and/or continued employment with or service to the Company or a Subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the number of RSUs set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Plan and this Agreement, subject to adjustment as provided in Section 13.2 of the Plan. Each RSU represents the right to receive one Share or, at the option of the Company, an amount of cash as set forth in Section 2.3(b), in either case, at the times and subject to the conditions set forth herein. However, unless and until the RSUs have vested, Participant will have no right to the payment of any Shares subject thereto. Prior to the actual delivery of any Shares, the RSUs will represent an unsecured obligation of the Company, payable only from the general assets of the Company.

(b) The Company hereby grants to Participant an Award of Dividend Equivalents with respect to each RSU granted pursuant to the Grant Notice for all ordinary cash dividends which are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable RSU is distributed or paid to Participant or is forfeited or expires. The Dividend Equivalents for each RSU shall be equal to the amount of cash which is paid as a dividend on one Share. All such Dividend Equivalents shall be credited to Participant and be deemed to be reinvested in additional RSUs as of the date of payment of any such dividend based on the Fair Market Value of a Share on such date. Each additional RSU which results from such deemed reinvestment of Dividend Equivalents granted hereunder shall be subject to the same vesting, distribution or payment, adjustment and other provisions which apply to the underlying RSU to which such additional RSU relates.

## 2.2 Vesting of RSUs and Dividend Equivalents.

(a) Subject to Participant's continued employment with or service to the Company or a Subsidiary on each applicable vesting date and subject to the terms of this Agreement, the RSUs shall vest in such amounts and at such times as are set forth in the Grant Notice. Each additional RSU which results from deemed reinvestments of Dividend Equivalents pursuant to Section 2.1(b) hereof shall vest whenever the underlying RSU to which such additional RSU relates vests.

(b) In the event Participant incurs a Termination of Service, except as may be otherwise provided by the Administrator or as set forth in a written agreement between Participant and the Company, Participant shall immediately forfeit any and all RSUs and Dividend Equivalents granted under this Agreement which have not vested or do not vest on or prior to the date on which such Termination of Service occurs, and Participant's rights in any such RSUs and Dividend Equivalents which are not so vested shall lapse and expire.

## 2.3 Distribution or Payment of RSUs.

(a) Participant's RSUs shall be distributed in Shares (either in book-entry form or otherwise) or, at the option of the Company, paid in an amount of cash as set forth in Section 2.3(b), in either case, as soon as administratively practicable following the vesting of the applicable RSU pursuant to Section 2.2, and, in any event, within sixty (60) days following such vesting (for the avoidance of doubt, this deadline is intended to comply with the "short-term deferral" exemption from Section 409A of the Code). Notwithstanding the foregoing, the Company may delay a distribution or payment in settlement of RSUs if it reasonably determines that such payment or distribution will violate Federal securities laws or any other Applicable Law, *provided* that such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii), and *provided further* that no payment or distribution shall be delayed under this Section 2.3(a) if such delay will result in a violation of Section 409A of the Code.

(b) In the event that the Company elects to make payment of Participant's RSUs in cash, the amount of cash payable with respect to each RSU shall be equal to the Fair Market Value of a Share on the day immediately preceding the applicable distribution or payment date set forth in Section 2.3(a). All distributions made in Shares shall be made by the Company in the form of whole Shares, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value as of the date immediately preceding the date of such distribution.

2.4 Conditions to Issuance of Shares. The Company shall not be required to issue or deliver any certificate or certificates for any Shares or to cause any Shares to be held in book-entry form prior to the fulfillment of all of the following conditions: (A) the admission of the Shares to listing on all stock exchanges on which such Shares are then listed, (B) the completion of any registration or other qualification of the Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable, and (C) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable.

(a) The Company and its Subsidiaries have the authority to deduct or withhold, or require Participant to remit to the Company or the applicable Subsidiary, an amount sufficient to satisfy any applicable federal, state, local and foreign taxes (including the employee portion of any FICA obligation) required by law to be withheld with respect to any taxable event arising pursuant to this Agreement. The Company and its Subsidiaries may withhold or Participant may make such payment in one or more of the forms specified below:

(i) by cash or check made payable to the Company or the Subsidiary with respect to which the withholding obligation arises;

(ii) by the deduction of such amount from other compensation payable to Participant;

(iii) with respect to any withholding taxes arising in connection with the distribution of the RSUs, by the Company withholding a net number of vested Shares otherwise issuable pursuant to the RSUs having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes or such other rate as does not result in adverse accounting consequences for the Company;

(iv) with respect to any withholding taxes arising in connection with the distribution of the RSUs, with the consent of the Administrator, by tendering to the Company vested Shares having a then current Fair Market Value not exceeding the amount necessary to satisfy the withholding obligation of the Company and its Subsidiaries based on the minimum applicable statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes or such other rate as does not result in adverse accounting consequences for the Company;

(v) with respect to any withholding taxes arising in connection with the distribution of the RSUs, through the delivery of a notice that Participant has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable to Participant pursuant to the RSUs, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company or the Subsidiary with respect to which the withholding obligation arises in satisfaction of such withholding taxes; *provided* that payment of such proceeds is then made to the Company or the applicable Subsidiary at such time as may be required by the Administrator, but in any event not later than the settlement of such sale; or

(vi) in any combination of the foregoing.

[Unless the Board otherwise determines, the Company shall withhold using the method described in clause (iii) above.]<sup>1</sup>

(b) With respect to any withholding taxes arising in connection with the RSUs, in the event Participant fails to provide timely payment of all sums required pursuant to Section 2.5(a), the Company shall have the right and option, but not the obligation, to treat such failure as an election by Participant to satisfy all or any portion of Participant's required payment obligation pursuant to Section 2.5(a)(ii) or Section 2.5(a)(iii) above, or any combination of the foregoing as the Company may determine to be appropriate. The Company shall not be obligated to deliver any certificate representing Shares issuable with respect to the RSUs to, or to cause any such Shares to be held in book-entry form by, Participant or his or her legal representative unless and until Participant or his or her legal representative

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<sup>1</sup> For US directors.

shall have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes applicable with respect to the taxable income of Participant resulting from the vesting or settlement of the RSUs or any other taxable event related to the RSUs.

(c) In the event any tax withholding obligation arising in connection with the RSUs will be satisfied under Section 2.5(a)(iii), then the Company may elect to instruct any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf a whole number of shares from those Shares then issuable to Participant pursuant to the RSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the tax withholding obligation and to remit the proceeds of such sale to the Company or the Subsidiary with respect to which the withholding obligation arises. Participant's acceptance of this Award constitutes Participant's instruction and authorization to the Company and such brokerage firm to complete the transactions described in this Section 2.5(c), including the transactions described in the previous sentence, as applicable. The Company may refuse to issue any Shares in settlement of the RSUs to Participant until the foregoing tax withholding obligations are satisfied, *provided* that no payment shall be delayed under this Section 2.5(c) if such delay will result in a violation of Section 409A of the Code.

(d) Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the subsequent sale of Shares. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs to reduce or eliminate Participant's tax liability.

2.6 **Rights as Stockholder.** Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares.

### **ARTICLE III.**

#### **OTHER PROVISIONS**

3.1 **Administration.** The Administrator shall have the power to interpret the Plan, the Grant Notice and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice or this Agreement.

3.2 **RSUs Not Transferable.** The RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the RSUs have been issued, and all restrictions applicable to such Shares have lapsed. No RSUs or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements

of Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence. Notwithstanding the foregoing, with the consent of the Administrator, the RSUs may be transferred to certain persons or entities related to the Participant, including but not limited to members of Participant's family, charitable institutions or trusts or other entities whose beneficiaries or beneficial owners are members of Participant's family or to such other persons or entities as may be expressly approved by the Administrator, pursuant to any such conditions and procedures the Administrator may require.

3.3 Adjustments. The Administrator may accelerate the vesting of all or a portion of the RSUs in such circumstances as it, in its sole discretion, may determine. Participant acknowledges that the RSUs and the Shares subject to the RSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 13.2 of the Plan.

3.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

3.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to Applicable Law.

3.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, *provided that*, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the RSUs in any material way without the prior written consent of Participant.

3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 3.2 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.



3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the RSUs (including RSUs which result from the deemed reinvestment of Dividend Equivalents), the Dividend Equivalents, the Grant Notice and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.11 Not a Contract of Employment. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant. Neither the Plan nor this Agreement afford the Participant any rights to compensation or damages, including for loss of or potential loss that the Participant may suffer as a result of the termination of the Plan, lapse of the RSUs or the termination of the Participant's employment with or service to the Company.

3.12 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

3.13 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.14 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

3.15 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents.

3.16      Counterparts.      The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument.

3.17      Broker-Assisted Sales.      In the event of any broker-assisted sale of Shares in connection with the payment of withholding taxes as provided in Section 2.5(a)(iii) or Section 2.5(c): (A) any Shares to be sold through a broker-assisted sale will be sold on the day the tax withholding obligation arises or as soon thereafter as practicable; (B) such Shares may be sold as part of a block trade with other participants in the Plan in which all participants receive an average price; (C) Participant will be responsible for all broker's fees and other costs of sale, and Participant agrees to indemnify and hold the Company harmless from any losses, costs, damages, or expenses relating to any such sale; (D) to the extent the proceeds of such sale exceed the applicable tax withholding obligation, the Company agrees to pay such excess in cash to Participant as soon as reasonably practicable; (E) Participant acknowledges that the Company or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy the applicable tax withholding obligation; and (F) in the event the proceeds of such sale are insufficient to satisfy the applicable tax withholding obligation, Participant agrees to pay immediately upon demand to the Company or its Subsidiary with respect to which the withholding obligation arises an amount in cash sufficient to satisfy any remaining portion of the Company's or the applicable Subsidiary's withholding obligation.

\* \* \* \* \*

**EXHIBIT B**  
**TO RESTRICTED STOCK UNIT AWARD GRANT NOTICE**

**CONSENT OF SPOUSE**

I, \_\_\_\_\_, spouse of \_\_\_\_\_, have read and approve the foregoing Agreement. In consideration of issuing to my spouse the restricted stock units of LivaNova PLC set forth in the Agreement, I hereby appoint my spouse as my attorney-in-fact in respect of the exercise of any rights under the Agreement and agree to be bound by the provisions of the Agreement insofar as I may have any rights in said Agreement or any shares of LivaNova PLC issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Agreement.

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

\_\_\_\_\_  
Signature of Spouse

Dated 19 October 2015

LIVANOVA PLC

ANDRÉ-MICHEL BALLESTER

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SERVICE AGREEMENT

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**LATHAM & WATKINS**

99 Bishopsgate  
London EC2M 3XF  
(44) 020 7710 1000 (Tel)  
(44) 020 7374 4460 (Fax)  
[www.lw.com](http://www.lw.com)

**BETWEEN**

- (1) **LIVANOVA PLC**, a company registered in England with registered number 09451374 and having its registered office at 1 Fetter Lane, London, EC4A 1BR (the “**Company**”); and
- (2) **ANDRÉ-MICHEL BALLESTER**, residing at Chemin de Bellevue, 6, 1297 FOUNEX, Switzerland (the “**Executive**”).

**BACKGROUND**

The Company wishes to employ the Executive as Chief Executive Officer on the terms and conditions of this Agreement and the Executive wishes to accept such employment.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Agreement, unless the context otherwise requires:

“ <b>Basic Salary</b> ”	means the salary, as specified in Clause 6.1.1 or, as appropriate, the reviewed annual salary from time to time;
“ <b>Board</b> ”	means the Board of directors of the Company from time to time or any duly authorised committee thereof, or where the relevant powers have been reserved to the Company’s members, its members from time to time;
“ <b>Change of Control</b> ”	means:  (a) the cessation of the power of a person to secure that the affairs of the Company are conducted in accordance with the wishes of that person:  (i) by means of the holding of shares, or the possession of voting power, in or in relation to the Company or any other body corporate; or  (ii) as a result of any powers conferred by the articles of association or any other document regulating the Company or any other body corporate; or  (b) the acquisition by any person of the power referred to in (a) above.
“ <b>Compensation Committee</b> ”	means the compensation committee appointed by the Board;
“ <b>Confidential Information</b> ”	means all information which is identified or treated by the Company or any Group Company or any of the Group’s clients or customers as confidential or which by reason of its character or the circumstances or manner of its disclosure is evidently confidential including (without prejudice to the foregoing generality) any information about the personal affairs of any of the directors (or their families) of the

	Company or any Group Company, business plans, proposals relating to the acquisition or disposal of a company or business or proposed expansion or contraction of activities, maturing new business opportunities, research and development projects, designs, secret processes, trade secrets, product or services development and formulae, know-how, inventions, sales statistics and forecasts, marketing strategies and plans, costs, profit and loss and other financial information (save to the extent published in audited accounts), prices and discount structures and the names, addresses and contact and other details of: (a) employees and their terms of employment; (b) customers and potential customers, their requirements and their terms of business with the Company/Group; and (c) suppliers and potential suppliers and their terms of business (all whether or not recorded in writing or in electronic or other format);
<b>“Employment”</b>	means the employment of the Executive under this Agreement or, as the context requires, the duration of that employment;
<b>“Group”</b>	means together or separately the Company, any holding company of the Company and any subsidiaries and subsidiary undertakings of the Company or any such holding company (and the words “subsidiary” and “holding company” shall have the meanings given to them in section 1159 of the Companies Act 2006 and “subsidiary undertaking” shall have the meaning given in section 1162 of the Companies Act 2006) from time to time;
<b>“Group Company”</b>	means any company within the Group;
<b>“Health Care Scheme”</b>	means the medical expenses insurance, permanent health insurance (“ <b>PHI</b> ”), critical illness insurance or other healthcare or disability scheme(s) or arrangement(s) as may be provided or introduced from time to time by the Company (at the Company’s discretion) for the benefit of similarly situated executives in the Group;
<b>“Intellectual Property Rights”</b>	means any and all existing and future intellectual or industrial property rights in and to any Works (whether registered or unregistered), including all existing and future patents, copyrights, design rights, database rights, trade marks, semiconductor topography rights, plant varieties rights, internet rights/domain names, know-how and any and all applications for any of the foregoing and any and all rights to apply for any of the foregoing in and to any Works;
<b>“Minority Holder”</b>	means a person who either solely or jointly holds (directly or through nominees) any shares or loan capital in any company whose shares are listed or dealt in on a recognised investment exchange (as that term is defined by section 285 Financial Services and Markets Act 2000) provided that such holding does not, when aggregated with any shares or loan capital held by the Executive’s partner and/or his or his partner’s children under the age of 18, exceed 3% of the shares or loan capital of the class concerned for the time being issued;

<b>“Share Incentives”</b>	means any options or other rights that the Executive may have to purchase, hold or otherwise acquire shares or rights in respect of or relating to shares in the Company or a Group Company;
<b>“Termination Date”</b>	means the date of termination of the Employment;
<b>“Works”</b>	means any documents, materials, models, designs, drawings, processes, inventions, formulae, computer coding, methodologies, know-how, Confidential Information or other work, performed made, created, devised, developed or discovered by the Executive in the course of the Employment (and whether or not made or discovered in the course of the Employment) either alone or with any other person in connection with or in any way affecting or relating to the business of the Company or any Group Company or capable of being used or adapted for use therein or in connection therewith.

## 1.2 Interpretation and Construction

Save to the extent that the context or the express provisions of this Agreement require otherwise, in this Agreement:

- (a) words importing the singular shall include the plural and vice versa;
- (b) words importing any gender shall include all other genders;
- (c) words importing the whole shall be treated as including reference to any part of the whole;
- (d) any reference to a Clause, the Schedule or part of the Schedule is to the relevant Clause, Schedule or part of the Schedule of or to this Agreement unless otherwise specified;
- (e) reference to this Agreement or to any other document is a reference to this Agreement or to that other document as modified, amended, varied, supplemented, assigned, novated or replaced from time to time;
- (f) reference to a provision of law is a reference to that provision as extended, applied, amended, consolidated or re-enacted or as the application thereof is modified from time to time and shall be construed as including reference to any order, instrument, regulation or other subordinate legislation from time to time made under it;
- (g) references to a “person” includes any individual, firm, company, corporation, body corporate, government, state or agency of state, trust or foundation, or any association, partnership or unincorporated body (whether or not having separate legal personality) or two or more of the foregoing;
- (h) general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the acts, matters or things covered by the general words and “including”, “include” and “in particular” shall be construed without limitation; and
- (i) the meaning of any words coming after “other” or “otherwise” shall not be constrained by the meaning of any words coming before “other” or “otherwise” where a wider construction is possible.

- 1.3      **Headings**
- The table of contents and the headings in this Agreement are included for convenience only and shall be ignored in construing this Agreement.
2.      **THE EMPLOYMENT**
- 2.1      **Appointment**
- The terms and effect of this Agreement are conditional on and shall only be effective upon the closing of the merger between Sorin S.p.A. and Cyberonics, Inc. (“**Closing**”). If Closing does not occur, this Agreement will not come into effect and will not bind the parties. Subject to the provisions of this Agreement, the Company employs the Executive and the Executive accepts employment as Chief Executive Officer of the Company with effect from Closing notwithstanding the date or dates of this Agreement.
- 2.2      **Work Permits and warranty**
- 2.2.1      The Executive warrants to the Company that by virtue of entering into this Agreement he will not be in breach of any express or implied obligation to any third party, including any restrictive covenants.
- 2.2.2      The Executive warrants that he is legally entitled to work in the United Kingdom and will throughout the Employment continue to hold a valid United Kingdom work permit if appropriate. The Executive warrants that he will notify the Company in advance of any possible change to his immigration status, as soon as he becomes aware of any circumstances that might give rise to such change. Should the Company discover that the Executive does not have permission to live and work in the United Kingdom or if any such permission is revoked, the Company reserves the right to terminate the Employment immediately and without notice or pay in lieu of notice and without referring to the warning stages of the Company’s disciplinary procedure.
3.      **DURATION OF THE EMPLOYMENT**
- 3.1      **Continuous Employment**
- 3.1.1      The Executive’s employment with the Company will commence on Closing, which is expected to take place on or around 19 October 2015. The Executive’s previous employment with the Sorin Group, which began on 1 June 2004, counts towards the Executive’s period of continuous employment with the Company.
- 3.2      **Duration and Notice**
- Subject to the provisions of Clauses 3.3 and 18.1, the Employment shall continue unless and until terminated at any time by:
- (a)      the Company, which must give to the Executive not less than twelve months’ prior written notice of termination of the Employment; or
  - (b)      the Executive, who must give to the Company not less than twelve months’ prior written notice of termination of the Employment.



- 3.3 **Payment in lieu of notice**
- 3.3.1 The Company shall be entitled, at its sole discretion, to terminate the Employment immediately at any time by giving the Executive notice in writing. In these circumstances, subject to the terms of Clause 3.3.2, the Company will subsequently make a payment to the Executive in lieu of notice, calculated in accordance with the provisions of Clauses 3.3.3 and 3.3.4, (and 3.3.5 and 3.3.6 where applicable) (the payment being referred to as a “**Notice Payment**”).
- 3.3.2 For the avoidance of doubt, the Company is not obliged to make a Notice Payment. If the Company shall decide not to make a Notice Payment, the Executive shall not be entitled to enforce that payment as a contractual debt nor as liquidated damages.
- 3.3.3 The Notice Payment will be paid less all deductions that are required or permitted by law to be made including in respect of income tax, national insurance contributions and any sums due to the Company or any Group Company.
- 3.3.4 Subject to the terms of Clause 3.3.5, Clause 3.3.6 and Clause 3.4, the Notice Payment will consist of a sum equivalent to the Basic Salary and the Accommodation Allowances which the Executive would have received in respect of any notice period outstanding on the Termination Date, but will exclude any bonus, commission share of profit, pension contributions and any other benefits (including any benefits derived from any Share Incentives) that he would have received or would have accrued to him during that period.
- 3.3.5 If:
- (a) the Executive’s employment is terminated by the Company in circumstances falling within Clause 6.3.4; and
  - (b) the termination takes place within six months of a Change of Control
- then the Executive will, in addition to his bonus entitlement accrued up to the Termination Date in accordance with Clause 6.3.4, be entitled to receive a bonus in respect of any period in respect of which a Notice Payment is being made.
- 3.3.6 The amount of bonus awarded in accordance with Clause 3.3.5 will be determined by the Compensation Committee taking into account the achievement by the Company of any performance conditions that have been set in respect of the bonus.
- 3.3.7 The Notice Payment is in full and final settlement of all and any rights and claims that the Executive may have against the Company arising out of the termination of his employment (including both contractual and statutory employment claims but excluding claims in respect of Basic Salary accrued to the Termination Date and bonus entitlement pursuant to Clause 3.3.5 and/or Clause 6.3.4, if either is applicable). The Executive agrees to waive, release and discharge any and all such rights and claims and acknowledges that it is a condition of the payment of the Notice Payment that he will execute a settlement agreement (and any other documents reasonably required by the Company) in a form reasonably acceptable to the Company in order to give effect to the release and waiver in this Clause 3.3.
- 3.4 **Payment in instalments**
- 3.4.1 The Company may, at its sole discretion and subject to the terms of Clause 3.4.2, pay the Notice Payment in equal monthly instalments over a period of twelve months (the “**Instalment Period**”), the first instalment payable at the end of the month in which the Termination Date occurs.

- 3.4.2 If the Executive commences alternative employment during the Instalment Period then the gross instalments of Notice Payment payable after that date will be reduced by a sum equal to the gross amount of the Executive's income from the alternative employment.
- 3.4.3 If the Executive obtains alternative employment that is to commence during the Instalment Period he will immediately advise the Company of that fact and of his gross monthly salary from that employment. If the Executive fails to comply with this obligation, then from the date the Executive commences alternative employment, the Executive shall have no further entitlement to any payment of Notice Payment.

#### **4. HOURS AND PLACE OF WORK**

##### **4.1 Hours of work**

The Executive agrees that he shall work normal business hours together with such additional hours as are necessary for the proper performance of his duties. No payment will be made for any additional hours worked by the Executive.

##### **4.2 Working Time Regulations**

- 4.2.1 The Executive has autonomous decision making powers. The duration of his working time is not measured or predetermined.

##### **4.3 Place of work**

- 4.3.1 The Executive's place of work will initially be at the Company's offices at 5 Merchant Square, Paddington, London, W2 1AY but, subject to the terms of Clause 4.3.2, the Company may require the Executive to work at any other location within or outside the UK for such periods as the Company may from time to time require. The Executive will be given reasonable notice of any change in his permanent place of work.

- 4.3.2 The Executive will not be required to be absent from the United Kingdom for a period exceeding one month at any one time.

#### **5. SCOPE OF THE EMPLOYMENT**

##### **5.1 Duties of the Executive**

During the Employment the Executive shall:

- (a) undertake and carry out to the best of his ability such duties and exercise such powers in relation to the Group's business as may from time to time be assigned to or vested in him by the Board including where those duties require the Executive to work for any Group Company;
- (b) in the discharge of those duties and the exercise of those powers observe and comply with all lawful resolutions, regulations and directions from time to time made by, or under the authority of, the Board and promptly upon request, give a full account to the Board or a person duly authorised by the Board of all matters with which he is involved. He will provide the information in writing if requested;
- (c) comply with the Articles of Association (as amended from time to time) of any Group Company of which he is a director;
- (d) ensure compliance with the UK Corporate Governance Code, as applicable from time to time;

- (e) act in accordance with all statutory, fiduciary and common law duties that he owes to the Company and any Group Company;
- (f) refrain from doing anything which would cause him to be disqualified from acting as a director;
- (g) make reasonable endeavours to do, or refrain from doing, such things as are necessary or expedient to ensure compliance by himself and any Group Company with applicable law and regulations and all other regulatory authorities relevant to any Group Company and any codes of practice issued by any Group Company (as amended from time to time);
- (h) unless prevented by ill-health, holidays or other unavoidable cause, devote the whole of his working time, attention and skill to the discharge of his duties under this Agreement;
- (i) faithfully and diligently perform his duties and at all times use his best endeavours to promote and protect the interests of the Group;
- (j) promptly disclose to the Board full details of any wrongdoing by the Executive or any other employee of any Group Company of which the Executive is aware and where that wrongdoing is material to that employee's employment by the relevant company or to the interests or reputation of any Group Company;
- (k) not incur on behalf of the Company or any Group Company any capital expenditure in excess of such sum as may be authorised from time to time by resolution of the Board; and
- (l) not enter into on behalf of the Company or any Group Company any commitment, contract or arrangement which is otherwise than in the normal course of the Company's or the relevant Group Company's business or is outside the scope of his normal duties or authorisations or is of an unusual or onerous or long-term nature.

## 5.2 **Directorships and Directors and Officers insurance**

5.2.1 The Executive will be required to act as a director of the Company and may be required to act as a director of other Group Companies (either executive or non-executive) as the Board requires from time to time. The Company reserves the right on giving written notice to the Executive to terminate any office of directorship immediately at any time.

5.2.2 The Company shall for the duration of the Employment and for a period of not less than six calendar years following the Termination Date, maintain directors' and officers' insurance for the benefit of the Executive in respect of those liabilities which he may incur as a director or officer of the Company or any Group Company and for which such insurance is normally available. The terms of the insurance will be no less favourable than the insurance available to other similarly situated Executives.

## 5.3 **Right to suspend duties and powers**

5.3.1 The Company reserves the right in its absolute discretion to suspend all or any of the Executive's duties and powers on terms it considers expedient or to require him to perform only such duties, specific projects or tasks as are assigned to him expressly by the Company (including the duties of another position of equivalent status) in any case for such period or periods and at such place or places (including, without limitation, the Executive's home) as the Company in its absolute discretion deems necessary (the "**Garden Leave**"). During any period of Garden Leave the terms and conditions set out in this Agreement shall continue to apply to the Executive.

- 5.3.2 The Company may, at its sole discretion, require that during the Garden Leave the Executive shall not:
- (a) enter or attend the premises of the Company or any Group Company;
  - (b) contact or have any communication with any client or prospective client or supplier of the Company or any Group Company in relation to the business of the Company or any Group Company;
  - (c) contact or have any communication with any employee, officer, director, agent or consultant of the Company or any Group Company in relation to the business of the Company or any Group Company;
  - (d) remain or become involved in any aspect of the business of the Company or any Group Company except as required by such companies; or
  - (e) work either on his own account or on behalf of any other person.

5.3.3 During Garden Leave, the Executive will continue to receive his Basic Salary and benefits but will not accrue any bonus, commission or share of profit, save where Clause 6.3.3 applies.

5.3.4 For the avoidance of doubt, the Company may exercise its powers under this Clause 5.3 at any time during the Employment including after notice of termination has been given by either party.

#### 5.4 **Joint appointments**

The Company shall be at liberty to appoint any other person or persons to act jointly with the Executive in any position to which he may be assigned from time to time.

### 6. **REMUNERATION**

#### 6.1 **Basic Salary**

6.1.1 During the Employment the Company shall pay the Executive a Basic Salary of not less than £575,000 per annum. The Basic Salary shall accrue from day to day and be payable by credit transfer into a bank account (or, if requested by the Executive, two separate bank accounts) nominated by the Executive in equal monthly instalments in arrears on or around the last day of each calendar month or otherwise as arranged from time to time. The Basic Salary will be paid less all deductions that are required by law to be made including in respect of income tax and national insurance contributions.

6.1.2 The Basic Salary shall be inclusive of all director's fees (if any) to which the Executive may become entitled including all remuneration and director's fees in respect of services rendered by the Executive to any Group Company.

#### 6.2 **Salary review**

The Basic Salary shall be reviewed annually, the first review to take effect following the first Compensation Committee quarterly meeting of each calendar year commencing in 2016, however the Compensation Committee is not obliged to increase the Basic Salary at any review.

### 6.3 Discretionary bonus

6.3.1 The Executive is eligible to receive an annual bonus in respect of each financial year of the Company (the “**Bonus**”). The target amount of the Executive’s Bonus is a sum equal to 100% of his Basic Salary for that financial year. The terms and amount of this bonus (and whether it is paid in cash or in other forms, such as shares or share options) will be approved from time to time and notified to the Executive by the Compensation Committee in its sole discretion.

6.3.2 The actual amount of any Bonus payable, which may be greater or less than the target amount specified in Clause 6.3.1, will be determined by reference to the Compensation Committee in its sole discretion and will be determined by the achievement of performance objectives, which may include Company and Group performance objectives, personal performance objectives, or a combination of those objectives. The Compensation Committee will determine appropriate performance targets at the beginning of each financial year. The Bonus will be paid by the Company after receipt by it of the audited financial statements of the Company for the financial year in question.

6.3.3 Subject to the terms of Clause 6.3.4, the Bonus will only be paid if the Executive is in Employment (and has not received or served notice of termination of employment) at the date the Bonus is due for payment. Upon the termination of the Executive’s employment or (if earlier) upon either party giving notice under Clause 3 or the Company exercising its rights under Clause 18, the Executive will have no rights as a result of this Agreement or any alleged breach of it to any compensation under or in respect of any Bonus.

6.3.4 If:

- (a) the Employment is terminated by the Company for a reason other than as set out in Clause 18.1; or
- (b) the Executive resigns in circumstances which are finally determined by a court of competent authority (including as applicable, an employment tribunal) to constitute constructive dismissal (except as a result solely of a procedural irregularity)

then the Executive will receive a pro-rated Bonus payment in respect of the period of the financial year to the Termination Date (or the date upon which the Executive is suspended pursuant to clause 5.3 if earlier).

### 6.4 Corporate Governance

All payments and/or benefits payable to the Executive are subject to and conditional upon: (i) the terms of applicable law, regulation and governance codes that regulate or govern executive pay from time to time; and (ii) the consent of the shareholders of the Company, as appropriate as determined by the Board (together “**Remuneration Governance**”). The Company reserves the right to amend, reduce, hold back, defer, claw back and alter the structure of any payments and benefits payable to the Executive in order to comply with Remuneration Governance.

## 7. ACCOMMODATION, ALLOWANCES AND SERVICES

### 7.1 Interim accommodation

The Company will provide the Executive with hotel accommodation in London for a maximum period of three months from Closing (the “**Interim Period**”). To the extent that this constitutes a benefit in kind, the Executive will be liable to income tax and National Insurance contributions where applicable.

7.2	<b>Relocation allowance</b>
7.2.1	Subject to Clauses 7.2.2 and 7.5, the Company will provide the Executive with an allowance of up to £50,000 in respect of reasonable relocation expenses incurred when the Executive relocates to London permanently (the “ <b>Relocation Allowance</b> ”).
7.2.2	The Relocation Allowance will be subject to deductions for income tax and National Insurance contributions where applicable. The Executive will not be eligible to receive the Relocation Allowance unless he relocates to London within eighteen months of Closing.
7.3	<b>Relocation services</b>
	For a period of eighteen months from Closing, the Company will provide the Executive with reasonable access to the services of a relocation agency based in London to assist with the Executive’s permanent relocation to London. To the extent that this constitutes a benefit in kind, the Executive will be liable to income tax and National Insurance contributions where applicable.
7.4	<b>Accommodation allowances</b>
7.4.1	Subject to Clauses 7.4.2, 7.4.3 and 7.5, the Company will provide the Executive with an allowance towards accommodation costs of up to £80,000 per annum during the Interim Period and up to £150,000 per annum thereafter (the “ <b>Accommodation Allowances</b> ”).
7.4.2	The Accommodation Allowances will be paid by the Company to the Executive in equal monthly instalments. The Accommodation Allowances are stated as gross figures and will be subject to deductions for income tax and National Insurance contributions where applicable.
7.4.3	The Accommodation Allowances do not form part of the Executive’s Basic Salary. The Company reserves the right to amend, reduce, alter or withdraw the Accommodation Allowances as appropriate if the Company reasonably believes that the Accommodation Allowances are not being used for the purposes for which they were intended.
7.5	<b>Evidence required for allowances</b>
	Payment of the Relocation Allowance and the Accommodation Allowances is conditional upon the provision of receipts or other evidence of the expenses as the Company may require the Executive to produce.
8.	<b>EXPENSES</b>
8.1	<b>Out-of-pocket expenses</b>
	The Company shall reimburse to the Executive (against receipts or other appropriate evidence as the Board may require) the amount of all out-of-pocket expenses reasonably and properly incurred by him in the proper discharge of his duties hereunder to the extent that such expenses are incurred in accordance with the Company’s business expenses policy from time to time.
8.2	<b>Company credit/charge cards</b>
	In the event that the Company issues a Company sponsored credit or charge card to the Executive he shall use such card only for expenses reimbursable under Clause 8.1 and shall return it to the Company when so requested and in any event immediately on termination of the Employment howsoever arising.

## **9. DEDUCTIONS**

The Executive agrees that the Company may deduct from any sums due to him under this Agreement any sums due by him to the Company including, without limitation, any debits to his Company credit or charge card not authorised by the Company, the Executive's pension contributions (if any), any overpayments, loans or advances made to him by the Company, the cost of repairing any damage or loss to the Company's property caused by him and any losses suffered by the Company as a result of any negligence or breach of duty by the Executive.

## **10. COMPANY CAR**

### **10.1 Car allowance**

The Executive will be paid a monthly car allowance or provided with a car for business purposes in accordance with the Company's car allowance policy. The car allowance or car will be benefits in kind and subject to deduction of tax and National Insurance contributions.

## **11. PENSION SCHEME**

### **11.1 The Scheme**

11.1.1 The Executive is eligible to join the Company's pension scheme (the "**Scheme**"), subject to its rules in force from time to time. Details of the Scheme are available from the Company. Pursuant to the Scheme, the Company will make an annual contribution to the Scheme in respect of the Executive. The contribution shall be paid to the Scheme at such time or times during the year as the Company shall decide at its discretion. The level of annual contribution shall be no less favourable than the level of annual contribution being made in respect of the Executive immediately prior to Closing.

11.1.2 When the Company becomes subject to the employer duties in the Pensions Act 2008, the Company reserves the right to amend the Executive's pension arrangements in place in its absolute discretion. The Company will inform the Executive of any changes to his pension arrangements at that time.

11.1.3 A copy of the current explanatory booklet giving details of the Scheme is available from the HR department.

11.1.4 The Scheme is not a contracted-out scheme for the purposes of the Pension Schemes Act 1993.

### **11.2 Company's right to amend and terminate**

11.2.1 The Company may at any time terminate the Scheme or the Executive's membership of it subject to providing him with membership of an equivalent pension scheme.

## **12. OTHER INSURANCE & BENEFITS**

### **12.1 Health Care Scheme**

Without prejudice to the terms of Clauses 3 and 18, the Executive (and his spouse and children in respect of private medical insurance) shall be entitled during the Employment, to participate in any Health Care Scheme subject to the following terms and conditions:

- (a) the Executive's (and his family's participation as applicable) is subject to the Company's rules regarding eligibility and the rules, terms and conditions of the relevant Scheme, both in force from time to time, copies of which shall be available from Human Resources;

- (b) the Company reserves the right to terminate the Executive's (or his family's, as applicable) or the Company's participation in any of the Schemes, substitute a new scheme for an existing Scheme and/or alter the level or type of benefits available under any Scheme;
- (c) if a scheme provider (e.g. an insurance company or pensions provider) refuses for any reason (whether under its own interpretation of the rules, terms and conditions of the relevant insurance policy or otherwise) to accept a claim and/or provide the relevant benefit(s) to the Executive (or his family) under the applicable Scheme, the Company shall not be liable to provide (or compensate the Executive for the loss of) such benefit(s) nor shall it be obliged to take action against the provider to enforce any rights under the Scheme;
- (d) the fact that the termination of the Employment under Clauses 3 and 18 may result in the Executive or his family ceasing to be eligible to receive or continue to receive benefits under any Scheme does not remove the Company's right to terminate the Employment; and
- (e) the Executive's acceptance of such variations to his terms and conditions of employment as may from time to time be required by the Company.

12.1.2 The Health Care Schemes available to the Executive shall be no less favourable than any similar schemes available to the Executive immediately prior to Closing.

## 12.2 **Payments**

12.2.1 All payments under the Schemes will be subject to the deductions required by law.

12.2.2 Where payments are made under a PHI scheme or critical illness scheme, all other payments or benefits provided to or in respect of the Executive will cease from the start of those payments (if they have not done so already), unless the Company is fully reimbursed by the relevant insurance provider for the cost of providing the benefit.

## 12.3 **Medical examinations**

At any reasonable time during the Employment the Company may require the Executive to undergo a medical examination by a medical practitioner appointed by the Company and at the Company's expense. The Executive will consent to such examination and to the results being made available to the Company.

# 13. **HOLIDAYS**

## 13.1 **The holiday year**

The Company's holiday year runs from 1st January to 31st December.

## 13.2 **Annual entitlement**

13.2.1 The Executive's annual entitlement to paid holidays is to those public or customary holidays recognised by the Company in any holiday year of which there are eight in total and in addition 24 contractual days holiday. In addition, the Executive shall be entitled to one additional day of holiday per year of continuous service (assessed as at 1st January each year) up to a maximum of 5 additional days.

13.2.2 Entitlement to contractual holidays is accrued pro rata throughout the holiday year. The Executive will be entitled to take public and customary holidays on the days that they are recognised by the Company during the holiday year.

13.2.3 The Executive is not entitled to carry any unused holiday entitlement forward to the next holiday year without the permission of the Company.



- 13.3 **Holiday entitlement on termination**
- 13.3.1 Upon notice of termination of the Employment being served by either party, the Company may require the Executive to take any unused holidays accrued in the holiday year in which the termination takes place at that time during any notice period. Alternatively, the Company may, at its discretion, on termination of the Employment, make a payment in lieu of accrued contractual holiday entitlement.
- 13.3.2 The Executive will be required to make a payment to the Company in respect of any holidays taken in excess of his holiday entitlement accrued at the Termination Date. Any sums so due may be deducted from any money owing to the Executive by the Company.
14. **ABSENCE**
- 14.1 **Absence due to sickness or injury**
- 14.1.1 If the Executive is absent from work due to sickness or injury he shall:
- (a) immediately inform the Company of his sickness or injury; and
  - (b) In respect of absence due to sickness, injury or accident that continues for more than 7 consecutive days (including weekends) the Executive must provide the Company with a note of fitness to work stating the reason for the absence. Thereafter notes of fitness to work must be provided to the Company to cover the remainder of the period of continuing sickness absence.
- 14.1.2 Failure to follow the requirements referred to in Clause 14.1.1 may result in disciplinary action and loss of Statutory Sick Pay and/or Company Sick Pay pursuant to Clause 14.2.
- 14.2 **Payment of salary during absence**
- 14.2.1 Subject to the Executive complying with the terms of Clause 14.1.1, the Company will continue to pay Basic Salary and usual benefits during any period of absence due to sickness or injury for up to a maximum of six months in any period of twelve consecutive months (the twelve month period being referred to as the “**Entitlement Period**”) unless the Employment is terminated in terms of Clauses 3 or 18. The first Entitlement Period will begin on the first day of absence and any subsequent Entitlement Period will start on the first day of any absence occurring outside an enduring Entitlement Period.
- 14.2.2 Payment of the Basic Salary in terms of Clause 14.2.1 shall be made less:
- (a) an amount equivalent to any Statutory Sick Pay payable to the Executive;
  - (b) any sums which may be received by the Executive under any insurance policy effected by the Company; and
  - (c) any other benefits or sums which the Executive receives, such as under a PHI or other insurance scheme, in terms of the Employment or under any relevant legislation.
- 14.3 **Absence caused by third party negligence**
- If the Executive’s absence is caused by the negligence of a third party in respect of which damages are recoverable, then all sums paid by the Company during the period of absence in terms of Clause 14.2 shall constitute loans to the Executive who shall:
- (a) notify the Company immediately of all the relevant circumstances and of any claim, compromise, settlement or judgment made or awarded; and

- (b) if the Company so requires, refund to it an amount determined by the Company, not exceeding the lesser of:
  - (i) the amount of damages recovered by him in respect of loss of earnings during the period of absence under any compromise, settlement or judgment; and
  - (ii) the sums advanced to him by the Company in respect of the period of incapacity.

## **15. RESTRICTIONS DURING EMPLOYMENT**

### **15.1 Disclosure of other interests**

The Executive shall disclose to the Board any interest of his own (or that of his partner or of any child of his or of his partner under eighteen years of age):

- (a) in any trade, business or occupation whatsoever which is in any way similar to any of those in which the Company or any Group Company is involved; and
- (b) in any trade, business or occupation carried on by any supplier or customer of the Company or any Group Company whether or not such trade, business or occupation is conducted for profit or gain.

### **15.2 Restrictions on other activities and interests of the Executive**

15.2.1 During the Employment the Executive shall not at any time, without the prior written consent of the Board, either alone or jointly with any other person, carry on or be directly or indirectly employed, engaged, concerned or interested in any business, prospective business or undertaking other than a Group Company. Nothing contained in this Clause 15.2.1 shall preclude the Executive from being a Minority Holder unless the holding is in a company that is a direct business competitor of the Company or any Group Company in which case, the Executive shall obtain the prior consent of the Board to the acquisition or variation of such holding.

15.2.2 If the Executive, with the consent of the Board, accepts any other appointment he must keep the Company accurately informed of the amount of time he spends working under that appointment.

### **15.3 Transactions with the Company**

Subject to any regulations issued by the Company, the Executive shall not be entitled to receive or obtain directly or indirectly any discount, rebate, commission or any other form of gift or gratuity (any of these referred to as a “**Gratuity**”) as a result of the Employment or any sale or purchase of goods or services effected or other business transacted (whether or not by him) by or on behalf of the Company or any Group Company and if he (or any person in which he is interested) obtains any Gratuity he shall account to the Company for the amount received by him (or a due proportion of the amount received by the person having regard to the extent of his interest therein).

### **15.4 Dealing in securities**

The Executive shall comply with every rule of law (including but not limited to the insider dealing provisions contained in Part V of the Criminal Justice Act 1993), the UK Financial Conduct Authority’s listing rules’ Model Code for transactions in securities by directors of

listed companies, certain employees and persons connected with them and every regulation of the Company for the time being in force in relation to dealings in shares or other securities of the Company or any Group Company. Under Rule 4 of the Model Code, the person to whom notice should be given and from whom acknowledgement must be received before the Executive may deal in securities shall be the Company Secretary of the Company from time to time or such other person as shall be notified to the Executive. The Executive also acknowledges that under the provisions of the Model Code the Executive must seek to ensure compliance with the Model Code by persons connected with the Executive (within the meaning of section 96B and Schedule 11B of the Financial Services and Markets Act 2000) including, without limitation, the Executive's spouse and dependent children, and by investment managers acting on the Executive's behalf or on behalf of connected persons. The Executive undertakes to procure that dealings by or on behalf of such persons are in compliance with the Model Code.

#### **15.5 Compliance with the code on Corporate Governance**

The Executive shall comply, to the extent that the Board considers appropriate for a company the size of the Company, with the provisions of "The UK Corporate Governance Code" a corporate governance code issued by the Financial Reporting Council (as amended from time to time).

### **16. CONFIDENTIALITY AND COMPANY DOCUMENTS**

#### **16.1 Restrictions on disclosure and use of Confidential Information**

The Executive must not either during the Employment (except in the proper performance of his duties) or at any time (without limit) after the Termination Date:

- (a) divulge or communicate to any person;
- (b) use for his own purposes or for any purposes other than those of the Company or any Group Company; or
- (c) through any failure to exercise due care and diligence, cause any unauthorised disclosure of;

any Confidential Information. The Executive must at all times use his best endeavours to prevent publication or disclosure of any Confidential Information. These restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through the default of the Executive.

#### **16.2 Protection of Company documents and materials**

All notes, records, lists of customers, suppliers and employees, correspondence, computer and other discs or tapes, data listings, codes, keys and passwords, designs, drawings and other documents or material whatsoever (whether made or created by the Executive or otherwise and in whatever medium or format) relating to the business of the Company or any Group Company or any of its or their clients (and any copies of the same):

- (a) shall be and remain the property of the Company or the relevant Group Company or client; and
- (b) shall be handed over by the Executive to the Company or the relevant Group Company or client on demand by the Company and in any event on the termination of the Employment;

provided that following the termination of the Employment, the Executive shall be provided with reasonable access to Board Minutes and agendas of the Company or any Group Company relating to a period during which he was a director of the Company or such Group Company that shall nevertheless remain confidential.

## **17. INVENTIONS AND OTHER WORKS**

### **17.1 Executive to further interests of the Company**

The Company and the Executive agree that the Executive may make or create Works during the Employment and agree that in this respect the Executive is obliged to further the interests of the Company and any Group Company.

### **17.2 Disclosure and ownership of Works**

The Executive must immediately disclose to the Company all Works and all Intellectual Property Rights. Both the Works and all Intellectual Property Rights will (subject to sections 39 to 43 Patents Act 1977) belong to and be the absolute property of the Company or any other person the Company may nominate.

### **17.3 Protection, registration and vesting of Works**

The Executive shall immediately on request by the Company (whether during or after the Employment) and at the expense of the Company:

- (a) apply or join with the Company or any Group Company in applying for any Intellectual Property Rights or other protection or registration ("**Protection**") in the United Kingdom and in any other part of the world for, or in relation to, any Works;
- (b) execute all instruments and do all things necessary for vesting all Intellectual Property Rights or Protection when obtained and all right, title and interest to and in the same absolutely and as sole beneficial owner in the Company or such Group Company or other person as the Company may nominate; and
- (c) sign and execute any documents and do any acts reasonably required by the Company in connection with any proceedings in respect of any applications and any publication or application for revocation of any Intellectual Property Rights or Protection.

### **17.4 Waiver of rights by the Executive**

The Executive hereby irrevocably and unconditionally waives all rights under Chapter IV Copyright, Designs and Patents Act 1988 and any other moral rights which he may have in the Works, in whatever part of the world such rights may be enforceable including:

- (a) the right conferred by section 77 of that Act to be identified as the author of any such Works; and
- (b) the right conferred by section 80 of that Act not to have any such Works subjected to derogatory treatment.

### **17.5 Power of Attorney**

The Executive hereby irrevocably appoints the Company to be his attorney and in his name and on his behalf to execute any such act and to sign all deeds and documents and generally to use his name for the purpose of giving to the Company the full benefit of this Clause. The Executive agrees that, with respect to any third parties, a certificate signed by any duly authorised officer of the Company that any act or deed or document falls within the authority hereby conferred shall be conclusive evidence that this is the case.

**17.6 Statutory rights**

Nothing in this Clause 17 shall be construed as restricting the rights of the Executive or the Company under sections 39 to 43 Patents Act 1977.

**18. TERMINATION**

**18.1 Termination events**

Notwithstanding any other provision of this Agreement, the Company shall be entitled, but not bound, to terminate the Employment with immediate effect by giving to the Executive notice in writing at any time after the occurrence of any one or more of the following events:

- (a) if the Executive is guilty of any gross misconduct or behaviour which tends to bring himself or the Company or any Group Company into disrepute; or
- (b) if the Executive commits any material or persistent breach of this Agreement (in the case of a non-material persistent breach, having been given notice in writing of the breach and a reasonable opportunity to rectify the breach) or fails to comply with any reasonable order or direction of the Board; or
- (c) if the Executive fails to perform his duties to the reasonable satisfaction of the Board (having been given notice in writing of: (i) the areas of underperformance, (ii) the improvements in performance that are reasonably required by the Board; and (iii) a reasonable period of time to make the necessary improvements in performance; or
- (d) if he becomes insolvent or bankrupt or compounds with or grants a trust deed for the benefit of his creditors; or
- (e) if his behaviour (whether or not in breach of this Agreement) can reasonably be regarded as materially prejudicial to the interests of the Company or any Group Company, including if he is found guilty of any criminal offence punishable by imprisonment (whether or not such sentence is actually imposed); or
- (f) if he has an order made against him disqualifying him from acting as a company director; or
- (g) if he becomes of unsound mind; or
- (h) if the Executive is found guilty of a serious breach of the rules or regulations as amended from time to time of the UK Listing Authority (including the Model Code for transactions in securities by directors), or any other regulatory authority relevant to the Company or any Group Company or any code of practice issued by the Company or any Group Company (as amended from time to time).

**18.2 Company's right to proceed**

While the Company will endeavour to deal fairly with allegations against the Executive, it reserves the right to proceed under Clause 18.1 without prior notice and without holding a hearing or inviting any representations from the Executive.

### **18.3 Termination on resignation as director**

If the Executive resigns as a director of the Company or any Group Company (otherwise than at the request of the Company), he shall be deemed to have terminated the Employment with effect from the date of his resignation and the Employment shall terminate at that time, unless the Company agrees with the Executive that the Employment should continue, in which case the Employment may be subject to any terms and conditions stipulated by the Company in its absolute discretion.

### **18.4 No damages or payment in lieu of notice**

In the event of the Employment being terminated pursuant to Clause 18.1 or 18.3, the Executive shall not be entitled to receive any payment in lieu of notice nor make any claim against the Company or any Group Company for damages for loss of office or termination of the Employment. Regardless of this, the termination shall be without prejudice to the continuing obligations of the Executive under this Agreement.

## **19. EVENTS UPON TERMINATION**

### **19.1 Obligations upon termination**

Immediately upon the termination of the Employment howsoever arising or immediately at the request of the Board at any time after either the Company or the Executive has served notice of termination of the Employment, the Executive shall:

- (a) deliver to the Company all Works, materials within the scope of Clause 16.2 and all other materials and property including credit or charge cards, mobile telephone, computer equipment, disks and software, passwords, encryption keys or the like, keys, security pass, letters, stationery, documents, files, films, records, reports, plans and papers (in whatever format including electronic) and all copies thereof used in or relating to the business of the Company or the Group which are in the possession of or under the control of the Executive;
- (b) resign (without claim for compensation) as a director and from all other offices held by him in the Company or any Group Company or otherwise by virtue of the Employment. For the avoidance of doubt, such resignations shall be without prejudice to any claims the Executive may have against the Company or any Group Company arising out of the termination of the Employment; and
- (c) transfer without payment, to the Company, or as the Company may direct, any shares or other securities held by the Executive as nominee or trustee for the Company or any Group Company;

and should the Executive fail to do so the Company is hereby irrevocably authorised to appoint some person to sign any documents and/or do all things in his name and on his behalf necessary to give effect thereto,

### **19.2 Loss of Share Incentives**

On the termination of the Employment (howsoever arising), the Executive shall not be entitled to any compensation or payment for the loss of any Share Incentives that lapse pursuant to the terms of the award agreement that the particular Share Incentives were granted under.

## 20. RESTRICTIONS AFTER TERMINATION

### 20.1 Definitions

Since the Executive is likely to obtain Confidential Information in the course of the Employment and personal knowledge of and influence over suppliers, customers, clients and employees of the Company and Group Companies, the Executive hereby agrees with the Company that in addition to the other terms of this Agreement and without prejudice to the other restrictions imposed upon him by law, he will be bound by the covenants and undertakings contained in Clauses 20.2 to 20.5. In this Clause 20, unless the context otherwise requires:

<b>“Customer”</b>	means any person to which the Company distributed, sold or supplied Restricted Products or Restricted Services during the Relevant Period and with which, during that period either the Executive, or any employee under the direct or indirect supervision of the Executive, had material dealings in the course of the Employment, but always excluding therefrom, any division, branch or office of such person with which the Executive and/or any such employee had no dealings during that period;
<b>“Prospective Customer”</b>	means any person with which the Company had discussions during the Relevant Period regarding the possible distribution, sale or supply of Restricted Products or Restricted Services and with which during such period the Executive, or any employee who was under the direct or indirect supervision of the Executive, had material dealings in the course of the Employment, but always excluding therefrom any division, branch or office of that person with which the Executive and/or any such employee had no dealings during that period;
<b>“Relevant Period”</b>	means: (i) where the Employment is continuing, the period of the Employment; and (ii) where the Employment has terminated, the period of twelve months immediately preceding the Termination Date;
<b>“Restricted Area”</b>	means: <ul style="list-style-type: none"><li>(c) the United Kingdom; and</li><li>(d) any other country in the world where, on the Termination Date, the Company dealt in Restricted Products or Restricted Services;</li></ul>
<b>“Restricted Employee”</b>	means any person who was a director, employee or consultant of the Company at any time within the Relevant Period who by reason of that position and in particular his seniority and expertise or knowledge of Confidential Information or knowledge of or influence over the clients, customers or contacts of the Company is likely to cause damage to the Company if he were to leave the employment of the Company and become employed by a competitor of the Company;
<b>“Restricted Period”</b>	means the period commencing on the Termination Date and, subject to the terms of Clause 20.4, continuing for twelve months;
<b>“Restricted Products”</b>	means any product, device, equipment or machinery researched into, developed, manufactured, supplied, marketed, distributed or sold by the Company and with which the duties of the Executive were materially concerned or for which he was

	responsible during the Relevant Period, or any products, equipment or machinery of the same type or materially similar to those products, equipment or machinery;
<b>“Restricted Services”</b>	means any services (including but not limited to technical and product support, technical advice and customer services) researched into, developed or supplied by the Company and with which the duties of the Executive were materially concerned or for which he was responsible during the Relevant Period, or any services of the same type or materially similar to those services;
<b>“Supplier”</b>	means any supplier, agent, distributor or other person who, during the Relevant Period was in the habit of dealing with the Company and with which, during that period, the Executive, or any employee under the direct or indirect supervision of the Executive, had material dealings in the course of the Employment.

## 20.2 Restrictive covenants

Both during the Employment and during the Restricted Period, the Executive will not, without the prior written consent of the Company (such consent not to be unreasonably withheld), whether by himself, through his employees or agents or otherwise and whether on his own behalf or on behalf of any person, directly or indirectly:

- (a) so as to compete with the Company, solicit business from or canvas any Customer or Prospective Customer in respect of Restricted Products or Restricted Services;
- (b) so as to compete with the Company, accept orders from, act for or have any business dealings with, any Customer or Prospective Customer in respect of Restricted Products or Restricted Services;
- (c) within the Restricted Area, be employed or engaged or at all interested (except as a Minority Holder) in that part of a business or person which is involved in the business of researching into, developing, manufacturing, distributing, selling, supplying or otherwise dealing with Restricted Products or Restricted Services, if the business or person is or seeks to be in competition with the Company. For the purposes of this sub-Clause, acts done by the Executive outside the Restricted Area shall nonetheless be deemed to be done within the Restricted Area where their primary purpose is to distribute, sell, supply or otherwise deal with Restricted Products or Restricted Services in the Restricted Area;
- (d) solicit or induce or endeavour to solicit or induce any person who was a Restricted Employee (and with whom the Executive had direct dealings during the Relevant Period) to cease working for or providing services to the Company, whether or not any such person would thereby commit a breach of contract;
- (e) employ or otherwise engage any Restricted Employee (and with whom the Executive had direct dealings during the Relevant Period) in the business of researching into, developing, manufacturing, distributing, selling, supplying or otherwise dealing with Restricted Products or Restricted Services if that business is, or seeks to be, in competition with the Company; or
- (f) solicit or induce or endeavour to solicit or induce any Supplier to cease to deal with the Company and shall not interfere in any way with any relationship between a Supplier and the Company.



## 20.3 **Application of restrictive covenants to other Group Companies**

Clause 20.2 shall also apply as though references to the “**Company**” in Clauses 20.1 and 20.2 include references to each Group Company in relation to which the Executive has in the course of the Employment or by reason of rendering services to or holding office in such Group Company:

- (a) acquired knowledge of its products, services, trade secrets or Confidential Information; or
- (b) had personal dealings with its Customers or Prospective Customers; or
- (c) supervised directly or indirectly employees having personal dealings with its Customers or Prospective Customers;

but so that references to the “**Company**” shall for this purpose be deemed to be references to the relevant Group Company. The obligations undertaken by the Executive pursuant to this Clause 20.3 shall, with respect to each Group Company, constitute a separate and distinct covenant in favour of and for the benefit of each Group Company and which shall be enforceable either by the particular Group Company or by the Company on behalf of the Group Company and the invalidity or unenforceability of any such covenant shall not affect the validity or enforceability of the covenants in favour of any other Group Company.

## 20.4 **Effect of suspension on Restricted Period**

If the Company exercises its right to suspend the Executive’s duties and powers under Clause 5.3 after notice of termination of the Employment has been given, the aggregate of the period of the suspension and the Restricted Period shall not exceed twelve months and if the aggregate of the two periods would exceed twelve months, the Restricted Period shall be reduced accordingly.

## 20.5 **Further undertakings**

The Executive hereby undertakes to the Company that he will not at any time:

- (a) during the Employment or after the Termination Date engage in any trade or business or be associated with any person engaged in any trade or business using any trading names used by the Company or any Group Company including the name(s) or incorporating the word(s) “LivaNova”, “Cyberonics” or “Sorin”;
- (b) after the Termination Date make any public statement in relation to the Company or any Group Company or any of their officers or employees without the consent of the Board; or
- (c) after the Termination Date represent or otherwise indicate any association or connection with the Company or any Group Company or for the purpose of carrying on or retaining any business represent or otherwise indicate any past association with the Company or any Group Company.

## 20.6 **Severance**

The restrictions in this Clause 20 (on which the Executive has had the opportunity to take independent advice, as the Executive hereby acknowledges) are separate and severable restrictions and are considered by the parties to be reasonable in all the circumstances. It is agreed that if any such restrictions, by themselves, or taken together, shall be adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate interests of the Company or a Group Company but would be adjudged reasonable if some part of it were deleted, the relevant restriction or restrictions shall apply with such deletion(s) as may be necessary to make it or them valid and enforceable.

## **21. RECONSTRUCTION AND AMALGAMATIONS**

If the Company undergoes any process of reconstruction or amalgamation (whether or not involving the liquidation of the Company) and the Executive is offered employment by the successor or proposed successor to the Company or any Group Companies on terms which as a whole are no less favourable than those under this Agreement whether as to duties, responsibilities, remuneration or otherwise and the Executive does not accept the offer within one month of it being made, then the Executive shall have no claim against the Company or the successor to the Company in respect of termination of this Agreement and the Employment.

## **22. DISCIPLINARY AND GRIEVANCE PROCEDURE**

### **22.1 Disciplinary procedures and grievance procedures**

22.1.1 Any disciplinary action taken in connection with the Employment will usually be taken in accordance with the Company's normal disciplinary procedures (which are workplace rules and not contractually binding) a copy of which is available from Human Resources.

22.1.2 If the Executive wishes to obtain redress of any grievance relating to the Employment or is dissatisfied with any reprimand, suspension or other disciplinary step taken by the Company, he should follow the procedures set out in the Company's grievance policy, a copy of which is available from Human Resources.

## **23. GENERAL**

### **23.1 Provisions which survive termination**

Any provision of this Agreement which is expressed or intended to have effect on, or to continue in force after, the termination of this Agreement shall have such effect, or, as the case may be, continue in force, after such termination.

### **23.2 No collective agreements**

There are no collective agreements that directly affect the terms and conditions of the Employment.

## **24. DATA PROTECTION AND PRIVACY**

### **24.1 Data Protection**

The Executive acknowledges and agrees that the Company is permitted to hold personal information (including sensitive personal data) about the Executive as part of its personnel and other business records and may use such information in the course of the Company's or the Group's business. The Executive agrees that the Company may disclose such information to third parties in the event that such disclosure is in the Company's view required for the proper conduct of the Company's business or that of any Group Company. This Clause 24.1 applies to information held, used or disclosed in any medium.

### **24.2 Privacy**

All communications, whether by telephone, email, fax, or any other means, which are transmitted, undertaken or received using the Company's IT or communications systems ("**Company Systems**") or on Company premises will be treated by the Company as work

related. The Company Systems are provided for work use only. The Company may intercept, record and monitor all communications made by the Executive and his use of the Company Systems, without further notice. The Executive should not regard any communications or use as being private.

## **25. AMENDMENTS, WAIVERS AND REMEDIES**

### **25.1 Amendments**

No amendment or variation of this Agreement or any of the documents referred to in it (other than an alteration in the Basic Salary) shall be effective unless it is in writing and signed by or on behalf of each of the parties.

### **25.2 Waivers and remedies cumulative**

#### **25.2.1 The rights of each party under this Agreement:**

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

#### **25.2.2 Delay in exercising or non-exercise of any right is not a waiver of that right.**

#### **25.2.3 Any right of rescission conferred upon the Company by this Agreement shall be in addition to and without prejudice to all other rights and remedies available to it.**

## **26. ENTIRE AGREEMENT**

### **26.1.1 This Agreement and the documents referred to in it constitute the entire agreement and understanding of the parties and supersede and extinguish all previous agreements (including any agreement between the Executive and any Sorin Group entity), promises, assurances, warranties, representations and understandings between the parties, whether written or oral, relating to the subject matter of this Agreement.**

### **26.1.2 Each party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.**

### **26.1.3 Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this Agreement.**

### **26.1.4 Nothing in this Clause shall limit or exclude any liability for fraud.**

## **27. NO OUTSTANDING CLAIMS**

The Executive hereby acknowledges that as at Closing, he has no outstanding claims of any kind against the Company or any Group Company (other than in respect of remuneration and expenses due to the date of this Agreement but not yet paid).

## **28. SEVERANCE**

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other provisions of this Agreement; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other provision of this Agreement.

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## **29. NOTICE**

### **29.1 Notices and deemed receipt**

Any notice hereunder shall be given by either party to the other either personally to the Executive or the Company Secretary (as appropriate) or sent in the case of the Company, to its registered office for the time being and, in the case of the Executive, to his address last known to the Company. Any such notice shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid recorded delivery or registered post or by facsimile transmission. Any such notice shall be deemed to have been received:

- (a) if delivered personally, at the time of delivery;
- (b) in the case of pre-paid recorded delivery or registered post, 48 hours from the date of posting;
- (c) in the case of registered airmail, five days from the date of posting; and
- (d) in the case of fax or email, at the time of transmission;

provided that if deemed receipt occurs before 9am on a business day the notice shall be deemed to have been received at 9am on that day and if deemed receipt occurs after 5pm on a business day, or on a day which is not a business day, the notice shall be deemed to have been received at 9am on the next business day. For the purpose of this Clause, “**business day**” means any day which is not a Saturday, a Sunday or a public holiday in the place at or to which the notice is left or sent.

## **30. GOVERNING LAW AND JURISDICTION**

### **30.1 Governing law**

This Agreement is governed by and to be construed in accordance with English law.

### **30.2 Jurisdiction**

Each party hereby submits to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of or in connection with this Agreement and its implementation and effect.

**IN WITNESS** of which this Agreement has been executed and delivered as a deed on the first date written above.

EXECUTED as a Deed  
by LIVANOVA PLC  
acting by Daniel J. Moore

/s/ Daniel J. Moore  
Director

and David S. Wise

/s/ David S. Wise  
Witness

Full Name:

David S. Wise

Address:

11922 Homewood Ln  
Houston, TX 77024-5004

EXECUTED as a Deed  
By ANDRÉ-MICHEL BALLESTER  
in the presence of:

/s/ André-Michel Ballester

Witness’s  
Signature:

/s/ Sabrina Manenti

Full Name:

Sabrina Manenti

Address:

Via Matteott, 45/48  
Arese 20020, Milan, Italy



19 October 2015

André-Michel Ballester

Dear André-Michel,

**Proposed awards under the LivaNova 2015 Incentive Award Plan (the “Plan”)**

On behalf of LivaNova PLC (the “**Company**”), I can confirm that after the Company’s shares (the “**Shares**”) are listed to trade on the London Stock Exchange and NASDAQ, but not later than 31 December 2015, we will request that the Compensation Committee recommends that the following award(s) is/are made to you under the Plan:

**2015 Award**

The Compensation Committee will be asked to recommend that an award of restricted stock units (“**RSUs**”) is made to you over Shares equal in value to \$5 million (the “**2015 Award**”). The calculation of the number of Shares subject to the 2015 Award will be determined based on the closing price of Shares on NASDAQ on the date of grant of the 2015 Award (the “**2015 Grant Date**”).

The RSUs under the 2015 Award will vest as follows:

- 20% of the RSUs will vest on each of the first, second and third anniversaries of the 2015 Grant Date; and
- the remaining 40% of the RSUs under the 2015 Award will vest on the fourth anniversary of the 2015 Grant Date.

**2016 Award**

Not later than 31 December 2016, the Compensation Committee will be asked to recommend that the following awards are made to you under the Plan:

**A. 2016 Restricted Stock Units**

The Compensation Committee will be asked to recommend that an award of RSUs is made to you over Shares equal in value to \$3 million (the “**2016 RSU Award**”). The calculation of the number of Shares subject to the 2016 RSU Award will be determined based on the closing price of Shares on NASDAQ on the date of grant of the 2016 RSU Award (the “**2016 Grant Date**”).

The RSUs under the 2016 RSU Award will vest as follows:

1. One third of the RSUs under the 2016 RSU Award will be deemed “**Net Sales RSUs**” and these will vest if Group net sales revenue targets for a relevant Financial Year (“**FY**”), as set by the Compensation Committee (the “**Net Sales Targets**”) have been exceeded. The Net Sales RSUs will vest in equal annual tranches of 25% of the total number of Net Sales RSUs over the period of four years from grant, provided that a tranche of Net Sales RSUs in respect of a particular FY will only vest if, and to the extent that, the Net Sales Targets for that FY have been exceeded;

2. One third of the RSUs under the 2016 RSU Award will be deemed “**Net Income RSUs**” and these will vest if adjusted Group net income targets for a relevant Financial Year (“FY”), as set by the Compensation Committee (the “**Net Income Targets**”) have been exceeded. The Net Income RSUs will vest in equal annual tranches of 25% of the total number of Net Income RSUs over the period of four years from grant, provided that a tranche of Net Income RSUs in respect of a particular FY will only vest if, and to the extent that, the Net Income Targets for that FY have been exceeded; and

If less than 100% of the shares vest in the first three years, you will be eligible to earn the applicable portion of any shares that do not vest in the first three years if the Company achieves 100% of the applicable measure (Net Sales or Net Income) in the final year.

3. One third of the RSUs under the 2016 RSU Award will be deemed “**Share Price RSUs**” and these will vest during a specified period to be determined by the Compensation Committee if the 50-day average closing price of Shares on NASDAQ during a specified period achieves a target which will be specified by the Compensation Committee.

## **B. 2016 Stock Options**

The Compensation Committee will be asked to recommend that an award of stock options is made to you over Shares equal in value to \$1 million (the “**2016 Option Award**”). The calculation of the number of Shares subject to the 2016 Option Award will be determined based on the Black-Scholes value calculated from the closing price of Shares on NASDAQ on the 2016 Grant Date. The exercise price per Share for the 2016 Option Award will be equal to the closing price of a Share on NASDAQ on the 2016 Grant Date. The 2016 Option Award will vest in equal instalments over the period of four years from grant.

## **Future Awards**

You will be eligible to receive awards under the Plan for FY 2017 onwards, subject always to the discretion of the Compensation Committee.

The grant of any of the awards under the Plan as described in this letter is of course always subject to the discretion of the Compensation Committee and nothing in this letter shall be taken to fetter the discretion of the Compensation Committee. The Compensation Committee may decide not to grant awards as described in this letter.

Vesting of any of the awards is conditional on your continued employment with the Company and vesting will cease upon you ceasing to be employed by the Company. All awards made under the Plan will be subject to the terms of the Plan and the award agreement pursuant to which the particular award is granted.

If you have any queries in relation to the terms of this letter, please do not hesitate to contact me.

Kind regards

/s/ Daniel J. Moore

**Chairman**



PRESS RELEASE

## LivaNova Begins Trading on NASDAQ and London Stock Exchange

London, England, October 19, 2015 – LivaNova PLC (NASDAQ, LSE: LIVN) (“LivaNova” or the “Company”) today announces the successful completion of the cross-border merger of Sorin S.p.A. and Cyberonics, Inc., creating a new premier medical technology company. Sorin and Cyberonics announced on February 26, 2015 that the boards of directors of both companies unanimously approved a combination of the companies (the “Transaction”) under a newly formed holding company organized under the laws of England and Wales, LivaNova PLC (“LivaNova”). The Transaction was overwhelmingly approved by Sorin shareholders on May 26, 2015 and by Cyberonics shareholders on September 22, 2015.

LivaNova is a global leader with a diversified product portfolio in the large and growing markets for cardiac surgery and neuromodulation and is a leading innovator in cardiac rhythm management. In addition, LivaNova is developing novel opportunities in three significant specialty markets: heart failure, sleep apnea and percutaneous mitral valve. The Company is uniquely positioned to build upon current strengths by creating new innovative solutions that benefit patients, healthcare professionals, and healthcare systems.

LivaNova shares began trading today on NASDAQ, and have been admitted to the standard listing segment of the Official List of the UK’s Financial Conduct Authority and to trading on the London Stock Exchange (LSE) under the ticker symbol “LIVN.”

“Today marks an important new phase in our history,” said André-Michel Ballester, CEO of LivaNova. “We have created a market-leading medical technology company with a diverse product portfolio, a robust pipeline of new technologies, and expanded scale that will build shareholder value as our products reach more patients worldwide. The NASDAQ and LSE are ideal trading platforms for LivaNova, reflecting the global nature of our business.”

### About LivaNova

LivaNova PLC, headquartered in London, UK, is a global medical technology company formed by the merger of Sorin S.p.A, a leader in the treatment of cardiovascular diseases, and Cyberonics Inc., a medical device company with core expertise in neuromodulation. LivaNova transforms medical innovation into meaningful solutions for the benefit of patients, healthcare professionals, and healthcare systems. The company employs approximately 4,500 employees worldwide. With a presence in more than 100 countries, LivaNova operates as three business units: Cardiac Rhythm Management, Cardiac Surgery, and Neuromodulation, with operating headquarters in Clamart (France), Mirandola (Italy) and Houston (U.S.A.), respectively.

LivaNova is listed on NASDAQ and listed on the Official List of the UK’s Financial Conduct Authority and traded on London Stock Exchange (LSE) under the ticker symbol “LIVN”.



## Safe harbor statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the use of forward-looking terminology, including “may,” “believe,” “will,” “expect,” “anticipate,” “estimate,” “plan,” “intend,” “forecast,” or other similar words. Statements contained in this press release are based on information presently available to LivaNova and assumptions that the parties believe to be reasonable. LivaNova is not assuming any duty to update this information if those facts change or if the assumptions are no longer believed to be reasonable. Investors are cautioned that all such statements involve risks and uncertainties, including without limitation, statements concerning developing novel opportunities in heart failure, sleep apnea and percutaneous mitral valve, creating new innovative solutions that benefit patients, healthcare professionals, and healthcare systems, and building significant shareholder value. Important factors that may cause actual results to differ include, but are not limited to: risks that the new businesses will not be integrated successfully or that the combined companies will not realize estimated cost savings, value of certain tax assets, synergies and growth, or that such benefits may take longer to realize than expected; the inability of LivaNova to meet expectations regarding the timing, completion and accounting and tax treatments; risks relating to unanticipated costs of integration, including operating costs, customer loss or business disruption being greater than expected; reductions in customer spending, a slowdown in customer payments and changes in customer demand for products and services; unanticipated changes relating to competitive factors in the industries in which the company operates; the ability to hire and retain key personnel; the ability to attract new customers and retain existing customers in the manner anticipated; reliance on and integration of information technology systems; changes in legislation or governmental regulations affecting the company; international, national or local economic, social or political conditions that could adversely affect the company or its customers; conditions in the credit markets; risks to the industries in which LivaNova operates that are described in the “Risk Factors” section of the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the SEC by Cyberonics, Inc. and LivaNova and the analogous section in annual reports and other documents filed from time to time by Sorin S.p.A. with the Italian financial market regulator (CONSOB); risks associated with assumptions made in connection with critical accounting estimates and legal proceedings; LivaNova’s international operations, which are subject to the risks of currency fluctuations and foreign exchange controls; and the potential of international unrest, economic downturn or effects of currencies, tax assessments, tax adjustments, anticipated tax rates, raw material costs or availability, benefit or retirement plan costs, or other regulatory compliance costs. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect the parties’ businesses, including those described in Cyberonics’ Annual Report on Form 10-K, as amended from time to time, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed from time to time with the SEC by Cyberonics and LivaNova and those described in Sorin’s annual reports, registration documents and other documents filed from time to time with CONSOB by Sorin. LivaNova does not give any assurance (1) that LivaNova will achieve its expectations, or (2) concerning any result or the timing thereof, in each case, with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies, earnings or revenue trends or future financial results.

For more information, please visit [www.livanova.com](http://www.livanova.com), or contact:

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