As confidentially submitted to the Securities and Exchange Commission on October 19, 2018. This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

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

Confidential Draft Submission No. 1

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

TransMedics Group, Inc.
(Exact name of registrant as specified in its charter)

Massachusetts	**3845**	**83-2181531**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

200 Minuteman Road
Andover, MA 01810
(978) 552-0900

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Waleed H. Hassanein, M.D.
President and Chief Executive Officer
TransMedics Group, Inc.
200 Minuteman Road
Andover, MA 01810
(978) 552-0900
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

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

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

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

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

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-Accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging Growth Company	☒

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

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee(3)**
Common Stock, no par value per share	$	$

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the offering price of shares that the underwriters may purchase pursuant to an option to purchase additional shares.
(3) To be paid in connection with the initial filing of the registration statement.

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

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS
Subject to Completion, dated , 2018

shares

TransMedics Group, Inc.

COMMON STOCK

TransMedics Group, Inc. is offering shares of common stock. This is our initial public offering, and no public market currently exists for our common stock. We anticipate that the initial public offering price will be between $ and $ per share.

We have applied to list our common stock on the Nasdaq Global Market under the symbol "TMDX."

We are an "emerging growth company" as defined under the federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 14.

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

PRICE $ A SHARE

	Price to Public	*Underwriting Discounts and Commissions(1)*	*Proceeds to Company*
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

(1) We have agreed to reimburse the underwriters for certain FINRA-related expenses. See "Underwriting" for additional information regarding the underwriters' compensation.

The underwriters have the option to purchase up to an aggregate of additional shares of common stock from us at the public offering price, less the underwriting discounts and commissions, for a period of 30 days after the date of this prospectus. The underwriters expect to deliver the shares against payment to the purchasers on or about , 2018.

Joint Book-Running Managers

MORGAN STANLEY *J.P. MORGAN*

Co-Managers

COWEN *CANACCORD GENUITY*

, 2018.

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We are responsible for the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with any information other than in, or incorporated by reference in, this prospectus. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you or any representation that others may make to you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of any sale of the common stock. Our business, liquidity position, financial condition, prospects or results of operations may have changed since the date of this prospectus.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

The Corporate Reorganization

TransMedics Group, Inc., a recently formed Massachusetts corporation, or TransMedics Group, is currently a direct, wholly-owned subsidiary of TransMedics, Inc., a Delaware corporation. Immediately prior to or concurrently with the closing of this initial public offering, TMDX, Inc., a direct, wholly-owned subsidiary of TransMedics Group, will merge with and into TransMedics, Inc. with TransMedics, Inc. as the surviving corporation. As a result of the merger, each outstanding share of capital stock of TransMedics, Inc. will be converted into shares of common stock of TransMedics Group, each outstanding option to purchase shares of common stock of TransMedics, Inc. will be converted into an outstanding option to purchase shares of common stock of TransMedics Group and each outstanding warrant to purchase shares of preferred stock of TransMedics, Inc. will be converted into a warrant to purchase shares of common stock of TransMedics Group, pursuant to the terms of the Agreement and Plan of Merger and Reorganization filed as an exhibit to the Registration Statement of which this prospectus forms a part. We refer to this as the "Corporate Reorganization."

Immediately following the Corporate Reorganization, (1) TransMedics Group will be a holding company with no material assets other than 100% of the equity interests in TransMedics, Inc., (2) the holders of capital stock in TransMedics, Inc. will become shareholders of TransMedics Group and (3) the historical consolidated financial statements of TransMedics, Inc. will become the historical consolidated financial statements of TransMedics Group because the Corporate Reorganization will be accounted for as a reorganization of entities under common control. Prior to the Corporate Reorganization, TransMedics Group has not conducted any activities other than in connection with its formation and in preparation for this offering and has no material assets other than 100% of the equity interests in TMDX, Inc.

Presentation of Financial and Operating Data

Unless otherwise indicated, the historical financial and operating information presented in this prospectus as of and for the fiscal years ended December 31, 2016 and December 30, 2017 and as of and for the fiscal six months ended July 1, 2017 and June 30, 2018 is that of TransMedics, Inc. References in this prospectus to "fiscal 2015" relate to the fiscal year ended December 26, 2015, references in this prospectus to "fiscal 2016" relate to the fiscal year ended December 31, 2016 and references in this prospectus to "fiscal 2017" relate to the fiscal year ended December 30, 2017.

Certain amounts and percentages included in this prospectus have been rounded. Accordingly, in certain instances, the sum of the numbers in a column of a table may not exactly equal the total figure for that column.

Industry and Market Data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications and other published sources. Some data are also based on our good faith estimates. Although we believe these third-party sources are reliable as of their respective dates, neither we nor the underwriters have independently verified the accuracy or completeness of this information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled "Risk Factors." These and other factors could cause results to differ materially from those expressed in these publications.

Trademarks and Tradenames

This prospectus contains references to our trademarks and to trademarks belonging to other entities. "TransMedics" is a registered trademark of TransMedics. The TransMedics logo, Organ Care System and OCS are trademarks of TransMedics. Each of the other trademarks, trade names and service marks included in this prospectus belongs to its respective holder. Solely for convenience, trademarks and trade names referred to in this prospectus, including logos, artwork and other visual displays, may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PROSPECTUS SUMMARY

This summary highlights information included elsewhere in this prospectus. This summary does not contain all the information you should consider before investing in our common stock. You should read and consider this entire prospectus carefully, including the sections titled "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making any investment decision. Unless the context otherwise requires, the terms "TransMedics," the "Company," "we," "us" and "our" relate, prior to the Corporate Reorganization, to TransMedics, Inc., together with its consolidated subsidiaries, and, following the Corporate Reorganization, to TransMedics Group, together with its consolidated subsidiaries.

Our Business

We are a commercial-stage medical technology company transforming organ transplant therapy for end-stage organ failure patients across multiple disease states. We developed the Organ Care System, or the OCS, to replace a decades-old standard of care that we believe is significantly limiting access to life-saving transplant therapy for hundreds of thousands of patients worldwide. Our innovative OCS technology replicates many aspects of the organ's natural living and functioning environment outside of the human body. As such, the OCS represents a paradigm shift that transforms organ preservation for transplantation from a static state to a dynamic environment that enables new capabilities, including organ optimization and assessment. We believe our substantial body of clinical evidence has demonstrated the potential for the OCS to significantly increase the number of organ transplants and improve post-transplant outcomes.

Incidence of end-stage organ failure has been rapidly rising worldwide due to demographic trends that contribute to chronic diseases. Organ transplantation is the treatment of choice for addressing end-stage organ failure due to its positive clinical outcomes and favorable health economics. However, transplant volumes have been significantly restricted by the limitations of cold storage, the standard of care for organ transplantation. Cold storage is a rudimentary approach to organ preservation in which a donor organ is flushed with cold pharmaceutical solutions, placed in a plastic bag on top of ice and transported in a cooler. Cold storage subjects organs to significant injury due to a lack of oxygenated blood supply, or ischemia, does not allow physicians to assess organ viability and lacks the ability to optimize an organ's condition once it has been retrieved from the donor. Time-dependent ischemic injury has been shown to result in short- and long-term post-transplant clinical complications and, together with the inability to assess or optimize organs, contributes to the severe underutilization of donor organs. While there are approximately 67,000 potential donors annually in the United States, Canada, the European Union and Australia, which we refer to as our key geographies, the majority of lungs and hearts donated after brain death, or DBD, go unutilized, and almost no available lungs and hearts donated after circulatory death, or DCD, are utilized.

We developed the OCS to comprehensively address the major limitations of cold storage. The OCS is a portable organ perfusion, optimization and monitoring system that utilizes our proprietary and customized technology to replicate near-physiologic conditions for donor organs outside of the human body. We designed the OCS technology platform to perfuse donor organs with warm, oxygenated, nutrient-enriched blood, while maintaining the organs in a living, functioning state; the lung is breathing, the heart is beating and the liver is producing bile. Because the OCS significantly reduces injurious ischemic time on donor organs as compared to cold storage and enables the optimization and assessment of donor organs, it has demonstrated improved clinical outcomes relative to cold storage and offers the potential to significantly improve donor organ utilization.

We designed the OCS to be a platform that allows us to leverage core technologies across products for multiple organs. To date, we have developed three OCS products, one for each of lung, heart and liver

transplantations, making the OCS the only multi-organ technology platform. Our OCS products have been used for over 1,100 human organ transplants. We have commercialized the OCS Lung and OCS Heart outside of the United States and received our first premarket approval, or PMA, from the U.S. Food and Drug Administration, or the FDA, in March 2018 for the use of the OCS Lung for donor lungs currently utilized for transplantation. We expect FDA action on additional applications for PMAs we submitted or that we expect to submit in connection with our other OCS products over the next 18 months. We submitted a PMA application to the FDA in August 2018 for the use of the OCS Lung for donor lungs currently unutilized for transplantation based on the results of our OCS Lung EXPAND Trial, and we expect to submit a PMA application to the FDA during the first quarter of 2019 for the use of the OCS Heart for currently utilized and unutilized DBD donor hearts for transplantation based on the results of our OCS Heart EXPAND Trial and OCS Heart PROCEED II Trial.

We have developed a substantial body of global clinical evidence supporting the clinical effectiveness, safety and benefits of the OCS for lung, heart and liver transplantation. Many of these clinical trials and studies have been published in peer-reviewed clinical journals and several additional studies are ongoing. Our clinical trials have evaluated the use of the OCS for transplantation of organs that meet the current criteria for organ transplantation, as well as organs that would otherwise go unutilized. We believe the results of our clinical trials across lung, heart and liver transplantation support the efficacy of the OCS in improving clinical outcomes and increasing utilization of available donor organs.

We are focused on establishing the OCS as the standard of care for solid organ transplantation. Because we believe cold storage is the primary factor limiting donor organ utilization today, we estimate our opportunity based on the existing donor pools and the potential for significantly expanded utilization with the OCS. Based on the utilization rates in our clinical trials and our commercial experience outside the United States, we estimate the potential annual addressable commercial opportunity for the OCS to be approximately $8 billion for lung, heart and liver transplantation combined.

The vast majority of transplant procedures are performed at a relatively small number of hospitals that have specialized organ transplant centers. For example, we estimate that approximately 50 to 55 transplant centers in the United States perform over 70% of the lung, heart and liver transplant volume. During our clinical trials, we established relationships with over 55 leading transplant programs in our key geographies and have generated a substantial body of clinical evidence. Our commercial strategy is focused on leveraging these relationships to drive deeper adoption of the OCS at the leading, large-volume academic transplant institutions. As of September 29, 2018, our sales and clinical adoption team consisted of 24 sales and clinical professionals.

Our OCS products are reimbursed in the United States through existing, standard commercial transplant billing mechanisms. The Medicare program and private payors have been providing reimbursement for the OCS Lung, OCS Heart and OCS Liver during the U.S. pivotal trials and have been providing reimbursement for the OCS Lung following FDA approval in March 2018. We believe these established channels will continue to facilitate commercial reimbursement for the OCS Lung and, if they are approved by the FDA, for the OCS Heart and OCS Liver. We are also in the process of seeking long-term reimbursement for our products outside of the United States.

Our corporate headquarters, manufacturing and clinical training facilities are located in Andover, Massachusetts. We have additional distribution and commercial operations in Europe and Asia-Pacific. As of September 29, 2018, we employed 82 people globally. We generated $7.7 million of net revenue during the fiscal year ended December 30, 2017 and $5.4 million of net revenue during the fiscal six months ended June 30, 2018, of which $2.9 million of net revenue was generated during the fiscal three months ended June 30, 2018, representing a 31% increase as compared to the fiscal three months ended July 1, 2017.

Current Standards for Organ Preservation and their Limitations

In recent years, significant innovations have been implemented in most aspects of organ transplantation surgery. However, organ preservation remains primarily limited to cold storage. Cold storage involves flushing the organs with cold pharmaceutical solutions designed to reduce organ temperature and arrest organ function. This process adversely impacts clinical outcomes and leads to underutilization of viable donor organs due to the following inherent challenges:

- ***Time-dependent ischemic injury:*** Cold storage subjects donor organs to significant injury due to a lack of oxygenated blood supply, or ischemia. Ischemia has been reported to be an independent predictor of mortality after heart transplantation and development of short-term severe primary graft dysfunction, or PGD, which is associated with long-term complications in lung transplantation. In addition to resulting in poor transplant outcomes, time-dependent ischemic injury limits the acceptable time that transplant centers permit between organ retrieval and transplantation to four to six hours, resulting in restrictions on geographical distance between donors and transplant recipients.
- ***Lack of diagnostic assessment of organ viability or function:*** Cold storage does not support the assessment of organ function or viability because the organs are not functioning or metabolically active during cold storage. This lack of diagnostic assessment largely limits the donor pool to DBD donors, whose organs can be assessed for viability prior to retrieval because their hearts continue to beat.
- ***Lack of therapeutic or optimization capabilities:*** Clinical studies have demonstrated the clinical benefits of replenishing donor organs with glucose, oxygen, hormones and electrolytes that are significantly altered or depleted during the donation process. Cold storage, however, does not allow for therapeutic intervention to optimize the condition of donor organs, which results in suboptimal post-transplant outcomes. In addition, transplant programs are less likely to accept organs that may appear compromised if they are unable to treat or optimize the organ, which prevents utilization of the vast majority of organs from DBD and DCD donors.

We believe the limitations of cold storage are directly responsible for the severe shortage in donor organ supply, which in 2016 resulted in approximately 77% of donated lungs and approximately 68% of donated hearts going unutilized in the United States. In addition, we believe the limitations of cold storage are the primary driver of the high rate of severe post-transplant complications that negatively impact both patients' clinical outcomes and transplant economics for payors and providers.

Our Commercial Opportunity

We believe organ transplantation is severely supply constrained by the limitations of cold storage. While there is a national transplant waiting list that represents a snapshot of demand, we believe this waiting list significantly underrepresents the true clinical demand for organ transplants. Incidences of end-stage organ failure have been rapidly rising worldwide resulting in significant growth in the number of patients that could benefit from life-saving organ transplants. However, because the supply of donor organs has historically been constrained, the waiting list is fairly static, with annual additions to the waiting list typically matching closely the number of transplants performed or patients otherwise removed from the list. We believe that with increased utilization of donor organs for transplant, the waiting list will grow to match any increase in global supply.

We estimate our commercial opportunity based on the existing donor pools and the potential for significantly improved utilization resulting from the use of our OCS technology. We estimate that the potential pool of donors in our key geographies includes approximately 67,000 DBD and DCD donors annually. Because the OCS reduces injurious ischemic time significantly, allows for therapeutic optimization of the organ's condition and enables diagnostic assessment, we believe the OCS could allow surgeons to utilize the vast majority of the donor pool that is currently unutilized due to the limitations of cold storage.

Our Technology and Solution

We developed the OCS to comprehensively address the major limitations of cold storage. The OCS is a portable organ perfusion, optimization and monitoring system that utilizes our proprietary and customized technology to replicate near-physiologic conditions for donor organs outside of the human body. The OCS was designed to perfuse donor organs with warm, oxygenated and nutrient-enriched blood, while maintaining the organs in a living, functioning state; the lung is breathing, the heart is beating and the liver is producing bile. As such, the OCS represents a paradigm shift that transforms organ preservation for transplantation from a static state to a dynamic environment that enables new capabilities, including organ optimization and assessment.

We developed the OCS, the first and only multi-organ platform, to leverage proprietary core technologies across multiple organs. For each OCS product, we supplement the platform with organ-specific, customized and proprietary technologies. To date, we have developed three OCS products, one for each of lung, heart and liver transplantation. OCS products for additional organs, including kidneys, are under development.

Each OCS product consists of three primary components customized for each organ:

- **OCS Console:** The OCS Console is a highly portable electromechanical medical device that houses and controls the function of the OCS and is designed to fit in the current workflow for organ transplantation.

- **OCS Perfusion Set:** The OCS Perfusion Set is a sterile, biocompatible single-use disposable set that stores the organ and circulates blood. The OCS Perfusion Set includes all accessories needed to place the organ on the system.

- **OCS Solutions:** The OCS Solutions are a set of nutrient-enriched solutions used with blood to replenish depleted nutrients and hormones needed to optimize the organ's condition outside of the human body.

Our single-use OCS Perfusion Sets and OCS Solutions, which we refer to collectively as a disposable set, are required for each organ transplant. As such, our business model is characterized by a high level of recurring revenue. We expect that greater than 90% of our revenue will be related to sales of our single-use OCS disposable sets.

The OCS technology platform is equipped with the following core technologies that we designed to comprehensively address the limitations of cold storage and improve transplant outcomes:

- **proprietary pulsatile blood pump** to simulate beating heart perfusion in organs outside of the human body;

- **proprietary software-controlled titanium blood warmer** to maintain blood at body temperature while maximizing portability;
- **gas exchanger** to maintain organ oxygenation outside of the human body;
- **customized hemodynamics sensors** to monitor and assess organ function outside of the human body;
- **proprietary software-controlled, miniaturized, electromechanical system with universal power supply and hot-swappable batteries** to maximize portability and travel distance for organ retrieval;
- **proprietary wireless monitor and control software** to provide an intuitive user interface for monitoring critical organ function; and
- **customized carbon fiber OCS console structure** to reduce the overall weight of the system and maximize portability.

For each organ product, the OCS core technologies are supplemented with additional customized and proprietary organ-specific features to meet each organ's requirements.

Key Advantages of the OCS Platform

We believe the OCS platform provides significant benefits relative to cold storage, including:

- ***Improved Clinical Outcomes:*** Use of the OCS has demonstrated a significant reduction in injurious ischemic time in all of our clinical trials. The results of our OCS Lung INSPIRE Trial, which compared the use of the OCS Lung to cold storage, demonstrated a statistically significant reduction of approximately two hours in the amount of time the organ went without oxygenation, or ischemic time. These results were achieved while allowing for an average of 1.5 incremental hours between donor and recipient. This decrease in injurious ischemic time resulted in an approximately 50% reduction relative to cold storage in the most common and severe form of lung transplant complication called primary graft dysfunction grade 3, or PGD3. PGD3 is a dangerous and costly complication as patients with it typically experience longer time on mechanical ventilation and in the intensive care unit, as well as potential long-term negative consequences. We believe these results are consistent with those of our other clinical trials and will support adoption of the OCS.
- ***Increased Donor Organ Utilization:*** In our OCS Lung EXPAND Trial, we evaluated the use of the OCS Lung for donor organs from both DBD and DCD donors that would not otherwise have been utilized, and in our OCS Heart EXPAND Trial, we evaluated the use of the OCS Heart for donor organs from DBD donors that would not otherwise have been utilized. The lungs and hearts that were transplanted in these studies were rejected an average of 35 and 66 times, respectively, by other institutions using cold storage due to a variety of clinical and logistical reasons that may have included donor organ quality, donor age, expected injurious ischemic time or travel distance, or type of donor. In these trials, the use of the OCS resulted in an 87% utilization rate of donor lungs and an 81% utilization rate of donor hearts that otherwise would have been unutilized. The results of these trials support our belief that the OCS can significantly expand the number of organs that can be transplanted and better serve the large population of patients who need an organ transplant to survive.

Our Strategy

We are committed to transforming organ transplantation with our OCS platform by increasing the utilization of donor organs and improving clinical outcomes. We are targeting a large and highly concentrated opportunity that, we believe, currently lacks an effective solution for organ preservation, optimization and assessment. Our goal is to establish the OCS as the standard of care for organ transplantation and increase the number of organ transplants performed.

The key elements of our strategy are:

- **Target and drive deeper adoption of the OCS at leading transplant institutions**. We are focused on driving adoption at leading, high volume transplant programs where we have established strong relationships during our clinical trials. We plan to leverage these centers' familiarity with the value of the OCS to increase the number of transplants they perform and increase our penetration of their case volumes. We also plan to expand our reach to additional high volume transplant programs.
- **Continue to build clinical evidence to substantiate the benefits of the OCS and expand clinical transplant indications**. Surgeons affiliated with leading academic transplant centers rely primarily on clinical evidence to drive changes in their practice. We have developed an extensive body of clinical evidence supporting the use of the OCS technology in the field of organ transplantation. We plan to expand this body of clinical evidence in the post-market setting.
- **Expand the existing pool of utilizable donor organs by securing additional FDA PMA Supplements and new PMAs for expanded indications**. We secured our first PMA for the OCS Lung in March 2018. We have several additional applications for PMAs in the pipeline, including for our expanded lung indications and for our heart products, and we also plan to seek a PMA for our liver products. If we are successful in obtaining such FDA approvals, we believe we will significantly expand the available donor organ pool.
- **Leverage the established commercial reimbursement process and billing mechanisms to accelerate U.S. commercial traction**. Medicare and private payors provided reimbursement for the OCS Lung, OCS Heart and OCS Liver during our U.S. pivotal trials using existing commercial billing and reimbursement processes for organ transplant procedures and have provided reimbursement for the OCS Lung following FDA approval in March 2018. We believe these established methods will continue to facilitate commercial reimbursement for the OCS Lung and, if they are approved by the FDA, for the OCS Heart and OCS Liver. We are in the process of seeking long-term reimbursement for our OCS products in several other countries.
- **Develop the next generation OCS technology platform to improve user experience and expand OCS products**. We intend to invest in developing the next generation, multi-organ platform to improve the user experience. We also intend to develop and seek approval for additional OCS products for other organs, including kidneys.

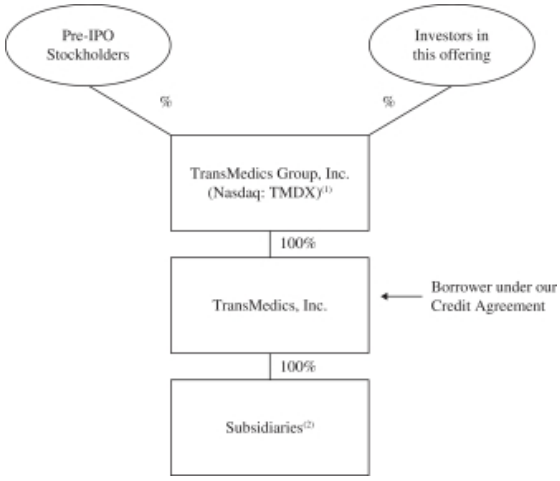
Corporate Reorganization

TransMedics Group, Inc., a recently formed Massachusetts corporation, or TransMedics Group, is currently a direct, wholly-owned subsidiary of TransMedics, Inc., a Delaware corporation. Immediately prior to or concurrently with the closing of this initial public offering, TMDX, Inc., a direct, wholly-owned subsidiary of TransMedics Group, will merge with and into TransMedics, Inc. with TransMedics, Inc. as the surviving corporation. As a result of the merger, each outstanding share of capital stock of TransMedics, Inc. will be converted into shares of common stock of TransMedics Group, each outstanding option to purchase shares of common stock of TransMedics, Inc. will be converted into an outstanding option to purchase shares of common stock of TransMedics Group and each outstanding warrant to purchase shares of preferred stock of TransMedics, Inc. will be converted into a warrant to purchase shares of common stock of TransMedics Group, pursuant to the terms of the Agreement and Plan of Merger and Reorganization filed as an exhibit to the Registration Statement of which this prospectus forms a part. We refer to this as the "Corporate Reorganization."

Immediately following the Corporate Reorganization, (1) TransMedics Group will be a holding company with no material assets other than 100% of the equity interests in TransMedics, Inc., (2) the holders of capital stock in TransMedics, Inc. will become shareholders of TransMedics Group and (3) the historical consolidated

financial statements of TransMedics, Inc. will become the historical consolidated financial statements of TransMedics Group because the Corporate Reorganization will be accounted for as a reorganization of entities under common control. Prior to the Corporate Reorganization, TransMedics Group has not conducted any activities other than in connection with its formation and in preparation for this offering and has no material assets other than 100% of the equity interests in TMDX, Inc.

The following chart illustrates our organizational structure upon completion of the Corporate Reorganization and this offering, assuming no exercise of the underwriters' option to purchase additional shares of common stock:



(1) Upon the consummation of this offering, TransMedics Group will become a guarantor under our credit agreement with OrbiMed Royalty Opportunities II, L.P., or the Credit Agreement.
(2) TransMedics B.V. is a guarantor under our Credit Agreement.

Risks Associated with Our Business

- We have incurred substantial losses since our inception and anticipate that we will continue to incur losses in the future;
- We may need to raise additional funding, which might not be available on favorable terms, or at all;
- We depend heavily on the success of the OCS and achieving market acceptance, and if we are unable to successfully commercialize the OCS, our business may fail;
- The clinical trial process required to obtain regulatory approvals is lengthy and expensive, with uncertain outcomes;
- We must continue to educate surgeons, transplant centers and private payors and demonstrate the merits of the OCS compared with cold storage or new competing technologies, and surgeons, transplant centers and private payors may require additional clinical data prior to adopting or maintaining coverage of the OCS;
- Our long-term growth depends on our ability to improve the OCS platform, including to expand into new indications and to develop the next generation of our products;

- We depend on a limited number of customers for a significant portion of our net revenue and the loss of, or a significant shortfall in demand from, these customers could have a material adverse effect on our financial condition and operating results;
- Our business may not be successful if we are unable to protect, defend, maintain and enforce our intellectual property rights relating to the OCS and avoid allegations that our products infringe, misappropriate or otherwise violate the intellectual property rights of third parties; and
- Our independent registered public accounting firm has expressed substantial doubt about our ability to continue as a going concern in its report on our audited financial statements included in this prospectus.

The foregoing is only a summary of some of our risks. For a more detailed discussion of these and other risks you should consider before making an investment in our common stock, see "Risk Factors."

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including:

- reduced disclosure about our executive compensation arrangements;
- exemption from the requirements to hold non-binding advisory votes on executive compensation and golden parachute payments; and
- exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting.

We may take advantage of these exemptions until the last day of the fiscal year following the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company earlier if we have more than $1.07 billion in annual revenue, we have more than $700 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K with the Securities and Exchange Commission, or the SEC) or we issue more than $1 billion of non-convertible debt securities over a three-year period. For so long as we remain an emerging growth company, we are permitted, and intend, to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. We may choose to take advantage of some, but not all, of the available exemptions.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to "opt out" of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company. Therefore, the reported results of operations contained in our financial statements may not be directly comparable to those of other public companies.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700 million and our annual revenue is less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our stock held

by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not smaller reporting companies. Specifically, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Our Corporate Information

Our predecessor TransMedics, Inc. was incorporated in Delaware in August 1998. We were incorporated in Massachusetts in October 2018. Our principal executive offices are located at 200 Minuteman Road, Andover, MA 01810, and our telephone number is (978) 552-0900. Our website address is www.transmedics.com. Information contained on, or that can be accessed through, our website is not part of this prospectus.

THE OFFERING

Common stock offered by us	shares.
Common stock outstanding after this offering	shares (shares if the underwriters exercise their option to purchase additional shares in full).
Underwriters' option to purchase additional shares of common stock from us	We have granted the underwriters an option to purchase up to an aggregate of additional shares of common stock from us at the public offering price, less the underwriting discounts and commissions, for a period of 30 days after the date of this prospectus.
Use of proceeds	We estimate that our net proceeds from the sale of our common stock in this offering will be approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to fund continued development and commercialization of the OCS; for research, development and pre- and post-market clinical trial expenditures; and for working capital and other general corporate purposes. See "Use of Proceeds."
Dividend policy	We do not anticipate declaring or paying any cash dividends on our capital stock in the foreseeable future. See "Dividend Policy."
Risk factors	You should carefully read the "Risk Factors" section of this prospectus and the other information included in this prospectus for a discussion of factors that you should consider before deciding to invest in our common stock.
Registration rights	Pursuant to an Investor Rights Agreement, certain existing holders of equity interests in TransMedics, Inc. will have registration rights with respect to shares of common stock of TransMedics Group upon completion of the Corporate Reorganization. See "Description of Capital Stock—Registration Rights."
Nasdaq Global Market trading symbol	"TMDX"

The number of shares of common stock to be outstanding after this offering is based on 4,755,725 shares of common stock outstanding as of June 30, 2018 and gives effect to the conversion of all outstanding shares of preferred stock of TransMedics, Inc. into an aggregate of shares of common stock of TransMedics Group, and excludes:

- 5,446,918 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2018 under our 2004 Stock Incentive Plan, or 2004 Plan, and our 2014 Stock Incentive Plan, or 2014 Plan, at a weighted average exercise price of $0.38 per share;
- 225,544 shares of common stock issuable upon the exercise of warrants outstanding as of June 30, 2018 to purchase shares of preferred stock of TransMedics, Inc. that will be converted into warrants to purchase shares of common stock of TransMedics Group, at a weighted average exercise price of $ per share, in connection with the Corporate Reorganization;
- 632,798 shares of common stock available for future issuance as of June 30, 2018 under our 2014 Plan;
- shares of common stock that will become available for future issuance under our 2019 Stock Incentive Plan; and
- shares of common stock that will become available for future issuance under our 2019 Employee Stock Purchase Plan.

Except as otherwise noted, all information in this prospectus assumes:

- the conversion of all outstanding shares of preferred stock of TransMedics, Inc. into an aggregate of shares of common stock of TransMedics Group upon the consummation of the Corporate Reorganization;
- the conversion of all outstanding warrants to purchase shares of preferred stock of TransMedics, Inc. into warrants to purchase an aggregate of shares of common stock of TransMedics Group upon the consummation of the Corporate Reorganization;
- no exercise of the outstanding stock options described above;
- no exercise by the underwriters of their option to purchase additional shares; and
- the filing and effectiveness of our restated articles of organization and the adoption of our amended and restated bylaws upon the closing of this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

You should read the following summary consolidated financial data together with the sections titled "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2016 and December 30, 2017 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal six months ended July 1, 2017 and June 30, 2018 and the consolidated balance sheet data as of June 30, 2018 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
	(in thousands, except per share data)			
Consolidated Statement of Operations Data:				
Net revenue	$ 6,209	$ 7,685	$ 3,712	$ 5,434
Cost of revenue	5,443	5,548	2,589	3,331
Gross profit	766	2,137	1,123	2,103
Operating expenses:				
Research, development and clinical trials	15,637	14,957	8,153	6,898
Selling, general and administrative	8,115	7,606	4,161	5,142
Total operating expenses	23,752	22,563	12,314	12,040
Loss from operations	(22,986)	(20,426)	(11,191)	(9,937)
Other income (expense):				
Interest expense	(979)	(1,072)	(534)	(571)
Change in fair value of preferred stock warrant liability	(105)	159	143	(240)
Other income (expense), net	5	548	232	(253)
Total other expense, net	(1,079)	(365)	(159)	(1,064)
Loss before income taxes	(24,065)	(20,791)	(11,350)	(11,001)
Provision for income taxes	—	(32)	(19)	(15)
Net loss	$ (24,065)	$ (20,823)	$ (11,369)	$ (11,016)
Net loss per share attributable to common stockholders, basic and diluted(1)	$ (5.35)	$ (4.48)	$ (2.45)	$ (2.36)
Weighted average common shares outstanding, basic and diluted(1)	4,502	4,647	4,646	4,677
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)		$		$
Pro forma weighted average common shares outstanding, basic and diluted (unaudited)(1)				

(1) See Note 14 to our consolidated financial statements included elsewhere in this prospectus for details on the calculation of basic and diluted net loss per share attributable to common stockholders and unaudited basic and diluted pro forma net loss per share attributable to common stockholders.

	As of June 30, 2018		
	Actual	Pro Forma(2)	Pro Forma As Adjusted(3)
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash, cash equivalents and marketable securities	$ 35,189	$ 35,189	$
Working capital(1)	38,204	38,204	
Total assets	51,134	51,134	
Long-term debt, net of discount, including current portion	33,445	33,445	
Preferred stock warrant liability	593	—	
Convertible preferred stock	186,519	—	
Total stockholders' equity (deficit)	(179,659)	7,453	

(1) We define working capital as current assets less current liabilities.

(2) The pro forma consolidated balance sheet data give effect to the Corporate Reorganization, including (i) the conversion of all outstanding shares of preferred stock of TransMedics, Inc. into an aggregate of shares of common stock of TransMedics Group and (ii) the conversion of all outstanding warrants to purchase shares of preferred stock of TransMedics, Inc. into warrants to purchase shares of common stock of TransMedics Group.

(3) The pro forma as adjusted balance sheet data give further effect to (i) our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and (ii) our payment of $1.5 million to former financial advisors upon the closing of this offering in satisfaction of contractual obligations previously recorded.

The pro forma as adjusted information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and marketable securities, working capital, total assets and total stockholders' equity by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and marketable securities, working capital, total assets and total stockholders' equity by $ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

An investment in our common stock involves risks. You should consider carefully the following risks and all of the other information contained in this prospectus before investing in our common stock. The risks described below are those that we believe are the material risks that we face. If any of the following risks actually occurs, our business, prospects, operating results and financial condition could suffer materially, the trading price of our common stock could decline and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. See "Cautionary Note Regarding Forward-Looking Statements" elsewhere in this prospectus.

Risks Related to Our Financial Position and Need for Additional Capital

We have incurred substantial losses since our inception and anticipate that we will continue to incur losses in the future.

Since our inception, we have incurred significant operating losses. Our ability to generate net revenue sufficient to achieve profitability will depend on the successful further development and commercialization of our Organ Care System, or the OCS, products. We generated net revenue of $6.2 million and $7.7 million for the fiscal years ended December 31, 2016 and December 30, 2017, respectively, and incurred net losses of $24.1 million and $20.8 million for those same years. We generated net revenue of $5.4 million and incurred a net loss of $11.0 million for the fiscal six months ended June 30, 2018. As of June 30, 2018, we had an accumulated deficit of $323.2 million. To date, we have funded our operations primarily with proceeds from sales of preferred stock and borrowings under loan agreements, as well as revenue from clinical trials and commercial sales outside of the United States. Our losses have resulted principally from costs incurred in connection with our research and development, clinical trials, manufacturing and commercialization activities.

We expect to continue to incur net losses for the foreseeable future as we focus on growing commercial sales of our products in both the U.S. and select non-U.S. markets, including growing our sales and clinical adoption team, which will pursue increasing commercial sales and clinical adoption of our OCS products; scaling our manufacturing operations; continuing research, development and clinical trial efforts; and seeking regulatory clearance for new products and product enhancements, including new indications, in both the U.S. and select non-U.S. markets. Further, following the closing of this offering, we expect to incur additional costs associated with operating as a public company. As a result, we will need substantial additional funding for expenses related to our operating activities, including selling, general and administrative expenses and research, development and clinical trials expenses. Because of the numerous risks and uncertainties associated with product development and commercialization, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve or maintain profitability. Until such time, if ever, as we can generate substantial net revenue sufficient to achieve profitability, we expect to finance our operations through a combination of equity offerings, debt financings and strategic alliances. We may be unable to raise additional funds or enter into such other agreements or arrangements, when needed, on favorable terms, or at all. If we are unable to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back or discontinue the further development and commercialization efforts of one or more of our products, or may be forced to reduce or terminate our operations.

We may need to raise additional funding, which might not be available on favorable terms, or at all. Raising additional capital may cause dilution to our shareholders.

As we continue to pursue and increase commercial sales of our OCS products, we expect our costs and expenses to increase in the future, particularly as we expand our sales and clinical adoption team, scale our manufacturing operation, continue research, development and clinical trial efforts, and seek regulatory clearance for new products and product enhancements, including new indications, both in the United States and in

select non-U.S. markets. In addition, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company. The timing and amount of our operating and capital expenditures will depend on many factors, including:

- the amount of net revenue generated by sales of our OCS Consoles, OCS Perfusion Sets and OCS Solutions and other products that may be approved in the United States and select non-U.S. markets;
- the costs and expenses of expanding our U.S. and non-U.S. sales and marketing infrastructure and our manufacturing operations;
- the extent to which our OCS products are adopted by the transplant community;
- the ability of our customers to obtain adequate reimbursement from third-party payors for procedures performed using the OCS products;
- the degree of success we experience in commercializing our OCS products for additional indications;
- the costs, timing and outcomes of any future clinical studies and regulatory reviews, including to seek and obtain approvals for new indications for our OCS products;
- the emergence of competing or complementary technologies;
- the number and types of future products we develop and commercialize;
- the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending intellectual property-related claims; and
- the level of our selling, general and administrative expenses.

Additional capital might not be available when we need it, and our actual cash requirements might be greater than anticipated. If we require additional capital at a time when investment in our industry or in the marketplace in general is limited, we might not be able to raise funding on favorable terms, if at all. If we are not able to obtain financing on terms favorable to us, we may need to cease or reduce development or commercialization activities, sell some or all of our assets or merge with another entity, which could result in a loss of all or part of your investment.

In addition, if we raise additional funds through the issuance of equity or convertible securities, the issuance of these securities could dilute your percentage ownership in our company. Furthermore, newly issued securities may have rights, preferences or privileges senior to those of common shareholders. If we raise additional funds through additional debt financing, we may need to dedicate a substantial additional portion of any operating cash flows to the payment of principal and interest on such indebtedness. The terms of any debt financing also could impose significant restrictions on our operations.

Our existing and any future indebtedness could adversely affect our ability to operate our business.

As of June 30, 2018, we had $35.0 million of outstanding long-term debt under our credit agreement with OrbiMed Royalty Opportunities II, LP, or OrbiMed, which we refer to as the Credit Agreement. We could incur additional indebtedness in the future. Our payment obligations under the Credit Agreement reduce cash available to fund working capital, capital expenditures, research and development and general corporate needs. In addition, indebtedness under the Credit Agreement bears interest at a variable rate, making us vulnerable to increases in market interest rates. If market rates increase substantially, we will have to pay additional interest on this indebtedness, which would further reduce cash available for our other business needs.

Our obligations under the Credit Agreement are secured by substantially all of our assets and the assets of our wholly-owned subsidiaries. The security interest granted over our assets could limit our ability to obtain additional debt financing. In addition, the Credit Agreement contains negative covenants restricting our activities, including limitations on dispositions, mergers or acquisitions, incurring indebtedness or liens, paying dividends, making investments and engaging in certain other business transactions.

We may not have sufficient funds, and may be unable to arrange for additional financing, to pay the amounts due under our debt arrangements. The obligations under the Credit Agreement are subject to acceleration upon the occurrence of specified events of default, including payment default, change in control, bankruptcy, insolvency, certain defaults under other material debt, certain events with respect to regulatory approvals and a material adverse change in our business, operations or other financial condition. If an event of default (other than certain events of bankruptcy or insolvency) occurs and is continuing, OrbiMed may declare all or any portion of the outstanding principal amount of the borrowings plus accrued and unpaid interest to be due and payable. Upon the occurrence of certain events of bankruptcy or insolvency, all of the outstanding principal amount of the borrowings plus accrued and unpaid interest will automatically become due and payable.

Our outstanding indebtedness and any future indebtedness, combined with our other financial obligations, could increase our vulnerability to adverse changes in general economic, industry and market conditions, limit our flexibility in planning for, or reacting to, changes in our business and the industry and impose a competitive disadvantage compared to our competitors that have less debt or better debt servicing options. See “Description of Certain Indebtedness.”

Our financial results may fluctuate from quarter to quarter, which makes our results difficult to predict and may cause our results to fall short of expectations.

Our financial results may fluctuate from quarter to quarter due to a number of factors, including the timing of our clinical trials and foreign currency exchange rates. We expect that revenue from sales will fluctuate significantly from quarter to quarter, and our future quarterly and annual expenses as a percentage of our revenue may be significantly different from those we have recorded in the past. Our financial results in some quarters may fall below expectations. Comparing our financial results on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance. Because the timing of organ transplant procedures is generally unpredictable, we have not experienced seasonality in our business from quarter to quarter and do not expect to do so in the foreseeable future.

Our ability to use our net operating losses and research and development credit carryforwards to offset future taxable income may be subject to limitations.

As of December 30, 2017, we had U.S. federal and state net operating loss, or NOL, carryforwards of $215.2 million and $148.5 million, respectively, which may be available to offset future taxable income and begin to expire in 2018 and 2030, respectively. As of December 30, 2017, we also had U.S. federal and state research and development tax credit carryforwards of $6.0 million and $4.0 million, respectively, which may be available to offset future tax liabilities and begin to expire in 2020 and 2024, respectively. These NOL and tax credit carryforwards could expire unused and be unavailable to offset future income tax liabilities. In addition, in general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an “ownership change,” generally defined as a greater than 50% change by value in its equity ownership over a three-year period, is subject to limitations on its ability to utilize its pre-change NOLs, its research and development credit carryforwards and its disallowed interest expense carryovers to offset future taxable income. Our existing NOLs and research and development credit carryforwards may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering, our ability to utilize NOLs and research and development credit carryforwards could be further limited by Sections 382 and 383 of the Code. In addition, future changes in our stock ownership, some of which might be beyond our control, could result in an ownership change under Section 382 of the Code. Our NOLs and credits may also be impaired under state law. For these reasons, if we determine that an ownership change has occurred or in the event we experience a change of control, we may not be able to utilize a material portion of the NOLs, research and development credit carryforwards or disallowed interest expense carryovers incurred prior to 2018. Furthermore, our ability to utilize our NOLs or credits is conditioned upon our attaining profitability and generating U.S. federal and state taxable income. As described above we have incurred

significant net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future; and therefore, we do not know whether or when we will generate the U.S. federal or state taxable income necessary to utilize our NOL or credit carryforwards. Under the Tax Cuts and Jobs Act, or TCJA, NOLs arising in taxable years beginning after December 31, 2017 will not be subject to expiration. In addition, the deduction for NOLs in any taxable year is limited to 80% of current year taxable year income in respect of NOLs generated during or after 2018. The TCJA also reduced the corporate income tax rate to 21%, from a prior rate of 35%. This may cause a reduction in the potential economic benefit of our NOLs and other available deferred tax assets.

Our independent registered public accounting firm has expressed substantial doubt about our ability to continue as a going concern in its report on our audited financial statements included in this prospectus.

Our recurring losses from operations raise substantial doubt about our ability to continue as a going concern. As a result, our independent registered public accounting firm included an explanatory paragraph in its report on our financial statements for the fiscal year ended December 30, 2017 with respect to this uncertainty. Our ability to continue as a going concern will require us to obtain additional funding. We believe that the net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities, will enable us to fund our operating expenses, capital expenditure requirements and debt service payments through , without considering potential additional borrowings that may be available to us upon our achievement of specified revenue thresholds and a regulatory milestone under the Credit Agreement. Without giving effect to the net proceeds from this offering, we expect that our existing cash, cash equivalents and marketable securities as of June 30, 2018 will be sufficient to fund our operating expenses, capital expenditure requirements and debt service payments through September 2019, without considering potential additional borrowings that may be available to us under the Credit Agreement. We have based these estimates on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. If we are unable to raise capital when needed or on acceptable terms, we would be forced to delay, or discontinue the further development and commercialization efforts of one or more of our products, or may be forced to reduce or terminate our operations.

Risks Related to Research and Development and Commercialization

We depend heavily on the success of the OCS and achieving market acceptance. If we are unable to successfully commercialize the OCS, our business may fail.

We have invested all of our efforts and financial resources in the development of the OCS. While the OCS Lung received premarket approval, or PMA, from the U.S. Food and Drug Administration, or the FDA, for the preservation of donor lungs for double-lung transplantation, and the OCS products received the Conformité Européenne, or CE Mark, and several other international regulatory approvals for lung, heart and liver for sales outside the United States, we might not be able to commercialize successfully the OCS for the approved indications or obtain approvals for additional indications or in additional jurisdictions on our planned timing, or at all. Our ability to generate product revenue and become profitable depends solely on sales of OCS components. Our assumptions regarding demographic trends, donor organ availability and the use of transplantation as a treatment for end-stage organ failure may prove to be incorrect.

In order to achieve market acceptance for the OCS, we expect that we will need to demonstrate to surgeons, transplant center program directors and private payors that the OCS potentially results in some or all of the following: improvements in post-transplant clinical outcomes, increases in the utilization of donor organs, expansion of the pool of potential donors and reduction in the total cost of care as compared to available alternatives. Data from our ongoing or future clinical trials may not demonstrate that the OCS provides these benefits. In addition, the medical community might not consider data collected from our patient registry meaningful or compelling, or the data collected from our patient registry or any clinical or commercial experience could indicate that the OCS is unsafe, which would substantially undermine our commercialization efforts.

Surgeons, transplant centers and private payors often are slow to adopt new products, technologies and treatment practices that require additional upfront costs and training. We expect that the cost of the OCS will significantly exceed the cost of cold storage preservation. In addition, surgeons may not be willing to undergo training to use the OCS, may decide the OCS is too complex to adopt without appropriate training and may choose not to use the OCS. Based on these and other factors, transplant center program directors and private payors may decide that the benefits of the OCS do not outweigh its costs. In addition, adoption of the OCS may be constrained by the capacity of individual transplant centers to perform transplants due to factors such as the number of its surgeons trained on the use of the OCS. As a result, demand for the OCS could be materially lower than we expect it to be, which would materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

The clinical trial process required to obtain regulatory approvals is lengthy and expensive, with uncertain outcomes.

We have obtained a PMA for the OCS Lung for certain lung transplants in the United States. In order to obtain a PMA for a device, the sponsor must conduct well-controlled clinical trials designed to assess the safety and effectiveness of the product. Conducting clinical trials is a complex and expensive process, can take many years and outcomes are inherently uncertain. We incur substantial expense for, and devote significant time to, clinical trials but cannot be certain that the product tested will ever generate revenue sufficient to cover the costs of trials. We may experience significant setbacks in clinical trials, even after earlier clinical trials showed promising results, and failure can occur at any time during the clinical trial process. Any of our products may malfunction or may produce undesirable adverse effects that could cause us or regulatory authorities to interrupt, delay or halt clinical trials. We, the FDA or another regulatory authority may suspend or terminate clinical trials at any time.

Successful results in early studies do not assure positive results in subsequent clinical trials. The data we collect from our preclinical studies and clinical trials may not be sufficient to support FDA or other regulatory clearance or approval. Additionally, the FDA may disagree with our interpretation of the data from our studies and trials. The FDA may conclude that the clinical trial design, conduct or results are inadequate to prove safety or effectiveness, and the FDA may require us to undertake expensive and lengthy additional trials, either of which may delay clearance or approval of products.

Clinical trials are necessary to support PMA applications and may be necessary to support PMA supplements for modified versions of our marketed device products. Trials often require enrollment of large numbers of subjects, who may be difficult to identify, recruit and maintain as participants in the clinical trial. For example, the clinical trials supporting the PMA application for the OCS Lung involved 349 randomized and transplanted patients. As a condition of our PMA for the OCS Lung, we are required to conduct two post-market studies. Adverse outcomes in post-approval studies can result in withdrawal of approval of a PMA or restrictions on the approval. We will need to conduct additional clinical studies to support use of the OCS in, and development of OCS products for, new organs, like kidney, and for commercialization of our products in additional foreign jurisdictions. Clinical trials in organ transplant are difficult to design and implement, take substantial time to conduct and are expensive. The results of clinical trials are inherently uncertain. The initiation and completion of any studies may be prevented, delayed or halted for numerous reasons. The following could adversely affect the costs, timing or successful completion of our clinical trials:

- we may be required to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials, and the FDA may reject our IDE application and notify us that we may not begin investigational trials;
- regulators and other comparable foreign regulatory authorities may disagree as to the design or implementation of our clinical trials;

- regulators and/or institutional review boards, or IRBs, or other reviewing bodies may not authorize us or our investigators to commence a clinical trial, or to conduct or continue a clinical trial at a prospective or specific trial site;
- we may not reach agreement on acceptable terms with prospective clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different trial sites;
- clinical trials may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of subjects or patients required for clinical trials may be larger than we anticipate, enrollment in these clinical trials may be insufficient or slower than we anticipate, and the number of clinical trials being conducted at any given time may be high and result in fewer available patients for any given clinical trial, or patients may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors, including those manufacturing products or conducting clinical trials on our behalf, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we might have to suspend or terminate clinical trials for various reasons, including a finding that the subjects are being exposed to unacceptable health risks;
- we may have to amend clinical trial protocols or conduct additional studies to reflect changes in regulatory requirements or guidance, which we may be required to submit to an IRB and/or regulatory authorities for re-examination;
- regulators, IRBs or other reviewing bodies may require or recommend that we or our investigators suspend or terminate clinical research for various reasons, including safety signals or noncompliance with regulatory requirements;
- the cost of clinical trials may be greater than we anticipate;
- we may be unable to recruit a sufficient number of clinical trial sites;
- regulators, IRBs or other reviewing bodies may fail to approve or subsequently find fault with our manufacturing processes or facilities of third-party manufacturers with which we enter into agreement for clinical and commercial supplies, the supply of devices or other materials necessary to conduct clinical trials may be insufficient, inadequate or not available at an acceptable cost, or we may experience interruptions in supply;
- approval policies or regulations of FDA or applicable foreign regulatory agencies may change in a manner rendering our clinical data insufficient for approval; and
- our current or future products may have undesirable side effects or other unexpected characteristics.

Patient enrollment in clinical trials and completion of patient follow-up depend on many factors, including the size of the patient population, the nature of the trial protocol, the proximity of patients to clinical sites, the eligibility criteria for the clinical trial, patient compliance, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the product being studied in relation to other available products or services. For example, patients may be discouraged from enrolling in our clinical trials if the trial protocol requires them to undergo extensive post-treatment procedures or follow-up to assess the safety and efficacy of a product, or they may be persuaded to participate in contemporaneous clinical trials of a competitor's product. In addition, patients participating in our clinical trials may drop out before completion of the trial or experience adverse medical events unrelated to our products. Delays in patient enrollment or failure of patients to continue to participate in a clinical trial may delay commencement or completion of the clinical trial, cause an increase in the costs of the clinical trial and delays, or result in the failure of the clinical trial.

Clinical trials must be conducted in accordance with the regulations of the FDA and other applicable regulatory authorities' legal requirements, regulations or guidelines, and are subject to oversight by these governmental agencies and IRBs at the medical institutions where the clinical trials are conducted. In addition, clinical trials must be conducted with supplies of our devices produced under current good manufacturing practice, or cGMP, requirements and other regulations. Furthermore, we rely on clinical trial sites to ensure the proper and timely conduct of our clinical trials and while we have agreements governing their committed activities, we have limited influence over their actual performance. We depend on transplant centers to conduct our clinical trials in compliance with good clinical practice, or GCP, requirements. To the extent that transplant centers fail to enroll participants for our clinical trials, fail to conduct the study to GCP standards or are delayed for a significant time in the execution of trials, including achieving full enrollment, we may be affected by increased costs, program delays or both. In addition, clinical trials that are conducted in countries outside the United States may subject us to further delays and expenses as a result of increased shipment costs, additional regulatory requirements and the engagement of non-U.S. institutions, as well as expose us to risks associated with clinical investigators who are unknown to the FDA, and different standards of diagnosis, screening and medical care.

Failure can occur at any stage of clinical testing. Our clinical studies may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical and non-clinical testing in addition to those we have planned. Our failure to adequately demonstrate the safety and effectiveness of the OCS or any product we may develop in the future would prevent receipt of regulatory clearance or approval and, ultimately, the commercialization of that product or indication for use. Even if our future products are cleared or approved in the United States, commercialization of our products in foreign countries would require approval by regulatory authorities in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States, including additional preclinical studies or clinical trials. Any of these occurrences could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

We must continue to educate surgeons, transplant centers and private payors and demonstrate the merits of the OCS compared with cold storage or new competing technologies. Surgeons, transplant centers and private payors may require additional clinical data prior to adopting or maintaining coverage of the OCS.

Directors of transplant programs are key decision-makers in the adoption of novel medical devices used in organ transplantation. An important part of our commercialization efforts is to educate transplant center program directors and other surgeons on the relative merits of the OCS. Our success depends, in large part, on effectively marketing and educating program directors and other surgeons about the benefits of the OCS. Acceptance of the OCS also depends on educating program directors, other surgeons and private payors as to the distinctive characteristics, perceived medical and economic benefits, safety and ease of use and cost-effectiveness of the OCS. If program directors, other surgeons and private payors do not find our body of published clinical evidence and data compelling or wish to wait for additional studies, they may choose not to use or provide coverage and reimbursement for our products. Currently, national healthcare systems do not reimburse transplant centers for the use of the OCS and reimbursement in international markets may require us to undertake additional clinical studies.

In addition, the long-term effects of our OCS beyond one to two years are not yet known. Certain surgeons, transplant centers and private payors may prefer to see longer-term safety and efficacy data than we have produced. We cannot provide assurance that any data that we or others may generate in the future will be consistent with that observed in our existing clinical studies.

Our long-term growth depends on our ability to improve the OCS platform, including by expanding into new indications and developing the next generation of our products.

Our business plan contemplates that we will continue to improve the OCS platform, including by expanding into additional organs and developing the next generation of our products. Developing such new or modified

products is expensive and time-consuming and diverts management's attention away from current operations. The success of any new product offering or product enhancements to our OCS platform will depend on several factors, including our ability to:

- properly identify and anticipate surgeon and patient needs;
- develop and introduce new products and product modifications in a timely manner;
- avoid infringing upon, misappropriating or otherwise violating the intellectual property rights of third parties;
- demonstrate the safety and efficacy of new products and product modifications;
- obtain necessary regulatory clearances or approvals;
- comply with regulations regarding the marketing of new products or product modifications;
- provide adequate training to potential users of our products;
- receive adequate coverage and reimbursement for procedures performed with our products; and
- develop an effective sales and marketing effort.

In addition, issues pertaining to the core technology of the OCS could negatively affect adoption of the OCS across the OCS platform. If we are not successful in expanding our indications and developing the next generation of our products, our ability to increase our revenue may be impaired, which could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

We depend on a limited number of customers for a significant portion of our net revenue and the loss of, or a significant shortfall in demand from, these customers could have a material adverse effect on our financial condition and operating results.

We generate a significant amount of our net revenue from a limited number of customers. For the fiscal year ended December 30, 2017, Harefield Hospital accounted for 16% of our net revenue. For the fiscal six months ended June 30, 2018, Harefield Hospital and Massachusetts General Hospital accounted for 15% and 13%, respectively, of our net revenue and, in the aggregate, these customers accounted for 28% of our net revenue. We expect that sales to relatively few customers will continue to account for a significant percentage of our net revenue in future periods. However, these customers or any of our other customers may not continue to utilize our products at current levels, pricing, or at all, and our revenue could fluctuate significantly due to changes in economic conditions, the use of other methods for organ preservation, such as cold storage, or the loss of, reduction of business with, or less favorable terms with any of our largest customers. Our future success will depend upon the timing and volume of business from our largest customers and the financial and operational success of these customers. If we were to lose one of our key customers or have a key customer significantly reduce its volume of business with us, our revenue may be materially reduced, which would materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

We depend on single-source suppliers and, in a few cases, sole-source suppliers for many of the components used in the OCS.

We rely on single-source suppliers and, in a few cases, sole-source suppliers for many of the components used in the OCS. A single-source supplier is a supplier from which we make all purchases of a particular component used in the OCS even though other suppliers of the component exist. A sole-source supplier is a supplier from which we make all purchases of a particular component used in the OCS, and the supplier is the only source of that particular component in the market. For example, each of Fresenius Kabi Austria GmbH and Fresenius Kabi AB, which we refer to collectively as Fresenius, is our single-source supplier of OCS Solutions for the OCS Lung and the OCS Heart, respectively. While we have manufacturing and supply agreements with

certain of our suppliers, for most of our suppliers, we place purchase orders on an as-needed basis. Our suppliers could discontinue the manufacturing or supply of these components at any time. We do not carry a significant inventory of these components. Our suppliers may not be able to meet our demand for their products, either because of acts of nature, the nature of our agreements with those manufacturers or our relative importance to them as a customer, and our manufacturers may decide in the future to discontinue or reduce the level of business they conduct with us. We might not be able to identify and qualify additional or replacement suppliers for any of these components quickly or at all or without incurring significant additional costs. We cannot guarantee that we will be able to establish alternative relationships on similar terms, without delay or at all. We may also face regulatory delays or be required to seek additional regulatory clearances or approvals if we experience any delay or deficiency in the quality of products obtained from suppliers or if we have to replace our suppliers. In addition, many of the components used in the OCS are specifically designed for use in the OCS, which means that off-the-shelf components may not be available as substitutes.

Establishing additional or replacement suppliers for any of these materials or components, if required, or any supply interruption from our suppliers, could limit our ability to manufacture our products, result in production delays and increased costs and adversely affect our ability to deliver products to our customers on a timely basis. Our inability to obtain sufficient quantities of components for the OCS also could adversely affect clinical development of the OCS. If we are not able to identify alternate sources of supply for the components, we might have to modify our product to use substitute components, which could cause delays in shipments, increase design and manufacturing costs and increase prices for our products. Any such modified product might not be as effective as the predecessor product or might not gain market acceptance. This could lead to customer dissatisfaction and damage to our reputation and could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

We have limited experience in manufacturing the OCS on a commercial scale and may encounter problems at our manufacturing facility or otherwise.

We have limited experience in manufacturing the OCS on a commercial scale. In order to manufacture the OCS in quantities sufficient to meet our anticipated commercial opportunity, we will need to increase our manufacturing capabilities. We may encounter technical challenges to increasing the scale at which we manufacture the OCS, including with respect to material procurement and quality control and assurance. An increase in production could make it more difficult for us to comply with quality system regulations or other applicable requirements that are currently enforced by the FDA and other regulatory authorities, or that may be introduced in the future, in both the United States and in other countries. Commercial scale production of the OCS on a continuing basis also will require us to hire and retain additional management and technical personnel who have the necessary manufacturing experience and skills. We might not successfully identify, hire or retain qualified personnel on a timely basis or at all. Our inability to increase the scale of our manufacturing of the OCS could impair our ability to generate revenue and adversely affect market acceptance of our product.

In addition, all of our manufacturing operations are conducted at a single facility in Andover, Massachusetts. Any interruption in operations at this location could result in our inability to satisfy product demand. Despite our efforts to safeguard this facility, including acquiring insurance on commercially reasonable terms, adopting environmental health and safety protocols and utilizing off-site storage of computer data, a number of factors could damage or destroy our manufacturing equipment or our inventory of component supplies or finished goods, cause substantial delays in our operations, result in the loss of key information, and cause us to incur additional expenses, including relocation expense, including:

- operating restrictions, partial suspension or total shutdown of production imposed by regulatory authorities;
- equipment malfunctions or failures;
- technology malfunctions;

- work stoppages;
- damage to or destruction of the facility due to natural disasters or other events; or
- regional or local power shortages.

Our insurance may not cover our losses in any particular case, or insurance may not be available on commercially reasonable terms to cover certain of these catastrophic events. In addition, regardless of the level of insurance coverage, damage to our facilities or any disruption that impedes our ability to manufacture the OCS in a timely manner could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

Risks Related to Our Business and Industry

Failure to maintain an ethical and inclusive corporate culture, or damage to our reputation, could have a material adverse effect on our business.

We strive to create a culture in which our employees act with integrity, treat each other with respect and consider themselves empowered to report suspected misconduct. Our ability to attract and retain a high-quality workforce depends upon our commitment to a diverse and inclusive environment, along with our perceived trustworthiness and ethics. Allegations of misconduct by employees, particularly leaders, erode trust and confidence and cause reputational damage. Negative public opinion can result from actual or alleged conduct by the Company or those currently or formerly associated with the Company. Issues can arise in any number of circumstances, including employment-related offenses such as workplace harassment and discrimination, regulatory noncompliance, and failure to properly use and protect data and systems, as well as from actions taken by regulators or others in response to such conduct. Addressing allegations of misconduct detracts focus from business operations and is expensive. In 2018, for example, we resolved a claim based on allegations by a former employee relating to our Chief Executive Officer. Our board of directors, assisted by outside counsel, concluded that our Chief Executive Officer had exhibited poor personal judgment but had not engaged in illegal conduct. Allegations may be made against us and our executives in the future, and we may incur costs defending or settling such claims. We have adopted policies to promote compliance with laws and regulations as well as to foster a respectful workplace for all employees. These policies, which include a code of business conduct and ethics, an insider trading policy, a Regulation FD policy, a sexual harassment policy, a regulated fraternization policy, and a whistleblower policy, are a component of our effort to minimize employee misconduct as well as activities that frequently result in allegations of misconduct, but our employees may fail to abide by these policies. In addition to damaging our reputation, actual or alleged misconduct could affect the confidence of our shareholders, regulators and other parties and could have a material adverse effect on our business, financial condition and operating results.

Our failure to compete effectively will harm our business and operating results.

A broad range of medical device, pharmaceutical and biotechnology companies offer products, procedures and therapies that have the potential to limit the demand for organ transplantation. Companies within this group vary depending on the type of organ. New therapies for chronic obstructive pulmonary disease, or COPD, which includes emphysema and chronic bronchitis, could limit the demand for lung transplants. For heart transplants, these alternative products, procedures and therapies include ventricular assist devices, cardiac rhythm management products, total artificial hearts, drug therapies for the heart and surgical procedures. Improved treatments for chronic diseases or conditions affecting the liver as well as efforts to develop artificial livers could limit the need for liver transplants. If demand for organ transplants decreases, sales of the OCS and its components will suffer.

Other companies may develop technologies and products that result in improved patient outcomes or are safer, easier to use, less expensive or more readily accepted than the OCS. Their products or technologies could

make the OCS obsolete or noncompetitive. Other companies may also obtain FDA or other regulatory approval or clearance for their products sooner than we may obtain approval or clearance for the OCS. Many of these providers of alternative products, procedures and therapies have greater name recognition, significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and clearances and marketing and selling products than we do. Smaller and other early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Third parties may also compete with us in recruiting and retaining qualified medical, engineering and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to or necessary for our products or development programs or otherwise advantageous to our business. Our failure to compete effectively will harm our business and operating results.

Failure to protect our information technology infrastructure against cyber-based attacks, network security breaches or data corruption could materially disrupt our operations and adversely affect our business and operating results.

The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to effectively manage sales and marketing data, accounting and financial functions, inventory management, product development tasks, clinical data, donor and patient data, customer service and technical support functions. Our information technology systems are vulnerable to damage or interruption from earthquakes, fires, floods and other natural disasters; terrorist attacks; cyber-based attacks; attacks by computer viruses or hackers; power losses, computer system or data network failures; security breaches and data corruption. Federal, state and international laws and regulations, such as the European Union's General Data Protection Regulation, or the GDPR, which took effect in May 2018, can expose us to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties and significant legal liability, if our information technology security efforts fail. In addition, our software systems include cloud-based applications that are hosted by third-party service providers with security and information technology systems subject to similar risks.

The failure of either our or our service providers' information technology could disrupt our entire operation or result in decreased sales, increased overhead costs and product shortages, all of which could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

Economic, political and other risks associated with foreign operations could adversely affect our international sales and our results of operations.

Because we market the OCS in countries in Europe, the Asia-Pacific, Central Asia and Canada and plan to market it in other international markets, we are subject to risks associated with doing business internationally. During the fiscal six months ended July 1, 2017 and June 30, 2018, 61% and 60%, respectively, of our net revenue was generated from customers located outside of the United States. Even if we are successful in commercializing the OCS in the United States, we anticipate that international sales will represent a substantial portion of our total sales. In addition, some of our employees and suppliers are located outside of the United States. Accordingly, our results of operations could be harmed by a variety of factors, including:

- changes in a country's or region's political or economic conditions, including any potential impact resulting from the U.K.'s decision to exit the European Union, commonly referred to as "Brexit";
- longer payment cycles of foreign customers and difficulty of collecting receivables in foreign jurisdictions;
- different or changing regulatory or insurance practices regarding reimbursement for transplant procedures;
- difficulties in developing effective marketing campaigns in unfamiliar foreign countries;

- trade protection measures, import or export licensing requirements or customs clearance and shipping delays;
- fluctuations in foreign currency exchange rates;
- differing tax laws and changes in those laws in the countries in which we are subject to tax, or potentially adverse tax consequences, including the complexities of foreign value-added tax systems, tax inefficiencies related to our corporate structure, and restrictions on the repatriation of earnings;
- changes in international legislation or regulations governing the approval or clearance process for the OCS or ongoing compliance requirements;
- differing business practices associated with foreign operations;
- difficulties in staffing and managing our international operations;
- political, social, and economic instability abroad, terrorist attacks, and security concerns in general;
- the burdens of complying with a wide variety of foreign laws and different legal standards, such as anti-bribery laws, including the U.S. Foreign Corrupt Practices Act and U.K. Bribery Act of 2010, or the Bribery Act, data privacy requirements, labor laws and anti-competition regulations;
- differing protection of intellectual property; and
- increased financial accounting and reporting burdens and complexities.

We rely on shipping providers to deliver products to our customers globally. Labor, tariff or World Trade Organization-related disputes, piracy, physical damage to shipping facilities or equipment caused by severe weather or terrorist incidents, congestion at shipping facilities, inadequate equipment to load, dock and offload our products, energy-related tie-ups or other factors could disrupt or delay shipping or off-loading of our products domestically and internationally. Such disruptions or delays could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

If one or more of these risks are realized, our business, financial condition, operating results, cash flows and prospects could be materially and adversely affected.

Our success depends on our ability to retain our founder and President and Chief Executive Officer and other members of our management team and to attract, retain and motivate qualified personnel.

Our success depends on our continued ability to attract, retain and motivate highly qualified clinicians, surgeons, scientists, engineers, managers and sales personnel. Dr. Waleed H. Hassanein, our founder and President and Chief Executive Officer, and other members of our management team are important to the success of our operations and to our efforts to develop and commercialize the OCS. All of these key employees, including Dr. Hassanein, are at will employees and can terminate their employment with us at any time. The loss of any of these key members of our management team and, in particular, Dr. Hassanein, could impede the achievement of our research, development and commercialization objectives. In addition, it will be an event of default under our Credit Agreement if Dr. Hassanein ceases to be our President and Chief Executive Officer and we do not hire within 120 days a replacement that is reasonably acceptable to OrbiMed. We maintain $1.0 million of “key person” insurance on the life of Dr. Hassanein, but we do not maintain such insurance on any of our other employees.

In addition, our expected growth will require us to hire a significant number of qualified personnel, including clinical development, regulatory, sales, marketing, engineering, scientific, clinical support and administrative personnel. There is intense competition from other companies and research and academic institutions for qualified personnel in the areas of our activities. If we cannot continue to attract and retain, on acceptable terms, the qualified personnel necessary for the continued development of our business, we might not be able to sustain our operations or become profitable.

The failure to manage our growth effectively could harm our business.

To manage our anticipated future growth effectively, we must enhance our manufacturing capabilities, information technology infrastructure and financial and accounting systems and controls. Our growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of the OCS for transplants involving additional indications or other organs, such as kidney. If we are unable to effectively manage our growth, our expenses may increase more than expected, our revenue could grow more slowly than expected and we might not be able to achieve our research and development and commercialization goals, which in turn could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

Risks Related to Our Intellectual Property

If we fail to maintain our license to patents covering the OCS, we will lose the right to manufacture, market and sell the OCS and our business would be harmed.

Our business depends, in part, on our license from the Department of Veterans Affairs, or VA, that covers the OCS. We have a license under certain patent rights relevant to our right to manufacture, market and sell the OCS, including the OCS Perfusion Sets and OCS Solutions, which we refer to collectively as disposable sets, specific to the lung, heart, liver and kidney for use in the OCS, pursuant to a license agreement with the VA. For more information, see “Business—Intellectual Property—Department of Veterans Affairs License”. Our license agreement requires us, among other things, to pay royalties, determined as a percentage of our net sales of products covered by the licensed patents. If we fail to make these payments or otherwise fail to comply with the terms of our license agreement, the VA would have the right to terminate our license, in which case we would lose our right to manufacture, market and sell products covered by the licensed patents, which would materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the agreement. If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our license agreement with the VA or any other licensing arrangements on acceptable terms, or are insufficient to provide us the necessary rights to use the intellectual property, we may be unable to successfully develop and commercialize the OCS or other affected products. If we or our licensors fail to adequately protect our licensed intellectual property, our ability to commercialize our products could suffer. Any disputes with our licensor or any termination of the licenses on which we depend could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we infringe or are alleged to infringe the intellectual property rights of third parties or are otherwise subject to litigation or other proceedings regarding our intellectual property rights, our business or competitive position could be adversely affected.

Our commercial success will depend in part on not infringing, misappropriating or otherwise violating the patents or other intellectual property or proprietary rights of others. Significant litigation regarding patent and other intellectual property rights occurs in the medical device industry. Third parties may claim that the OCS or aspects or uses of the OCS infringe intellectual property rights for which we do not hold licenses or other rights in the United States and abroad. Third parties in both the United States and abroad may have applied for or obtained, or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our products.

Given the vast number of patents in our field of technology, we cannot be certain that we do not infringe existing patents or that we will not infringe patents that may be granted in the future. For example, patent

applications in the United States and elsewhere can be pending for many years before issuance, or unintentionally abandoned patents or applications can be revived, so there may be applications of others now pending or recently revived patents of which we are unaware. These applications may later result in issued patents, or the revival of previously abandoned patents, that will prevent, limit or otherwise interfere with our ability to make, use or sell our products. Third parties may, in the future, assert claims that we are employing their proprietary technology without authorization, including claims from competitors or from non-practicing entities that have no relevant product revenue and against whom our own patent portfolio may have no deterrent effect. As we continue to commercialize our products in their current or updated forms, launch new products and enter new markets, competitors may claim that one or more of our products infringe their intellectual property rights as part of business strategies designed to impede our successful commercialization and entry into new markets. The large number of patents, the rapid rate of new patent applications and issuances, the complexities of the technology involved, and the uncertainty of litigation may increase the risk of business resources and management's attention being diverted to patent litigation.

If any third-party patents were asserted against us, even if we believe such claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability, or priority. A court of competent jurisdiction could hold that the asserted third-party patents are valid, enforceable, and infringed, which could materially and adversely affect our ability to commercialize our products. In order to successfully challenge the validity of any U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. We may choose or, if we are found to infringe a third party's patent rights and we are unsuccessful in demonstrating that such patents are invalid or unenforceable, we could be required to obtain a license from such third party to continue developing, manufacturing, and marketing any of our products. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. We also could be forced, including by court order, to cease developing, manufacturing, and commercializing the infringing technology or products. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent or other intellectual property right. There could also be public announcements of the results of hearing, motions, or other interim developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our common stock. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar material adverse effect on our business, financial condition, results of operations and prospects.

Our industry has experienced substantial litigation and other proceedings regarding patent and other intellectual property rights and lawsuits to protect or enforce our patents and other intellectual property rights could be expensive, time-consuming and unsuccessful.

In addition to infringement claims against us, we may become a party to other types of patent litigation and other proceedings, including post-grant proceedings declared by the United States Patent and Trademark Office, or USPTO, and opposition proceedings in the European Patent Office, regarding intellectual property rights with respect to the OCS. For example, we may be subject to a third-party preissuance submission of prior art to the USPTO, or become involved in post-grant review procedures, oppositions, derivations, reexaminations, *inter partes* review or interference proceedings, in the United States or elsewhere, challenging our patent rights or the patent rights of others. An adverse determination in any such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial

resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete. Patent litigation and other proceedings may also absorb significant management time.

In addition, competitors and other third parties may infringe, misappropriate or otherwise violate our patents and other intellectual property rights. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming and divert the time and attention of our management. In addition, many of our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can.

A court may disagree with our allegations and may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the third-party technology in question. Furthermore, the other party could counterclaim that we infringe their intellectual property or counterclaim that a patent we have asserted against them is invalid or unenforceable, or both. In patent litigation in the United States, counterclaims challenging the validity, enforceability or scope of asserted patents are commonplace. Similarly, third parties may initiate legal proceedings against us seeking a declaration that certain of our intellectual property rights are non-infringed, invalid, or unenforceable. The outcome of any such proceeding is generally unpredictable.

An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. If a defendant were to prevail on a legal assertion of invalidity or unenforceability of our patents covering one of our products, we would lose at least part, and perhaps all, of the patent protection covering such product. Competing products may also be sold in other countries in which our patent coverage might not exist or be as strong. Any of these outcomes would have a material adverse effect on our business.

Because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. There could also be public announcements of the results of hearing, motions, or other interim developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our common stock. Even if we ultimately prevail, a court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may not be an adequate remedy. Furthermore, the monetary cost of such litigation and the diversion of the attention of our management could outweigh any benefit we receive as a result of the proceedings. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our business.

If we are unable to establish, maintain or adequately protect our intellectual property rights relating to the OCS, the commercial value of the OCS will be adversely affected and our competitive position could be harmed.

Our success and ability to compete depend in part upon our ability to establish and maintain intellectual property rights covering the OCS in the United States and other countries. We own or have an exclusive license under several patents and patent applications in the United States and corresponding patents and patent applications in a number of foreign jurisdictions. All but one of the issued United States patents under the VA license expired in 2017 and the issued international patents expired in 2018. With respect to the unexpired, issued U.S. patent licensed from the VA, we have filed an application for patent term extension that, if granted, would extend the term of that patent until 2022. With respect to the patents and patent applications that we own, any patents that have or may issue from our currently issued or pending patent applications would be expected to expire between 2023 and 2035, assuming all required fees are paid.

However, we cannot provide any assurances that any of our patents have, or that any of our pending patent applications that mature into issued patents will include, claims with a scope sufficient to protect our OCS technology, any additional features we develop for our OCS technology or any new products. Other parties may

have developed technologies that may be related to or competitive with our system, may have filed or may file patent applications and may have received or may receive patents that overlap or conflict with our patent applications, either by claiming the same methods or devices or by claiming subject matter that could dominate our patent position. The patent positions of medical device companies, including our patent position, may involve complex legal and factual questions, and, therefore, the scope, validity and enforceability of any patent claims that we may obtain cannot be predicted with certainty. Our pending and future patent applications may not issue as patents or, if issued, may not issue in a form that will be advantageous to us. Even if issued, our patents may be challenged, narrowed, held unenforceable, invalidated or circumvented, or others could challenge the inventorship, ownership or enforceability of our patents and patent applications, any of which could limit our ability to stop competitors from marketing similar products or limit the term of patent protection we may have for our products, or cause us to lose our right to manufacture, market and sell the OCS products or components of the OCS products. Proceedings challenging our patents could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. Furthermore, an adverse decision in an interference proceeding can result in a third party receiving the patent right sought by us, which in turn could affect our ability to commercialize our products.

Changes in either patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property or narrow the scope of our patent protection, which in turn could diminish the commercial value of the OCS. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States, and we may encounter significant problems in protecting our proprietary rights in these countries.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- any of our patents, or any of our pending patent applications, if issued, will include claims having a scope sufficient to protect the OCS;
- any of our pending patent applications will issue as patents;
- we will be able to successfully commercialize our products on a substantial scale, if approved, before any relevant patents we may have expire;
- we were the first to make the inventions covered by each of our patents and pending patent applications;
- we were the first to file patent applications for these inventions;
- others will not develop similar or alternative technologies that do not infringe our patents; any of our patents will be found to ultimately be valid and enforceable;
- any patents issued to us will provide a basis for an exclusive market for our commercially viable products, will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies or products that are separately patentable; or
- our commercial activities or products will not infringe upon the patents of others.

If we are unable to obtain patent term extension under the Hatch-Waxman Amendments our business may be materially harmed.

Depending upon the timing, duration and specifics of FDA marketing approval of our products, one or more of the U.S. patents we own or license may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. For example, we currently have a pending patent term extension request based on the recently approved OCS Lung that, if granted, would increase the term of one of our patents by up to five years. The Hatch-Waxman Amendments permit a patent restoration term of up to five years for a patent covering an approved product as

compensation for effective patent term lost during product development and the FDA regulatory review process. However, even if, at the relevant time, we have an issued patent covering our product, we may not be granted an extension if we were, for example, to fail to exercise due diligence during the testing phase or regulatory review process, to fail to apply within applicable deadlines or prior to expiration of relevant patents or otherwise to fail to satisfy applicable requirements. Moreover, the time period of the extension or the scope of patent protection afforded could be less than we request. Only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval and only those claims covering the approved product, a method for using it or a method for manufacturing it may be extended. If we are unable to obtain patent term extension or restoration or the term of any such extension is less than we request, the period during which we can enforce our patent rights for the applicable product will be shortened and our competitors may obtain approval of competing products following our patent expiration. As a result, our ability to generate revenues could be materially adversely affected. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case. If we do not have adequate patent protection or other exclusivity for our products, our business, financial condition or results of operations could be materially adversely affected.

Recent changes in U.S. patent laws may limit our ability to obtain, defend and/or enforce our patents.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The Leahy-Smith America Invents Act, or the Leahy-Smith Act, includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art, and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. In addition, the Leahy-Smith Act has transformed the U.S. patent system into a first-to-file system. The first-to-file provisions, however, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business.

However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the enforcement and defense of our issued patents. For example, the Leahy-Smith Act provides that an administrative tribunal known as the Patent Trial and Appeals Board, or PTAB, provides a venue for challenging the validity of patents at a cost that is much lower than district court litigation and on timelines that are much faster. Although it is not clear what, if any, long-term impact the PTAB proceedings will have on the operation of our business, the initial results of patent challenge proceedings before the PTAB since its inception in 2013 have resulted in the invalidation of many U.S. patent claims. The availability of the PTAB as a lower-cost, faster and potentially more potent tribunal for challenging patents could increase the likelihood that our own patents will be challenged, thereby increasing the uncertainties and costs of maintaining and enforcing them.

We may be unable to enforce our intellectual property rights throughout the world.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This could make it difficult for us to stop infringement of our foreign patents, if obtained, or the misappropriation of our other intellectual property rights. For example, some foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual

property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of our intellectual property.

If we are unable to protect the confidentiality of our trade secrets, the value of the OCS and our business and competitive position could be harmed.

In addition to patent protection, we also rely upon trade secret protection, as well as non-disclosure agreements and invention assignment agreements with our employees, consultants and third parties, to protect our confidential and proprietary information. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our products that we consider proprietary. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. Even though we use commonly accepted security measures, trade secret violations are often a matter of state law, and the criteria for protection of trade secrets can vary among different jurisdictions. In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. We also have agreements with our employees, consultants and third parties that obligate them to assign inventions made in the course of their work for us to us, however these agreements may not be self-executing, not all employees or consultants may enter into such agreements, or employees or consultants may breach or violate the terms of these agreements, and we may not have adequate remedies for any such breach or violation. If any of our intellectual property or confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, the value of the OCS and our business and competitive position could be harmed.

We may be subject to claims that we or our employees have misappropriated the intellectual property of a third party, including trade secrets or know-how, or are in breach of non-competition or non-solicitation agreements with our competitors and third parties may claim an ownership interest in intellectual property we regard as our own.

Many of our employees and consultants were previously employed at or engaged by other medical device, biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, consultants and contractors may have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees and consultants do not use the intellectual property, proprietary information, know-how or trade secrets of others in their work for us, we may be subject to claims that we or these individuals have, inadvertently or otherwise, misappropriated the intellectual property or disclosed the alleged trade secrets or other proprietary information, of these former employers, competitors or other third parties. Additionally, we may be subject to claims from third parties challenging our ownership interest in or inventorship of intellectual property we regard as our own, based on claims that our agreements with employees or consultants obligating them to assign intellectual property to us are ineffective or in conflict with prior or competing contractual obligations to assign inventions to another employer, to a former employer, or to another person or entity. Litigation may be necessary to defend against claims, and it may be necessary or we may desire to enter into a license to settle any such claim; however, there can be no assurance that we would be able to obtain a license on commercially reasonable terms, if at all. If our defense to those claims fails, in addition to paying monetary damages or a settlement payment, a court could prohibit us from using technologies, features or other intellectual property that are essential to our products, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. An inability to incorporate technologies,

features or other intellectual property that are important or essential to our products could have a material adverse effect on our business and competitive position, and may prevent us from selling our products. In addition, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. Any litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our products, which could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

Risks Related to Government Regulation

If we fail to obtain or maintain necessary FDA approval or clearance for each use of the OCS, or if such approval or clearance is delayed, or if we fail to maintain the CE Mark in the European Union, we will not be able to commercially sell and market the OCS.

The OCS products are medical devices subject to extensive regulation in the United States by the FDA and other federal, state and local authorities. The FDA regulates the design, development, testing, manufacturing, labeling, selling, promoting, distributing, importing, exporting and shipping of the OCS. We have obtained a PMA for the OCS Lung for the preservation of donor lungs for double-lung transplantation, but the OCS has not yet attained a PMA for preservation of heart and liver donor organs, as well as for certain donor lungs that do not meet the current standard donor lung acceptance criteria for transplantation. In the European Union, we have the right to affix a CE Mark for the sale of the OCS Lung, OCS Heart and OCS Liver for lung, heart and liver transplants, respectively. Following the U.K.'s withdrawal from the European Union, certificates issued by U.K. notified bodies will no longer be recognized. Our notified body, British Standards Institution, or BSI, is currently headquartered in the U.K., but it is in the process of applying for designation as a Medical Device Notified Body in the Netherlands to ensure that CE marks are transferred without interruption, or minimal delay. If BSI is unable to issue certificates from its office in the Netherlands, we may be unable to sell products in the European Union and the U.K. following Brexit until we are able to obtain an authorized notified body.

In the United States, before we can market the OCS products for each organ, we must first receive a PMA from the FDA. This process can be expensive and lengthy and entail significant costs. The process of obtaining a PMA requires significant clinical trial data. It generally takes from one to three years, or even longer, from the time the PMA application is submitted to the FDA until an approval is obtained. Despite the time, effort and cost involved in this process, the FDA might not approve the OCS products for use in preservation of donor hearts, livers, or other organs.

Furthermore, unforeseen requirements or delays in obtaining clearances or approvals from the FDA for any future products could result in unexpected and significant costs for us and consume management's time and other resources. The FDA could ask us to supplement our submission, collect additional non-clinical data, conduct additional clinical trials or engage in other costly and time-consuming actions, or it could simply deny our PMA application or, if we were to seek any 510(k) clearance for a product, issue a not substantially equivalent determination for a 510(k) device. For example, in 2015, we voluntarily withdrew our original PMA for OCS Heart in an effort to expand our data to include OCS Heart EXPAND Trial results as well as to supplement our OCS Heart PROCEED II Trial results with long-term follow-up data that was not collected as part of the original trial protocol. In addition, even if we obtain a PMA, the approval could be withdrawn or other restrictions imposed if post-market data demonstrate safety issues or inadequate performance. For 510(k) cleared devices, FDA can use its enforcement authorities to require removal of a device from the market in case of safety issues. Even if the FDA grants a PMA for the OCS Heart and OCS Liver for preservation of donor hearts and livers for transplantation, respectively, the claims approved by the FDA may be significantly narrower than those we are seeking.

We are currently investigating the safety and effectiveness of the OCS in multiple IDE investigations. Specifically, pivotal trials are being initiated or under IDEs that investigate the safety and effectiveness of the

OCS Lung for the preservation of certain donor lungs that do not meet the current standard donor lung acceptance criteria for transplantation, the safety and effectiveness of the OCS Heart for the preservation of certain donor hearts that do not meet the current standard donor heart acceptance criteria for transplantation and the safety and effectiveness of the OCS Liver for the preservation of standard donor livers and certain donor livers that do not meet the current standard donor liver acceptance criteria for transplantation. In addition, we completed an IDE pivotal trial of the OCS Heart for donor hearts, and plan to submit IDEs for a Continued Access Protocol to the OCS Heart Trial for the preservation of certain donor hearts that do not meet the current standard donor heart acceptance criteria for transplantation, and for a study of OCS Heart for donor hearts that are donated after circulatory death. We intend to use data from the pivotal clinical trials we are conducting under IDEs to support our request for PMAs for the OCS Heart and OCS Liver, and recently submitted a panel track supplement to the OCS Lung PMA for the indication of the preservation of certain donor lungs that do not meet the current standard donor lung acceptance criteria for transplantation, which the FDA is currently reviewing. The data from our clinical studies and trials might not support PMAs or any of the claims we wish to make, or the FDA could require us to gather significant additional clinical data, including longer term outcome data.

The approval or clearance process involving the OCS for each organ is subject to many of the same risks and uncertainties as for the lungs. If we are not able to obtain the necessary regulatory approvals or clearances on a timely basis or at all, our financial condition and results of operations would suffer, possibly materially, and our business might fail.

We have been able to affix the CE Mark to the OCS Heart since September 2006, the OCS Lung since December 2010 and the OCS Liver since November 2016. These CE Marks were renewed in September 2017 and are valid for five years, so they will expire in September 2022. In order to be able to continue to use the CE Mark in the same manner after May 2020, we will have to meet the conditions set out in the transitional provisions in the Medical Devices Regulation (Regulation 2017/745), or the Medical Devices Regulation. Before expiry of these certificates, we will need to apply for their re-certification under the new Medical Devices Regulation. We might not be able to continue to use the CE Mark for any current use of the OCS. If:

- we are not able to obtain re-certification of our products for their current use;
- we are not able to do so in time before the certificates expire;
- our technical files for our products do not meet the new (and more stringent) requirements under the Medical Devices Regulation; or
- any variation in the uses for which the CE Mark has been affixed to the OCS requires us to perform further research or to modify the technical documentation required to affix the CE mark, our revenues and operating results could be adversely affected and our reputation could be harmed.

If we fail to obtain and maintain regulatory approval in foreign jurisdictions, our market opportunities will be limited.

FDA clearance or approval or a CE mark does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries. However, the failure to obtain clearance or approval in one jurisdiction may have a negative impact on our ability to obtain clearance or approval elsewhere. If we do not obtain or maintain necessary market authorizations to commercialize our products in markets outside the United States, it would negatively affect our overall market penetration. For example, if, as a result of manufacturing error, the efficacy of our products does not meet the standards claimed in the accompanying instructions for use, regulatory authorities could prevent our products from being placed on the market in the European Union.

Additionally, we may need to obtain additional regulatory approval in the U.K. following Brexit. Failure to do so may mean that we will be unable to sell our products in the U.K.

If transplant centers and hospitals cannot obtain adequate reimbursement or funding from governments or third-party payors for purchases of the OCS, and additional disposable sets and for costs associated with procedures that use the OCS, our prospects for generating revenue and achieving profitability will suffer materially.

Our prospects for generating revenue and achieving profitability depend heavily upon the availability of adequate reimbursement or funding in both the United States and other markets for purchases of the OCS and for organ transplant procedures that use the OCS.

In the United States, Medicare generally reimburses the facilities in which transplant procedures are performed based upon prospectively determined amounts. For hospital inpatient treatment, the Medicare prospective payment generally is determined by the patient's condition and other patient data and procedures performed during the patient's hospital stay, using a classification system known as Medicare severity diagnosis-related groups, or MS-DRGs. Prospective rates are adjusted for, among other things, regional differences and whether the hospital is a teaching hospital. Because prospective payments are based on predetermined rates and may be less than a hospital's actual costs in furnishing care, hospitals have incentives to lower their inpatient operating costs by utilizing products, devices and supplies that will reduce the length of patients' hospital stays, decrease labor or otherwise lower their costs.

In addition to these MS-DRG-based payments, Medicare reimburses transplant centers for "reasonable and necessary" organ acquisition costs, which are considered "pass-through" costs from the prospective payment system, and are not based on the payments for the applicable MS-DRG. Pass-through organ acquisition costs include services required for the acquisition of an organ, such as tissue typing, organ preservation, transport of organs, donor evaluation and other acquisition costs. The separate payments for these costs are determined on a reasonable cost basis established through the transplant center's Medicare cost report. During OCS clinical trials, even before the OCS had been approved by the FDA, the Medicare program reimbursed transplant centers for their use of the OCS for lung, heart and liver transplantation. We believe, though cannot be assured, that the costs incurred by transplant centers for the organ-specific OCS Console, OCS Perfusion Sets and OCS Solutions will be classified as organ acquisition costs for which Medicare will provide additional reimbursement. However, Medicare does not reimburse for items determined not to be reasonable and necessary for diagnosis or treatment of an illness or injury. The Centers for Medicare & Medicaid Services, or CMS, and Medicare contractors who administer Medicare around the country have substantial discretion in determining whether the OCS is reasonable and necessary in this context. Either CMS or a Medicare contractor might determine that Medicare will not cover and reimburse for the cost of the OCS in the absence of reliable clinical data evidencing the benefits to patients of the use of the OCS. The data we collect from our prior, ongoing and planned clinical studies and patient registry may not be sufficient for this purpose in a coverage determination by CMS or a Medicare contractor. Accordingly, Medicare might not reimburse transplant centers for all or a portion of the cost of the OCS. We believe that private insurers and other public insurers in the United States generally will follow the coverage and payment policies of Medicare.

Outside of the United States, reimbursement and funding systems vary significantly by country, and within some countries, by region. Many foreign markets have government managed healthcare systems that govern reimbursement and funding for medical devices and procedures. In the European Union member states, the costs associated with organ transplant procedures may be paid for by national insurance and in some cases private insurers or by both national insurance and private insurers, depending on the priorities established by individual programs. These reimbursement arrangements are subject to complex rules and regulations at the national and regional levels that can vary between member states of the European Union and are likely to require that we demonstrate that the OCS is superior to existing preservation methods. We have no studies currently planned to collect such clinical data, and any studies of this kind likely would be expensive and lengthy and may not ultimately produce results adequate to secure reimbursement. In some cases, we might not be able to secure adequate reimbursement for the OCS at all or until we have collected additional clinical data supporting the benefits associated with the use of the OCS in transplant procedures. Hospitals or surgeons in countries or

regions where separate additional reimbursement or funding for the OCS is not available may determine that the benefits of the OCS do not or will not outweigh the cost of the OCS. Adoption of our products in the European Union may be hindered if they impede our customer's compliance with the requirements of Directive 2010/53/EU (formerly Directive 2010/45/EU), which imposes certain standards on procurement, preservation and transport of organs intended for transplantation. Even where reimbursement or funding is available, in some foreign countries, particularly in the European Union, the pricing of medical devices is subject to governmental control. In these countries, reimbursement and pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. For example, some foreign reimbursement systems provide for limited payments in a given period and, therefore, result in extended payment periods, which could hinder adoption of the OCS for use in transplantation, limiting sales. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, it may not be profitable to sell our products in certain foreign countries, which could negatively affect the long-term growth of our business.

Even if existing reimbursement and funding arrangements of governmental programs and other third-party payors provide for sufficient payments to make purchases of the OCS cost-effective for hospitals, the laws and regulations governing these arrangements are subject to change. The continuing efforts of governments, insurance companies and other payors of healthcare costs to contain or reduce these costs could lead to legislative or regulatory reform of the United States or foreign reimbursement and funding systems in a manner that significantly reduces or eliminates reimbursement for the OCS or for transplant procedures.

If hospitals in the United States or the European Union are not able to obtain reimbursement or funding for the cost of the OCS and additional disposable sets or for transplant procedures generally, they may not have sufficient economic incentives to purchase the OCS. If hospitals or surgeons determine that the benefits of the OCS do not or will not outweigh the initial cost and ongoing expense of the OCS, we might fail to achieve significant sales and may never become profitable.

Reimbursement in international markets is likely to require us to undertake country-specific reimbursement activities, including additional clinical studies, which could be time-consuming and expensive and may not yield acceptable reimbursement rates.

In international markets, market acceptance of our products will likely depend in large part on the availability of reimbursement within prevailing healthcare payment systems. Reimbursement and healthcare payment systems in international markets vary significantly by country, and by region in some countries, and include both government-sponsored healthcare and private insurance. We may not obtain international reimbursement approvals in a timely manner, if at all. In addition, even if we do obtain international reimbursement approvals, the level of reimbursement may not be enough to commercially justify expansion of our business into the approving jurisdiction. To the extent we or our customers are unable to obtain reimbursement for products in major international markets in which we seek to market and sell our products, our international revenue growth would be harmed, and our business and results of operations would be adversely affected.

If we modify our products, we may be required to obtain new PMAs or PMA supplements, vary existing CE Marking, and may be required to cease marketing or recall any modified products until the required approvals are obtained.

Certain modifications to a PMA-approved device require approval of a new PMA or a PMA supplement, while other modifications can be reported in an annual report or through a 30-day Notice. The FDA may not agree with our decisions regarding whether a new PMA or PMA supplement is necessary. We may make modifications to our approved devices and manufacturing processes in the future that we believe do not require approval of a new PMA application, PMA supplement or 30-day Notice. If the FDA disagrees with our determination and requires us to submit a new PMA, PMA supplement or 30-day Notice for modifications to our

previously approved products or manufacturing processes, we may be required to cease marketing or to recall the modified product until we obtain approval, and we may be subject to significant regulatory fines or penalties. In addition, the FDA may not approve our products for the indications that are necessary or desirable for successful commercialization or could require clinical trials to support any modification to the device or our modified indications or claims. Any delay or failure in obtaining required approvals would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would harm our future growth.

Additionally, any significant change to the quality system or the product range in relation to a CE Marked device will require notification to the notified body which certified the product. The notified body will assess the proposed change. We might not be able to have the CE Mark varied without taking additional steps, or at all. For example, we might need to conduct additional clinical trials and provide additional technical information to the appropriate notified body before the CE Mark can be affixed to the changed product.

Even after clearance or approval for the OCS, we are subject to continuing regulation by regulatory authorities and entities in the United States and other countries, and if we fail to comply with any of these regulations, our business could suffer.

Even after approval of the OCS for a specific indication, we are subject to extensive continuing regulation by the FDA and other regulatory authorities and entities. We are subject to Medical Device Reporting, or MDR, regulations, which require us to report to the FDA if we become aware of information that reasonably suggests our product may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device we market would likely cause or contribute to a death or serious injury if the malfunction were to recur. We must report corrections and removals to the FDA where the correction or removal was initiated to reduce a risk to health posed by the device or to remedy a violation of the Federal Food, Drug, and Cosmetic Act, or FDCA, caused by the device that may present a risk to health, and maintain records of other corrections or removals. The FDA closely regulates promotion and advertising and all claims that we make for the OCS. If the FDA determines that our promotional materials, training or advertising activities constitute promotion of an unapproved use of the OCS, it could request that we cease or modify our training or promotional materials or subject us to regulatory enforcement actions.

The FDA and state authorities have broad enforcement powers. Our failure to comply with applicable regulatory requirements could result in enforcement actions by the FDA or state agencies, which may include any of the following sanctions:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- recall, termination of distribution, administrative detention, injunction or seizure of organ-specific OCS Consoles or disposable sets;
- customer notifications or repair, replacement or refunds;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying our requests for 510(k) clearance or premarket approval of new products or for modifications to existing products, and refusing or delaying our requests for PMAs for new intended uses of the OCS.
- withdrawing or suspending PMAs that have already been granted, resulting in prohibitions on sales of our products;
- FDA refusal to issue certificates to foreign governments needed to export products for sale in other countries; and
- criminal prosecution.

Any corrective action, whether voluntary or involuntary, as well as potentially defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business, and may harm our reputation and financial results.

We are currently required to comply with strict post-marketing obligations that accompany the affixing of the CE Mark to medical devices in the European Union. These include the obligation to report serious adverse events within a specified time period and to provide periodic safety reports and updates. Authorities in the European Union also closely monitor the marketing programs implemented by device companies. The obligations that companies must fulfill concerning premarketing approval of promotional material vary among member states of the European Union. A failure to comply with our obligations in marketing and promoting the OCS in the European Union could harm our business and results of operations.

For our currently marketed OCS Lung, as part of the conditions of approval, we must complete two PMA post-approval studies, the INSPIRE Continuation Post-Approval Study, which is a two-arm observational study intended to evaluate long-term outcomes of the OCS Lung INSPIRE Trial patients, and our OCS Lung Thoracic Organ Perfusion Post-Approval Study Registry, or TOP Registry, which is a prospective, single-arm, multi-center, observational study designed to evaluate short- and long-term safety and effectiveness of the OCS Lung. Both the INSPIRE Continuation Post-Approval Study and the TOP Registry entail submission of regular reports to the FDA. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval.

In addition, certain changes and other events with respect to regulatory approvals may cause an event of default under our Credit Agreement. See "Description of Certain Indebtedness."

If we fail to comply with the FDA's Quality System Regulation, or FDA or EU requirements that pertain to clinical trials or investigations, the FDA or the competent EU authority could take various enforcement actions, including halting our manufacturing operations, and our business would suffer.

In the United States, as a manufacturer of a medical device, we are required to demonstrate and maintain compliance with the FDA's Quality System Regulation, or QSR. The QSR is a complex regulatory scheme that covers the methods and documentation of the design, testing, control, manufacturing, labeling, quality assurance, packaging, storage and shipping of medical devices. The FDA enforces the QSR through periodic inspections and unannounced "for cause" inspections.

We are subject to periodic FDA inspections for manufacturing and pursuant the Bioresearch Monitoring Program, which have in the past and may in the future result in the FDA issuing Form 483s, including during the conduct of clinical trials. Outside the United States, our products and operations are also often required to comply with standards set by industrial standards bodies, such as the International Organization for Standardization. Foreign regulatory bodies may evaluate our products or the testing that our products undergo against these standards. The specific standards, types of evaluation and scope of review differ among foreign regulatory bodies. Our failure to comply with FDA or local requirements that pertain to clinical trials/investigations, including GCP requirements, and the QSR (in the United States), or failure to take satisfactory and prompt corrective action in response to an adverse inspection, could result in enforcement actions, including a warning letter, adverse publicity, a shutdown of or restrictions on our manufacturing operations, delays in approving or clearing our product, refusal to permit the import or export of our product, prohibition on sales of our product, a recall or seizure of our products, fines, injunctions, civil or criminal penalties, or other sanctions, any of which could cause our business and operating results to suffer.

Our products have been and may in the future be subject to product recalls that could harm our reputation and could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

The OCS must be manufactured in accordance with federal and state regulations, and we or any of our suppliers or third-party manufacturers could be forced to recall our installed systems or terminate production if we fail to comply with these regulations. The FDA and similar foreign governmental authorities have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design, manufacture or labeling. In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is a reasonable probability that the device would cause serious injury or death. In addition, foreign governmental bodies have the authority to require the recall of our products in the event of

material deficiencies or defects in design or manufacture. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us could occur as a result of component failures, security failures, manufacturing errors, design or labeling defects or other deficiencies and issues. Recalls of any of our products would divert managerial and financial resources and have an adverse effect on our financial condition and results of operations. The FDA requires that Class I and Class II recalls be reported to the FDA within 10 working days after the recall is initiated. Companies are required to maintain records of recalls, even if they are not reportable to the FDA. We may initiate voluntary recalls involving our products in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, we could be required to report those actions as recalls. A recall announcement could harm our reputation with customers and negatively affect our sales. Additionally, any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results. In addition, the FDA could take enforcement action for failing to report the recalls when they were conducted, including warning letters, untitled letters, administrative actions, criminal prosecution, imposition of civil monetary penalties, revocation of our device approval, seizure of our products or delay in clearance or approval of future products.

We have voluntarily removed certain products from customer sites in the past, and may need to take similar actions in the future, which may result in notices to regulatory agencies in other jurisdictions. For example, in July 2018, we implemented a correction to the OCS Heart and Liver Consoles to address a loss of connection between the OCS Console and Perfusion Sets that was caused by incomplete cleaning, and issued a Product Information Bulletin to all customers and filed corrective action reports with European and Australian authorities. In March 2018, we identified a defect in one of the parts of the OCS Liver organ chamber. As a result, we temporarily suspended enrollment in the OCS Liver PROTECT Trial and removed all potentially affected units from customer sites. Additionally, in March 2018, after identifying out-of-specification plastic components used in the manufacturing of the OCS Lung Console, we removed the affected units from customer sites and replaced them with known, good product. All affected customers were notified of the issue, and regulatory bodies in Italy, Lithuania and Netherlands were notified. In September 2017, we removed the OCS Heart units from customer sites in the United States and U.K. that were not displaying the programmed settings for certain parameters and replaced them with properly labeled products. We also notified the FDA as well as regulatory bodies in the U.K. and Netherlands. In addition, in January 2017, a heart was rejected for transplantation in the U.K. due to exposure to elevated temperatures beyond the set point due to incorrect reading of the temperature sensor offsets. We notified all OCS Heart users of the issue, and provided steps to help avoid a similar event. We also notified the FDA as well as regulatory bodies in the U.K., Netherlands, Germany, Italy, Denmark, Lithuania and Australia.

Internationally, the approaches to product defects will vary. A product may be recalled in one country but not in others. However, within the European Union, competent authorities are known to communicate with each other, therefore a recall in one EU member state may lead to recalls in the rest of the European Union.

We may not be able to obtain or maintain regulatory qualifications outside the United States, which could harm our business.

Sales of the OCS outside the United States are subject to foreign regulatory requirements that vary widely from country to country. The foreign regulatory approval process generally includes all of the risks associated with obtaining FDA clearance or approval in addition to other risks. Complying with international regulatory requirements can be an expensive and time-consuming process, and approval is not certain. The time required to obtain foreign clearances or approvals may exceed the time required for FDA clearance or approval, and requirements for such clearances or approvals may differ significantly from FDA requirements. Foreign regulatory authorities may not clear or approve our product for the same uses cleared or approved by the FDA. Although we have been able to affix the CE Mark to the OCS Lung, OCS Heart and OCS Liver in the European Union, we may not be able to maintain such CE Marking, including as a result of the need to re-certify our

products, under the new Medical Devices Regulation. We may not be able to affix the CE Mark to new or modified products. In addition, we may fail to obtain any additional regulatory qualifications, clearances or approvals or to comply with additional legal obligations required by the individual member states of the European Union or other countries in which we seek to market the OCS. The FDA also regulates the export of medical devices from the United States. If we are not successful in obtaining and maintaining foreign regulatory approvals or complying with U.S. export regulations, our business will be harmed.

Foreign regulatory agencies periodically inspect manufacturing facilities both in the United States and abroad. Our most recent inspection by our EU Notified Body was in July 2018, which resulted in observations. While we have implemented corrective and preventive actions to address these observations, these previous observations may not be closed out. Additionally, we may fail to pass future inspections of our facility by applicable regulatory authorities or entities both in the United States and in other countries. Delays in receiving necessary qualifications, clearances or approvals to market our product outside the United States, or the failure to receive those qualifications, clearances or approvals, or to comply with other foreign regulatory requirements, could limit or prevent us from marketing our products or enhancements in international markets. Additionally, the imposition of new requirements could significantly affect our business and our product and we might not be able to adjust to such new requirements. If we fail to comply with applicable foreign regulations, we could face substantial penalties and our business, financial condition, operating results, cash flows and prospects could be adversely affected.

We could face product liability suits or regulatory delays due to defects in the OCS, which could be expensive and time-consuming and result in substantial damages payable by us and increases in our insurance rates.

If our products are deemed to be defectively designed, manufactured or labeled, contain defective components, suffer security failures or are hacked, or are counterfeited, we could face substantial and costly litigation by transplant centers that purchase or use the OCS or by their patients or others claiming damages on their behalf. Moreover, transplantations are complex and inherently risky medical procedures. For example, most recipients of heart transplants experience one or more serious adverse events during their transplant and post-operative care, including in some cases, death. In our OCS Lung INSPIRE Trial of donor lungs, 24% of patients experienced serious lung graft related adverse events and in our OCS Heart PROCEED II Trial of donor hearts, 13% of patients experienced serious heart graft related adverse events. Many of the patients currently on a waiting list for a lung, heart or liver transplant already are very sick, with some of them receiving intensive care. All of these patients have a significant risk of death if they do not receive a transplant. Thus, we may incur substantial liability if the OCS fails to perform as expected and, as a result of this failure, patients do not receive the intended transplants or receive transplants that are not successful.

Additionally, if the number of adverse events experienced by patients in clinical trials of the OCS is greater than expected, our clinical trials could be delayed or terminated by us or regulatory authorities. In our OCS Lung INSPIRE Trial of standard criteria donor lungs, 5.3% of patients died within 30 days of transplant and in our OCS Heart PROCEED II Trial of standard criteria donor hearts, 6% of patients died within 30 days of transplant. Although death is an anticipated adverse event of the organ transplant population, if the rate of deaths or other serious adverse events using the OCS is greater than expected using conventional transplant procedures, the study could be delayed or halted, which could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

Because the OCS represents a novel approach to organ transplantation, a patient or transplant center may choose to name us as a party to a lawsuit relating to the use of the OCS in connection with a planned or completed transplant procedure regardless of whether the OCS caused or contributed to a serious adverse event or death of a patient. Any claim, whether or not we are ultimately successful, could divert management’s attention from our core business, be expensive to defend and result in sizable damage awards against us.

Currently, we maintain product liability insurance covering damages of up to $10 million per occurrence for both the human clinical and commercial use of our product. We also maintain local insurance policies in Belgium, Germany, Australia and the U.K. with coverage ranging from €2.5 million to €10.0 million per occurrence as required by the applicable country. Our current insurance coverage might not be sufficient to cover future claims and is subject to deductibles. Moreover, in the future, we may not be able to obtain insurance in amount or scope sufficient to provide us with adequate coverage against potential liabilities. Any product liability claims brought against us, with or without merit, could increase our product liability insurance rates or prevent us from securing continuing coverage, could harm our reputation in the industry, impair our current or future preclinical studies or clinical trials, hinder acceptance of our products in the market and reduce product sales. Furthermore, we would need to pay any product liability losses in excess of our insurance coverage or within the deductibles provided under our insurance policies applicable to the claim out of cash reserves, which could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

The FDA has warned that the threat of cyberattacks on medical devices is no longer theoretical. Hackers and other third parties may try to circumvent security controls on an OCS to gain access to information on the OCS, alter the way an OCS operates, to act as a trojan horse or other entry point to other systems that could lead to those systems suffering cybersecurity breaches or attacks, or to cause harms to transplanted organs or individuals. If our security controls fail to fully protect the OCS and the information on it, we could suffer reputational harm, could undergo regulatory investigations and enforcement, or could have claims brought against us.

Third-parties may attempt to produce counterfeit versions of our products and which may harm our ability to sell the OCS and its components, negatively affect our reputation or harm patients and subject us to product liability.

Counterfeit medical devices are an increasing presence on the market. Third parties may seek to develop, manufacture, distribute and sell systems that we believe infringe our proprietary rights, which would compete against the OCS and impair our ability to sell the OCS in jurisdictions in which our proprietary rights are not upheld. In addition, counterfeit products may be promoted in a way that misleads consumers into believing they are affiliated with us. If a counterfeit version of the OCS were to appear on the market, we would expect to be obliged to verify all OCS products currently on the market, and possibly to withdraw all OCS products from the market while verifications are made. We also might be named in a lawsuit relating to any side effects or fatalities allegedly related to the use of a counterfeit OCS irrespective of whether the counterfeit device in fact contributed to such an adverse event or whether we were aware of the existence of the counterfeit device.

Improper marketing or promotion of our products or misuse or off-label use of the OCS may harm our reputation in the marketplace, result in injuries that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

Certain OCS products have been approved by regulatory authorities in the United States, European Union and other jurisdictions for specific indications, and our promotional materials and training methods must comply with regulatory requirements in the countries where they are sold. We train our marketing personnel and direct sales force to not promote the OCS for uses outside of the approved indications for use, known as “off-label uses.” We cannot, however, prevent a surgeon from using the OCS off-label, when in the surgeon’s independent professional medical judgment he or she deems it appropriate. There may be increased risk of injury to patients if surgeons attempt to use the OCS off-label. Furthermore, the use of the OCS for indications other than those approved by the FDA or approved by any foreign regulatory body may not effectively treat such conditions, which could harm our reputation in the marketplace among surgeons and patients.

If the FDA or any foreign regulatory body determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or subject us

to regulatory or enforcement actions, including the issuance or imposition of an untitled letter, which is used for violators that do not necessitate a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action under other regulatory authority, such as false claims laws, if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs and the curtailment of our operations.

In addition, surgeons may misuse the OCS or use improper techniques if they are not adequately trained, potentially leading to unsatisfactory patient outcomes, patient injuries, negative publicity and an increased risk of product liability. If the OCS is misused or used with improper technique, we may become subject to costly litigation by our customers or their patients. Similarly, in an effort to decrease costs, surgeons may also reuse the component and accessories of the OCS that are intended for a single use or may purchase reprocessed OCS components from third-party reprocessors in lieu of purchasing new components from us, which could result in product failure and liability. As described above, product liability claims could divert management's attention from our core business, be expensive to defend and result in sizeable damage awards against us that may not be covered by insurance.

Legislative or regulatory reforms in the United States or other jurisdictions may make it more difficult and costly for us to obtain regulatory clearances or approvals for our products or to manufacture, market or distribute our products after clearance or approval is obtained.

From time to time, legislation is drafted and introduced in the U.S. Congress that could significantly change the statutory provisions governing the regulation of medical devices. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new statutes, regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of any future products or make it more difficult to obtain approval for, manufacture, market or distribute our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require additional testing prior to obtaining clearance or approval; changes to manufacturing methods; recall, replacement or discontinuance of our products; or additional record keeping.

On April 5, 2017, the European Parliament passed the Medical Devices Regulation, which repeals and replaces the European Union Medical Devices Directive and the Active Implantable Medical Devices Directive. Unlike directives, which must be implemented into the national laws of the European Economic Area, or EEA, member states, regulations would be directly applicable, (i.e., without the need for adoption of EEA member state laws implementing them) in all EEA member states and are intended to eliminate current differences in the regulation of medical devices among EEA member states. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the EEA for medical devices and ensure a high level of safety and health while supporting innovation.

The Medical Devices Regulation will become applicable three years after publication, which is in 2020. Once applicable, the new regulations will, among other things:

- strengthen the rules on placing devices on the market and reinforce surveillance once they are available;
- establish explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market;
- improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;

- set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the European Union; and
- strengthen rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market.

Our products may be affected by these rules, which may mean longer or more burdensome assessment of our products. These modifications may have an effect on the way we conduct our business in the EEA.

We recognize that our products will have to be re-certified under the Medical Devices Regulation and we are in the process of updating internal procedures to ensure compliance with the new Medical Devices Regulation and have added international regulatory personnel to assist with the transition.

In addition, there are significant concerns associated with whether EU Notified Bodies will be able to re-certify all devices in their care in time. If we do not manage to re-certify our products under this new regulation or cannot rely on the transitional provisions, we may have to take our products off the EU market until this is the case.

We are subject to certain federal, state and foreign fraud and abuse laws, health information privacy and security laws and transparency laws, which, if violated, could subject us to substantial penalties. Additionally, any challenge to or investigation into our practices under these laws could cause adverse publicity and be costly.

There are numerous U.S. federal and state, as well as foreign, laws pertaining to healthcare fraud and abuse, including anti-kickback, false claims and physician transparency laws. Our business practices and relationships with providers are subject to scrutiny under these laws. We may also be subject to privacy and security regulation related to patient, customer, employee and other third-party information by both the federal government and the states and foreign jurisdictions in which we conduct our business. The healthcare laws and regulations that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce either the referral of an individual or furnishing or arranging for a good or service, for which payment may be made, in whole or in part, under federal healthcare programs, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. The U.S. government has interpreted this law broadly to apply to the marketing and sales activities of manufacturers. Moreover, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act. Violations of the federal Anti-Kickback Statute may result in substantial civil monetary and criminal penalties. Similarly, violations can result in exclusion from participation in government healthcare programs, including Medicare and Medicaid;
- the federal civil and criminal false claims laws and civil monetary penalties laws, including the federal civil False Claims Act, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid or other federal healthcare programs that are false or fraudulent. These laws can apply to manufacturers who provide information on coverage, coding, and reimbursement of their products to persons who bill private payors. Private individuals can bring False Claims Act “qui tam” actions, on behalf of the government and such individuals, commonly known as “whistleblowers,” may share in amounts paid by the entity to the government in fines or settlement. When an entity is determined to have violated the federal civil False Claims Act, the government may impose substantial civil fines and penalties, and exclude the entity from participation in Medicare, Medicaid and other federal healthcare programs;

- the federal Civil Monetary Penalties Law, which prohibits, among other things, offering or transferring remuneration to a federal healthcare beneficiary that a person knows or should know is likely to influence the beneficiary's decision to order or receive items or services reimbursable by the government from a particular provider or supplier;
- the Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created additional federal criminal statutes that prohibit, among other things, executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- the federal Physician Sunshine Act under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively referred to as the Affordable Care Act, which require certain applicable manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program to report annually to CMS information related to payments and other transfers of value to physicians and teaching hospitals. Applicable manufacturers are required to submit annual reports to CMS. Failure to submit required information may result in substantial civil monetary penalties;
- many countries in which we operate have laws with extra-territorial effect—those laws apply to our operations outside the relevant country, to the extent they are breached. Examples of such laws include: U.S. Foreign Corrupt Practices Act, Bribery Act and the GDPR. The extra-territorial effect of those laws affects our sales and marketing strategy, since in many countries healthcare professionals are officers of the state. This is particularly important in the context of bribery offences, which in the U.K. and in the United States include the offence of bribing a foreign public official. Failure by our sales staff to comply with those laws may result in criminal and civil penalties and damage our reputation; and
- analogous state and foreign law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any private payor, including commercial insurers or patients; state laws that require device companies to comply with the industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that require device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm customers, foreign and state laws, including the GDPR, governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts; and state laws related to insurance fraud in the case of claims involving private insurers.

These laws and regulations, among other things, constrain our business, marketing and other promotional activities by limiting the kinds of financial arrangements, including sales programs, we may have with customers, physicians or other potential purchasers of our products. In particular, these laws will influence, among other things, how we structure our sales offerings, including discount and rebate practices, customer support, education and training programs, and physician consulting and other service arrangements. Due to the breadth of these laws, the narrowness of statutory exceptions and regulatory safe harbors available, and the range of interpretations to which they are subject, it is possible that some of our current or future practices might be challenged under one or more of these laws.

To enforce compliance with the healthcare regulatory laws, certain enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. For example, the

member states of the European Union closely monitor perceived unlawful marketing activity by companies, including inducement to prescribe and the encouragement of off-label use of devices. Responding to investigations can be time-and resource-consuming and can divert management's attention from the business. Additionally, as a result of these investigations, healthcare providers and entities may have to agree to additional compliance and reporting requirements as part of a consent decree or corporate integrity agreement. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. Even an unsuccessful challenge or investigation into our practices could cause adverse publicity, and be costly to respond to. If our operations are found to be in violation of any of the healthcare laws or regulations described above or any other healthcare regulations that apply to us, we may be subject to penalties, including administrative, civil and criminal penalties, damages, fines, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, imprisonment, contractual damages, reputational harm, disgorgement and the curtailment or restructuring of our operations. Moreover, industry associations closely monitor the activities of their member companies. If these organizations or national authorities were to name us as having breached our obligations under their laws, regulations, rules or standards, our reputation would suffer and our business, financial condition, operating results, cash flows and prospects could be adversely affected.

Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act, as well as export control laws, customs laws, sanctions laws and other laws governing our operations could result in civil or criminal penalties, other remedial measures and legal expenses.

As we grow our international presence, we are increasingly exposed to trade and economic sanctions and other restrictions imposed by the United States, the European Union and other governments and organizations. The U.S. Departments of Justice, Commerce, State and Treasury and other federal agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of economic sanctions laws, export control laws, the U.S. Foreign Corrupt Practices Act, or FCPA, and other federal statutes and regulations, including those established by the Office of Foreign Assets Control, or OFAC. In addition, the Bribery Act prohibits both domestic and international bribery, as well as bribery across both private and public sectors, where a business or personnel engaged by it have a connection with the U.K. An organization with that connection and that "fails to prevent bribery" by anyone associated with the organization can be found guilty under the Bribery Act unless the organization can establish the defense of having implemented "adequate procedures" to prevent bribery. Under these laws and regulations, as well as other anti-corruption laws, anti-money laundering laws, export control laws, customs laws, sanctions laws and other laws governing our operations, various government agencies may require export licenses, may seek to impose modifications to business practices, including cessation of business activities in sanctioned countries or with sanctioned persons or entities and modifications to compliance programs, which may increase compliance costs, and may subject us to fines, penalties and other sanctions. A violation of these laws or regulations would negatively affect our business, financial condition and results of operations. Due to sales of our products to government or government-affiliated entities, we may be exposed to heightened risk of potential violations of the FCPA, the Bribery Act, or other relevant law.

We have implemented policies and procedures designed to ensure compliance by us and our directors, officers, employees, representatives, consultants and agents with the FCPA, OFAC restrictions, the Bribery Act and other export control, anti-corruption, anti-money-laundering and anti-terrorism laws and regulations. We cannot assure you, however, that our policies and procedures are or will be sufficient or that directors, officers, employees, representatives, consultants and agents have not engaged and will not engage in conduct for which we may be held responsible, nor can we assure you that our business partners have not engaged and will not engage in conduct that could materially affect their ability to perform their contractual obligations to us or even result in our being held liable for such conduct. Violations of the FCPA, OFAC restrictions, the Bribery Act or other export control, anti-corruption, anti-money laundering and anti-terrorism laws or regulations may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to, and may in the future become subject to additional, U.S., state and foreign laws and regulations imposing obligations on how we collect, store, process or share information concerning individuals. Our actual or perceived failure to comply with such obligations could harm our business. Complying with such laws could also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue.

In the conduct of our business, we may at times collect, process or share data concerning individuals, including health-related personal data. The U.S. federal government and various states have adopted or proposed laws, regulations, guidelines and rules for the collection, distribution, use and storage of personal information of individuals. We may also be subject to U.S. federal rules, regulations and guidance concerning cybersecurity for medical devices, including guidance from the FDA. State privacy and cybersecurity laws vary and, in some cases, can impose more restrictive requirements than U.S. federal law. Where state laws are more protective, we must comply with the stricter provisions. In addition to fines and penalties that may be imposed for failure to comply with state law, some states also provide for private rights of action to individuals for misuse of personal information.

The European Union also has laws and regulations dealing with the collection, use and processing of personal data concerning individuals who are located in the European Union, which are often more restrictive than those in the United States. Data laws in the European Union are under reform and since May 25, 2018, we have been and will be subject to the requirements of the GDPR because we are processing personal data in the European Union. or offering goods to, or monitoring the behavior of, individuals who are located in the European Union. The GDPR implements more stringent administrative requirements for controllers and processors of personal data, including, for example, shortened timelines for data breach notifications, limitations on retention of information, increased requirements pertaining to health data and pseudonymised (i.e., key-coded) data, additional obligations when we contract with service providers, and more robust rights for individuals over their personal data. The GDPR provides that EU member states may make their own further laws and regulations limiting the processing of genetic, biometric or health data, which could limit our ability to use and share personal data or to cause our costs could increase, and harm our business and financial condition. If we do not comply with our obligations under the GDPR, we could be exposed to substantial fines and litigation. In addition, EU law restricts transfers of personal data to the United States unless certain requirements are met. These rules are under flux. For example, following a decision of the Court of Justice of the European Union in October 2015, transferring personal data to U.S. companies that had certified as members of the U.S. Safe Harbor Scheme was declared invalid. In July 2016 the European Commission adopted the U.S.-EU Privacy Shield Framework which replaces the Safe Harbor Scheme. However, this Framework is under review and there is currently litigation challenging it and other mechanisms for transferring personal data from the EU (e.g., through standard contractual clauses). It is uncertain whether the Privacy Shield Framework and/or the standard contractual clauses will be similarly invalidated by the European courts. We rely on a mixture of mechanisms to transfer personal data from our EU business to the United States, and could be impacted by changes in law as a result of a future review of these transfer mechanisms by European regulators under the GDPR, as well as current challenges to these mechanisms in the European courts.

Any actual or perceived failure by us or the third parties with whom we work to comply with data privacy or security laws, policies, legal obligations or industry standards, or any security incident that results in the unauthorized release or transfer of information concerning individuals, may result in governmental enforcement actions and investigations, including by European data protection authorities and U.S. federal and state regulatory authorities, fines and penalties, litigation and/or adverse publicity, including by consumer advocacy groups, and could cause our customers, their patients and other healthcare professionals to lose trust in us, which could harm our reputation and have a material adverse effect on our business, financial condition and results of operations.

Healthcare policy changes, including recently enacted legislation reforming the U.S. healthcare system, could harm our business, financial condition and results of operations.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. In March 2010, the Affordable Care Act was enacted in the United States, which made a number of substantial changes in the way healthcare is financed by both governmental and private insurers. Among other ways in which it may affect our business, the Affordable Care Act:

- imposed an annual excise tax of 2.3% on any entity that manufactures or imports medical devices offered for sale in the United States, with limited exceptions, although the effective rate paid may be lower. Through a series of legislative amendments, the tax was suspended for 2016 through 2019. Absent further legislative action, the device excise tax will be reinstated on medical device sales starting January 1, 2020;
- established a new Patient-Centered Outcomes Research Institute to oversee and identify priorities in comparative clinical effectiveness research in an effort to coordinate and develop such research;
- implemented payment system reforms, including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models; and
- expanded the eligibility criteria for Medicaid programs.

We do not yet know the full impact that the Affordable Care Act, and more recent measures impacting the healthcare system, will have on our business. The taxes imposed by the Affordable Care Act may result in decreased profits to us, lower reimbursement by payors to hospitals and transplant centers, and/or reduced medical procedure volumes, all of which may have a material adverse effect on our business, financial condition and results of operations. The Trump Administration and the U.S. Congress may take further action regarding the Affordable Care Act, including, but not limited to, repeal or replacement. Most recently, the TCJA was enacted which, among other things, removes penalties for not complying with the individual mandate to carry health insurance. Additionally, all or a portion of the Affordable Care Act and related subsequent legislation may be modified, repealed or otherwise invalidated through judicial challenge, which could result in lower numbers of insured individuals, reduced coverage for insured individuals and adversely affect our business.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. On August 2, 2011, the Budget Control Act of 2011 was signed into law, which, among other things, reduced Medicare payments to providers by 2% per fiscal year, effective on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2027 unless additional Congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law which, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. The Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, enacted on April 16, 2015, repealed the formula by which Medicare made annual payment adjustments to physicians and replaced the former formula with fixed annual updates and a new system of incentive payments scheduled to begin in 2019 that are based on various performance measures and physicians' participation in alternative payment models such as accountable care organizations. It is unclear what effect new quality and payment programs, such as MACRA, may have on our business, financial condition, results of operations or cash flows.

We expect additional state and federal healthcare policies and reform measures to be adopted in the future, any of which could limit reimbursement for healthcare products and services or otherwise result in reduced demand for the OCS or additional pricing pressure and have a material adverse effect on our industry generally and on our customers. Any changes of, or uncertainty with respect to, future reimbursement to hospitals and transplant centers could affect demand for the OCS, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Our business activities involve the use of hazardous materials, which require compliance with environmental and occupational safety laws regulating the use of such materials. If we violate these laws, we could be subject to significant fines, liabilities or other adverse consequences.

Our research and development programs involve the controlled use of hazardous materials. Accordingly, we are subject to international, federal, state and local laws governing the use, handling and disposal of these materials. Although we believe that our safety procedures for handling and disposing of these materials comply in all material respects with applicable regulations, we cannot eliminate the risk of accidental contamination or injury from these materials. In the event of an accident or failure to comply with environmental laws, we could be held liable for damages that result, and any such liability could exceed our assets and resources. Our general liability and umbrella insurance policies provide for coverage up to annual aggregate limits of $2 million per occurrence, but exclude coverage for liabilities relating to the release of pollutants. The insurance that we currently hold may not be adequate to cover all liabilities relating to accidental contamination or injury due to pollution conditions or other extraordinary or unanticipated events. Furthermore, an accident could damage or force us to shut down our operations.

Risks Related to Our Common Stock and this Offering

An active trading market for our common stock may not develop, and you may not be able to resell your shares of our common stock at or above the initial offering price.

Before this offering, there was no public trading market for our common stock. If a market for our common stock does not develop or is not sustained, it may be difficult for you to sell your shares of common stock at an attractive price, at the time that you would like to sell them, or at all. The initial public offering price of our common stock will be determined through negotiations between us and the underwriters. This initial public offering price may not be indicative of the market price of our common stock after the offering. We cannot predict the prices at which our common stock will trade. Consequently, you may not be able to sell our common stock at prices equal to or greater than the price you paid in this offering, or at all.

The market price of our common stock may be volatile, which could result in substantial losses for investors purchasing shares in this offering and could subject us to securities class action litigation.

The market price of our common stock could be subject to significant fluctuations after this offering, and it may decline below the initial public offering price. Some of the factors that may cause the market price of our common stock to fluctuate include:

- price and volume fluctuations in the overall stock market;
- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes in our earnings or fluctuations in our operating results or in the expectations of securities analysts;
- results of clinical trials relating to the OCS or competing products;
- failure or discontinuation of any of our product development and research programs;
- regulatory or legal developments in the United States and other countries, including changes in the healthcare payment systems;
- results of applications for regulatory approvals or clearances for the OCS or competing products;
- our announcements or our competitors' announcements of new products, procedures or therapies;
- departure of key personnel;
- litigation involving us or that may be perceived as having an adverse effect on our business;

- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- market conditions in the medical device and biotechnology sectors;
- changes in general economic, industry and market conditions and trends;
- investors' general perception of us; and
- sales of large blocks of our stock.

The market for medical device and biotechnology companies, in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Because of the potential volatility of our stock price, we may become the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

We will have broad discretion in the use of our net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of our net proceeds from the sale of our shares in this offering, and you will be relying on the judgment of our management regarding the application of these proceeds. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations, the occurrence and timing of regulatory approvals and clinical trials, the anticipated growth of our business and the availability and terms of alternative financing sources to fund our growth. Because we will have broad discretion in the application of our net proceeds from this offering, our management may fail to apply these funds effectively, which could materially and adversely affect our ability to operate and grow our business.

Purchasers in this offering will incur immediate and substantial dilution in the book value of their investment as a result of this offering.

The initial public offering price will be substantially higher than the pro forma as adjusted net tangible book value per share of our common stock after this offering. Investors purchasing common stock in this offering will pay a price per share that substantially exceeds the pro forma as adjusted net tangible book value per share after this offering. If you purchase shares of our common stock in this offering, you will incur immediate dilution of $ per share as of June 30, 2018, based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, representing the difference between our pro forma as adjusted net tangible book value per share after giving effect to this offering and the assumed initial public offering price. Further, investors purchasing common stock in this offering will contribute approximately % of the total amount invested by stockholders since our inception, but will own only approximately % of the shares of common stock outstanding after this offering. You will experience additional dilution upon the exercise of options to purchase shares of our common stock, including those options currently outstanding and those granted in the future, and the issuance of restricted stock or other equity awards under our stock incentive plans. To the extent we raise additional capital by issuing equity securities, our shareholders will experience substantial additional dilution. See "Dilution."

Because we do not expect to pay any dividends on our common stock for the foreseeable future, investors in this offering may never receive a return on their investment.

You should not rely on an investment in our common stock to provide dividend income. We do not anticipate that we will pay cash dividends to holders of our common stock in the foreseeable future. Instead, we plan to retain any earnings to maintain and expand our existing operations. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, to realize a return on their investment.

A significant portion of our total outstanding shares may be sold into the public market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Following completion of this offering, we will have shares of common stock outstanding (or shares of common stock if the underwriters exercise their option to purchase additional shares in full). Of the shares of our common stock to be outstanding following completion of this offering, the shares offered by this prospectus will be eligible for immediate sale in the public market without restriction by persons other than our affiliates. Our remaining outstanding shares will become available for resale in the public market as shown in the chart below, subject to the provisions of Rule 144 and Rule 701.

Number of Shares	Date Available for Resale
	On the date of this offering
	180 days after this offering, subject to certain exceptions

In addition, each of our officers and directors and certain holders of our common stock have entered into a lock-up agreement with Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, as representatives of the underwriters, which regulates their sales of our common stock for a period of 180 days after the date of this prospectus, subject to certain exceptions. Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements at any time and for any reason.

Sales of substantial amounts of our common stock in the public market after this offering, the perception that such sales will occur, or early release of these lock-up agreements could adversely affect the market price of our common stock and make it difficult for us to raise funds through securities offerings in the future. For more information, see the “Shares Eligible for Future Sale” and “Underwriting” sections of this prospectus.

We will adopt anti-takeover provisions in our restated articles of organization and amended and restated bylaws and are subject to provisions of Massachusetts law that may frustrate any attempt to remove or replace our current board of directors or to effect a change of control or other business combination involving our company.

Our restated articles or organization and amended and restated bylaws and certain provisions of Massachusetts law may discourage certain types of transactions involving an actual or potential change of control of our company that might be beneficial to us or our security holders. For example, our amended and restated bylaws will grant our directors the right to adjourn any meetings of shareholders. Our board of directors also may issue shares of any class or series of preferred stock in the future without shareholder approval and upon such terms as our board of directors may determine. The rights of the holders of our common stock will be subject to, and may be harmed by, the rights of the holders of any class or series of preferred stock that may be issued in the future. Massachusetts state law also prohibits us from engaging in specified business combinations unless the combination is approved or consummated in a prescribed manner. These provisions, alone or together, could delay hostile takeovers and changes in control of our company or changes in our management.

Our restated articles of organization will designate the state and federal courts located within the Commonwealth of Massachusetts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against us and our directors and officers.

Our restated articles of organization will designate the state and federal courts located within the Commonwealth of Massachusetts as the sole and exclusive forum for any derivative action or proceeding brought

on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our shareholders, creditors or other constituents, any action asserting a claim arising pursuant to any provision of the Massachusetts Business Corporation Act or any action asserting a claim governed by the internal affairs doctrine, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. In addition, our articles of organization provide that unless our board of directors consents in writing to the selection of an alternative forum, the U.S. federal district courts shall be the exclusive forum for the resolutions of any complaint asserting a cause of action arising under the U.S. federal securities laws. This exclusive forum provision may limit the ability of our shareholders to bring a claim in a judicial forum that such shareholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors and officers. Alternatively, if a court outside of Massachusetts were to find this exclusive forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings described above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our management team and could divert their attention away from the day-to-day management of our business, which could materially and adversely affect our business, financial condition, operating results, cash flows and prospects.

Our directors, officers and principal shareholders have significant voting power and may take actions that may not be in the best interests of our other shareholders.

Following completion of this offering, our directors, officers and principal shareholders each holding more than 5% of our common stock, collectively, will control approximately % of our outstanding common stock (approximately % if the underwriters exercise their option to purchase additional shares in full). As a result, these shareholders, if they act together, will be able to control the management and affairs of our company and most matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. The interests of these shareholders may not be the same as or may even conflict with your interests. For example, these shareholders could attempt to delay or prevent a change in control of the Company, even if such change in control would benefit our other shareholders. As a result, this concentration of ownership may not be in the best interests of our other shareholders.

As a public company, we will become subject to additional laws, regulations and stock exchange listing standards, which will impose additional costs on us and may strain our resources and divert our management's attention.

Prior to this offering, we operated on a private basis. After this offering, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of Nasdaq and other applicable securities laws and regulations. Compliance with these laws and regulations will increase our legal and financial compliance costs and make some activities more difficult, time-consuming or costly, which may strain our resources or divert management's attention.

If we fail to maintain effective internal control over financial reporting and effective disclosure controls and procedures, we may not be able to accurately report our financial results in a timely manner or prevent fraud, which may adversely affect investor confidence in our company.

We are not currently required to comply with the rules of the SEC implementing Section 404 of the Sarbanes-Oxley Act and, therefore, we are not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. Although we will be required to disclose changes made in our internal controls and procedures on a quarterly basis, we are not required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. As an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating.

To comply with the requirements of being a public company, we may need to undertake actions, such as implementing new internal controls and procedures and hiring additional accounting or internal audit staff. Testing and maintaining internal control can divert our management's attention from other matters that are important to the operation of our business. In addition, when evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. If we identify any material weaknesses in our internal controls over financial reporting or we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting once we are no longer an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports. As a result, the market price of our common stock could be materially adversely affected.

We are an "emerging growth company" and "smaller reporting company," and the reduced disclosure requirements applicable to emerging growth companies and smaller reporting companies may make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and may remain an emerging growth company until the last day of our fiscal year following the fifth anniversary of this offering, subject to specified conditions. We would cease to be an emerging growth company prior to such date if we have more than $1.07 billion in annual revenue, we have more than $700 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one annual report on Form 10-K) or we issue more than $1 billion of non-convertible debt securities over a three-year period. For so long as we remain an emerging growth company, we are permitted, and intend, to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include reduced disclosure obligations regarding executive compensation and no requirements to hold non-binding advisory votes on executive compensation and golden parachute payments, to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and to comply with certain requirements of Auditing Standard 3101 relating to providing a supplement to the auditor's report regarding critical audit matters. In this prospectus, we have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to avail ourselves of this exemption, and the reported results of operations contained in our financial statements may not be directly comparable to those of other public companies. Accordingly, we will incur additional costs in connection with complying with the accounting standards applicable to public companies at such time or times as they become applicable to us.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700 million and our annual revenue is less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our stock held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not smaller reporting companies. Specifically, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our financial condition and results of operations.

Accounting principles and related pronouncements, implementation guidelines and interpretations we apply to a wide range of matters that are relevant to our business, including, but not limited to, revenue recognition, leases and stock-based compensation, are complex and involve subjective assumptions, estimates and judgments by our management. Changes in accounting pronouncements or their interpretation or changes in underlying assumptions, estimates or judgments by our management could significantly change our reported or expected financial performance.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business”, contains forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “could,” “target,” “predict,” “seek” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short- and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Some of the key factors that could cause actual results to differ from our expectations include:

- our anticipation that we will continue to incur losses in the future;
- our potential need to raise additional funding;
- our existing and any future indebtedness, including our ability to comply with affirmative and negative covenants under the Credit Agreement to which we will remain subject to until maturity;
- the fluctuation of our financial results from quarter to quarter;
- our ability to use NOLs and research and development credit carryforwards;
- our dependence on the success of the OCS;
- the rate and degree of market acceptance of the OCS;
- our ability to educate patients, surgeons, transplant centers and private payors of benefits offered by the OCS;
- our ability to improve the OCS platform;
- our dependence of limited number of customers for a significant portion of our net revenue;
- the timing of and our ability to obtain and maintain regulatory approvals or clearances;
- the performance of our third-party suppliers and manufacturers;
- the timing or results of clinical trials for the OCS;
- our manufacturing, sales, marketing and clinical support capabilities and strategy;
- attacks against our information technology infrastructure;
- the economic, political and other risks associated with our foreign operations;
- our ability to attract and retain key personnel;
- our ability to protect, defend, maintain and enforce our intellectual property rights relating to the OCS and avoid allegations that our products infringe, misappropriate or otherwise violate the intellectual property rights of third parties;

- the ability to obtain and maintain regulatory approvals or clearance for our OCS products;
- our expectations for the pricing of the OCS, as well as the reimbursement coverage for the OCS in the United States and internationally;
- regulatory developments in the United States, European Union and other jurisdictions;
- the extent and success of competing products that are or may become available;
- the impact of any product recalls or improper use of our products;
- our use of proceeds for this offering; and
- our estimates regarding revenues, expenses and needs for additional financing.

The forward-looking statements included in this prospectus are made only as of the date hereof. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations.

You should read this prospectus with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

USE OF PROCEEDS

We estimate that our net proceeds from the sale of our common stock in this offering will be approximately $ million, or approximately $ million if the underwriters exercise in full their option to purchase additional shares from us in this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming that the number of shares offered, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 shares in the number of shares offered by us in this offering, as set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering as follows:

- approximately $ million to fund continued development and commercialization of the OCS;
- approximately $ million for research, development and pre- and post-market clinical trial expenditures; and
- the balance for working capital and other general corporate purposes.

In addition, we believe that opportunities may exist from time to time to expand our current business through acquisitions of or investments in complementary products, technologies or businesses. While we have no current agreements, commitments or understandings for any specific acquisitions or in-licenses at this time, we may use a portion of our net proceeds for these purposes.

We believe that the net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities, will enable us to fund our operating expenses, capital expenditure requirements and debt service payments through , without considering potential additional borrowings that may be available to us upon our achievement of specified revenue thresholds and a regulatory milestone under our Credit Agreement. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect.

Our management will have broad discretion in the application of the net proceeds we receive from this offering, and investors will be relying on the judgment of our management regarding the application of our net proceeds. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations, the occurrence and timing of regulatory approvals and clinical trials, the anticipated growth of our business and the availability and terms of alternative financing sources to fund our growth. Pending their use as described above, we intend to invest the net proceeds we receive from this offering in saving, certificate of deposit and money market accounts as well as short-term and intermediate investment-grade interest-bearing securities and obligations, such as money market funds, commercial paper and obligations of the United States government and its agencies.

DIVIDEND POLICY

We have never declared or paid any dividends on our capital stock. We do not anticipate declaring or paying any cash dividends on our capital stock in the foreseeable future. Any future determination to declare and pay cash dividends, if any, will be made at the discretion of our board of directors and will depend on a variety of factors, including applicable laws, our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, general business or financial market conditions and other factors our board of directors may deem relevant. In addition, our Credit Agreement contains covenants that restrict our ability to pay cash dividends. See “Description of Certain Indebtedness—Credit Agreement.” Investors should not purchase our common stock with the expectation of receiving cash dividends.

CAPITALIZATION

The following table sets forth our cash, cash equivalents and marketable securities and our capitalization as of June 30, 2018:

- on an actual basis;
- on a pro forma basis to give effect to the Corporate Reorganization, including (i) the conversion of all outstanding shares of preferred stock of TransMedics, Inc. into an aggregate of shares of common stock of TransMedics Group, Inc., or TransMedics Group, (ii) the conversion of all outstanding warrants to purchase shares of preferred stock of TransMedics, Inc. into warrants to purchase shares of common stock of TransMedics Group and (iii) the filing and effectiveness of our restated articles of organization; and
- on a pro forma as adjusted basis to give further effect to (i) our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (ii) our payment of $1.5 million to former financial advisors upon the closing of this offering in satisfaction of contractual obligations previously recorded.

The pro forma as adjusted information below is illustrative only, and our capitalization following the closing of this offering will change based on the actual initial public offering price and other terms of this offering determined at pricing. You should read the information in this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this prospectus.

	As of June 30, 2018		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share and per share data)		
Cash, cash equivalents and marketable securities	$ 35,189	$ 35,189	$
Preferred stock warrant liability	$ 593	$ —	$
Long-term debt, net of discount, including current portion	33,445	33,445	
Convertible preferred stock (Series A-1, B, B-1, C, D, E and F), $0.0001 par value; 50,776,054 shares authorized, 50,404,140 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	186,519	—	
Stockholders' equity (deficit):			
Preferred stock, no par value; no shares authorized, issued or outstanding, actual; shares authorized and no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	
Common stock, $0.0001 par value; 60,000,000 shares authorized, 4,756,801 shares issued and 4,755,725 shares outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	1	—	
Common stock, no par value; no shares authorized, issued or outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—	330,799	
Additional paid-in capital	143,686	—	
Accumulated other comprehensive loss	(150)	(150)	
Accumulated deficit	(323,196)	(323,196)	
Total stockholders' equity (deficit)	(179,659)	7,453	
Total capitalization	$ 40,898	$ 40,898	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and marketable securities, common stock, total stockholders' equity and total capitalization by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and marketable securities, common stock, total stockholders' equity and total capitalization by $ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The table above does not include:

- 5,446,918 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2018 under our 2004 Plan and our 2014 Plan, at a weighted average exercise price of $0.38 per share;
- 225,544 shares of common stock issuable upon the exercise of warrants outstanding as of June 30, 2018 to purchase shares of preferred stock of TransMedics, Inc. that will be converted into warrants to purchase shares of common stock of TransMedics Group, at a weighted average exercise price of $ per share, in connection with the Corporate Reorganization;
- 632,798 shares of common stock available for future issuance as of June 30, 2018 under our 2014 Plan;
- shares of common stock that will become available for future issuance under our 2019 Stock Incentive Plan, or our 2019 Plan; and
- shares of common stock that will become available for future issuance under our 2019 Employee Stock Purchase Plan, or our 2019 ESPP.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be diluted immediately to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock after this offering.

Our historical net tangible book value (deficit) as of June 30, 2018 was $(179.7) million, or $(37.78) per share of common stock. Our historical net tangible book value (deficit) is the amount of our total tangible assets less our total liabilities and the carrying value of our preferred stock, which is not included within stockholders' equity (deficit). Historical net tangible book value (deficit) per share represents historical net tangible book value (deficit) divided by the 4,755,725 shares of common stock outstanding as of June 30, 2018.

Our pro forma net tangible book value as of June 30, 2018 was $7.5 million, or $ per share of common stock. Pro forma net tangible book value represents the amount of our total tangible assets less our total liabilities, after giving effect to the Corporate Reorganization, including (i) the conversion of all outstanding shares of preferred stock of TransMedics, Inc. into an aggregate of shares of common stock of TransMedics Group and (ii) the conversion of all outstanding warrants to purchase shares of preferred stock of TransMedics, Inc. into warrants to purchase shares of common stock of TransMedics Group. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares outstanding as of June 30, 2018, after giving effect to the pro forma adjustments described above.

After giving further effect to (i) our issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (ii) our payment of $1.5 million to former financial advisors upon the closing of this offering in satisfaction of contractual obligations previously recorded, our pro forma as adjusted net tangible book value as of June 30, 2018 would have been $ million, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value per share of $ to existing stockholders and immediate dilution of $ in pro forma as adjusted net tangible book value per share to new investors purchasing common stock in this offering. Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the assumed initial public offering price per share paid by new investors. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of June 30, 2018	$(37.78)	
Increase per share attributable to the pro forma adjustments described above		
Pro forma net tangible book value per share as of June 30, 2018		
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing common stock in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors purchasing common stock in this offering		$

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by $ and dilution per share to new investors purchasing common stock in this offering by $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and

estimated offering expenses payable by us. An increase of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase our pro forma as adjusted net tangible book value per share after this offering by $ and decrease the dilution per share to new investors purchasing common stock in this offering by $, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A decrease of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease our pro forma as adjusted net tangible book value per share after this offering by $ and increase the dilution per share to new investors purchasing common stock in this offering by $, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, our pro forma as adjusted net tangible book value per share after this offering would be $, representing an immediate increase in pro forma as adjusted net tangible book value per share of $ to existing stockholders and immediate dilution in pro forma as adjusted net tangible book value per share of $ to new investors purchasing common stock in this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, as of June 30, 2018, on the pro forma as adjusted basis described above, the total number of shares of common stock purchased from us on an as converted to common stock basis, the total consideration paid or to be paid and the average price per share paid or to be paid by existing stockholders and by new investors in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. As the table shows, new investors purchasing common stock in this offering will pay an average price per share substantially higher than our existing stockholders paid.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percentage	
Existing stockholders		%	$	%	$
New investors					$
Total		100.0%	$	100.0%	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by percentage points, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors by $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by percentage points, assuming no change in the assumed initial public offering price.

The table above assumes no exercise of the underwriters' option to purchase additional shares in this offering. If the underwriters' option to purchase additional shares is exercised in full, the number of shares of our common stock held by existing stockholders would be reduced to % of the total number of shares of our common stock outstanding after this offering, and the number of shares of common stock held by new investors

purchasing common stock in this offering would be increased to % of the total number of shares of our common stock outstanding after this offering.

The tables and discussion above are based on the number of shares of our common stock outstanding as of June 30, 2018, and exclude:

- 5,446,918 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2018 under our 2004 Plan and our 2014 Plan, at a weighted average exercise price of $0.38 per share;
- 225,544 shares of common stock issuable upon the exercise of warrants outstanding as of June 30, 2018 to purchase shares of preferred stock of TransMedics, Inc. that will be converted into warrants to purchase shares of common stock of TransMedics Group, at a weighted average exercise price of $ per share, in connection with the Corporate Reorganization;
- 632,798 shares of common stock available for future issuance as of June 30, 2018 under our 2014 Plan;
- shares of common stock that will become available for future issuance under our 2019 Plan; and
- shares of common stock that will become available for future issuance under our 2019 ESPP.

To the extent that outstanding stock options or warrants are exercised, new stock options or warrants are issued, or we issue additional shares of common stock in the future, there will be further dilution to new investors. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our shareholders.

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data together with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2016 and December 30, 2017 and the consolidated balance sheet data as of December 31, 2016 and December 30, 2017 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal six months ended July 1, 2017 and June 30, 2018 and the consolidated balance sheet data as of June 30, 2018 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus and have been prepared on the same basis as the audited consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future.

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
	(in thousands, except per share data)			
Consolidated Statement of Operations Data:				
Net revenue	$ 6,209	$ 7,685	$ 3,712	$ 5,434
Cost of revenue	5,443	5,548	2,589	3,331
Gross profit	766	2,137	1,123	2,103
Operating expenses:				
Research, development and clinical trials	15,637	14,957	8,153	6,898
Selling, general and administrative	8,115	7,606	4,161	5,142
Total operating expenses	23,752	22,563	12,314	12,040
Loss from operations	(22,986)	(20,426)	(11,191)	(9,937)
Other income (expense):				
Interest expense	(979)	(1,072)	(534)	(571)
Change in fair value of preferred stock warrant liability	(105)	159	143	(240)
Other income (expense), net	5	548	232	(253)
Total other expense, net	(1,079)	(365)	(159)	(1,064)
Loss before income taxes	(24,065)	(20,791)	(11,350)	(11,001)
Provision for income taxes	—	(32)	(19)	(15)
Net loss	$ (24,065)	$ (20,823)	$ (11,369)	$ (11,016)
Net loss per share attributable to common stockholders, basic and diluted[1]	$ (5.35)	$ (4.48)	$ (2.45)	$ (2.36)
Weighted average common shares outstanding, basic and diluted[1]	4,502	4,647	4,646	4,677
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)[1]		$		$
Pro forma weighted average common shares outstanding, basic and diluted (unaudited)[1]				

(1) See Note 14 to our consolidated financial statements included elsewhere in this prospectus for details on the calculation of basic and diluted net loss per share attributable to common stockholders and unaudited basic and diluted pro forma net loss per share attributable to common stockholders.

	As of December 31, 2016	As of December 30, 2017	As of June 30, 2018
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash, cash equivalents and marketable securities	$ 47,838	$ 24,663	$ 35,189
Working capital(1)	46,392	23,137	38,204
Total assets	58,104	37,001	51,134
Long-term debt, net of discount, including current portion	8,407	8,652	33,445
Preferred stock warrant liability	512	353	593
Convertible preferred stock	186,519	186,519	186,519
Total stockholders' deficit	(148,242)	(168,724)	(179,659)

(1) We define working capital as current assets less current liabilities.

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

You should read the following discussion and analysis of our financial condition and results of operations together with the "Selected Consolidated Financial Data" section of this prospectus and our consolidated financial statements and related notes included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this prospectus, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are a commercial-stage medical technology company transforming organ transplant therapy for end-stage organ failure patients across multiple disease states. We developed the OCS to replace a decades-old standard of care that we believe is significantly limiting access to life-saving transplant therapy for hundreds of thousands of patients worldwide. Our innovative OCS technology replicates many aspects of the organ's natural living and functioning environment outside of the human body. As such, the OCS represents a paradigm shift that transforms organ preservation for transplantation from a static state to a dynamic environment that enables new capabilities, including organ optimization and assessment. We believe our substantial body of clinical evidence has demonstrated the potential for the OCS to significantly increase the number of organ transplants and improve post-transplant outcomes.

We developed the OCS to comprehensively address the major limitations of cold storage. The OCS is a portable organ perfusion, optimization and monitoring system that utilizes our proprietary and customized technology to replicate near-physiologic conditions for donor organs outside of the human body. We designed the OCS technology platform to perfuse donor organs with warm, oxygenated, nutrient-enriched blood, while maintaining the organs in a living, functioning state; the lung is breathing, the heart is beating and the liver is producing bile. Because the OCS significantly reduces injurious ischemic time on donor organs as compared to cold storage and enables the optimization and assessment of donor organs, it has demonstrated improved clinical outcomes relative to cold storage and offers the potential to significantly improve donor organ utilization.

We designed the OCS to be a platform that allows us to leverage core technologies across products for multiple organs. To date, we have developed three OCS products, one for each of lung, heart and liver transplantations, making the OCS the only multi-organ technology platform. Our OCS products have been used for over 1,100 human organ transplants. During our clinical trials, we established relationships with over 55 leading transplant programs worldwide. We have commercialized the OCS Lung and OCS Heart outside of the United States and received our first PMA from the FDA in March 2018 for the use of the OCS Lung for donor lungs currently utilized for transplantation. We expect FDA action on additional applications for PMAs we submitted or that we expect to submit in connection with our other OCS products over the next 18 months.

Since our inception, we have focused substantially all of our resources on designing, developing and building our proprietary OCS technology platform and organ-specific OCS products; obtaining clinical evidence for the safety and effectiveness of our OCS products through clinical trials; securing regulatory approval; organizing and staffing our company; planning our business; raising capital; and providing general and administrative support for these operations. To date, we have funded our operations primarily with proceeds from sales of preferred stock and borrowings under loan agreements.

Since our inception, we have incurred significant operating losses. Our ability to generate net revenue sufficient to achieve profitability will depend on the successful further development and commercialization of our products. We generated net revenue of $6.2 million and $7.7 million for the fiscal years ended December 31,

2016 and December 30, 2017, respectively, and incurred net losses of $24.1 million and $20.8 million for those same years. We generated net revenue of $5.4 million and incurred a net loss of $11.0 million for the fiscal six months ended June 30, 2018. As of June 30, 2018, we had an accumulated deficit of $323.2 million. We expect to continue to incur net losses for the foreseeable future as we focus on growing commercial sales of our products in both the U.S. and select non-U.S. markets, including growing our sales and clinical adoption team, which will pursue increasing commercial sales and clinical adoption of our OCS products; scaling our manufacturing operations; continuing research, development and clinical trial efforts; and seeking regulatory clearance for new products and product enhancements, including new indications, in both the U.S. and select non-U.S. markets. Further, following the closing of this offering, we expect to incur additional costs associated with operating as a public company. As a result, we will need substantial additional funding for expenses related to our operating activities, including selling, general and administrative expenses and research, development and clinical trials expenses.

Because of the numerous risks and uncertainties associated with product development and commercialization, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve or maintain profitability. Until such time, if ever, as we can generate substantial net revenue sufficient to achieve profitability, we expect to finance our operations through a combination of equity offerings, debt financings and strategic alliances. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we are unable to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back or discontinue the further development and commercialization efforts of one or more of our products, or may be forced to reduce or terminate our operations.

We believe that the net proceeds from this offering, together with our existing cash, cash equivalents and marketable securities, will enable us to fund our operating expenses, capital expenditure requirements and debt service payments through , without considering potential additional borrowings that may be available to us upon our achievement of specified revenue thresholds and a regulatory milestone under our credit agreement with OrbiMed. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See "—Liquidity and Capital Resources."

Without giving effect to the net proceeds from this offering, we expect that our existing cash, cash equivalents and marketable securities as of June 30, 2018 will be sufficient to fund our operating expenses, capital expenditure requirements and debt service payments through September 2019, without considering potential additional borrowings that may be available to us under our credit agreement with OrbiMed. Beyond that point, we will need to raise additional capital to finance our operations, which cannot be assured. We have concluded that this circumstance raises substantial doubt about our ability to continue as a going concern within one year after the October 19, 2018 issuance date of our annual consolidated financial statements for the fiscal year ended December 30, 2017 and our interim consolidated financial statements for the fiscal six months ended June 30, 2018. See Note 1 to our consolidated financial statements included elsewhere in this prospectus for additional information on our assessment.

Similarly, in its report on our financial statements for the fiscal year ended December 30, 2017, our independent registered public accounting firm included an explanatory paragraph stating that our recurring losses from operations since inception and required additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern.

Corporate Reorganization

TransMedics Group, Inc., a recently formed Massachusetts corporation, is currently a direct, wholly-owned subsidiary of TransMedics, Inc., a Delaware corporation. Immediately prior to or concurrently with the closing of this offering, TMDX, Inc., a direct, wholly-owned subsidiary of TransMedics Group, will merge with and into TransMedics, Inc. with TransMedics, Inc. as the surviving corporation. As a result of the merger, each outstanding share of capital stock of TransMedics, Inc. will be converted into shares of common stock of

TransMedics Group, each outstanding option to purchase shares of common stock of TransMedics, Inc. will be converted into an outstanding option to purchase shares of common stock of TransMedics Group and each outstanding warrant to purchase shares of preferred stock of TransMedics, Inc. will be converted into a warrant to purchase shares of common stock of TransMedics Group, pursuant to the terms of the Agreement and Plan of Merger and Reorganization filed as an exhibit to the Registration Statement of which this prospectus forms a part.

Immediately following the Corporate Reorganization, (1) TransMedics Group will be a holding company with no material assets other than 100% of the equity interests in TransMedics, Inc., (2) the holders of capital stock in TransMedics, Inc. will become shareholders of TransMedics Group and (3) the historical consolidated financial statements of TransMedics, Inc. will become the historical consolidated financial statements of TransMedics Group because the Corporate Reorganization will be accounted for as a reorganization of entities under common control. Prior to the Corporate Reorganization, TransMedics Group has not conducted any activities other than in connection with its formation and in preparation for its initial public offering and has no material assets other than 100% of the equity interests in TMDX, Inc.

Components of Our Results of Operations

Net Revenue

We generate revenue primarily from sales of our single-use, organ-specific disposable sets (i.e., our organ-specific OCS Perfusion Sets sold together with our organ-specific OCS Solutions) used on our organ-specific OCS Consoles, each being a component of our OCS products. To a lesser extent, we also generate revenue from the sale of OCS Consoles to customers and from the implied rental of OCS Consoles loaned to customers at no charge. For each new transplant procedure, customers purchase an additional disposable set for use on the customer's existing organ-specific OCS Console.

All of our revenue has been generated by sales to transplant centers in the United States, Europe and Asia-Pacific, or, in some cases, to distributors selling to transplant centers in select countries. Substantially all of our customer arrangements are multiple-element arrangements that contain deliverables consisting of OCS Perfusion Sets and OCS Solutions. In some of those multiple-element arrangements, the deliverables also include an OCS Console, whether sold or loaned to the customer.

Some of our revenue has been generated from products sold in conjunction with the clinical trials conducted for our OCS products, under arrangements referred to as customer clinical trial agreements. Under most of these customer clinical trial agreements, we place an organ-specific OCS Console at the customer site for its use free of charge for the duration of the clinical trial, and the customer separately purchases from us the OCS disposable sets used in each transplant during the clinical trial. When we loan the OCS Console to the customer, we retain title to the console at all times and do not require minimum purchase commitments from the customer related to any OCS products. In such cases, we invoice the customer for OCS disposable sets based on customer orders received for each new transplant procedure and the prices set forth in the customer agreement. Over time, we typically recover the cost of the loaned OCS Console through the customer's continued purchasing and use of additional disposable sets. For these reasons, we have determined that part of the arrangement consideration for the disposable set is an implied rental payment for use of the OCS Console. We intend to continue to loan OCS Consoles to some of our customers during commercialization of our OCS products.

Because all elements of a customer order are delivered and recognized as revenue at the same time and because revenue allocated to elements other than OCS disposable sets, such as implied rental income and service revenue, is insignificant, all elements of revenue from customer arrangements are classified as a single category of revenue in our consolidated statement of operations.

For customer clinical trial agreements, we make payments to our customers for reimbursements of clinical trial materials and for specified clinical documentation related to their use of our OCS products. Because these

payments do not provide us with a separately identifiable benefit, we record such payments as a reduction of revenue from the customer, resulting in our net revenue presentation.

Through June 30, 2018, all of our net revenue in the United States has been generated from sales of OCS disposable sets sold in conjunction with clinical trials conducted for our OCS products. In March 2018, we received our first FDA PMA for the OCS Lung, and we began commercial sales of this product in the fourth quarter of 2018. We expect to continue to have U.S. clinical trial sales for our OCS Heart and OCS Liver products until we receive similar FDA PMAs for those products.

Historically, our net revenue in the United States fluctuated from period to period as a result of the timing of patient enrollment in our clinical trials. Our net revenue during periods of patient enrollment has been higher due to the sale of OCS disposable sets for use during these clinical trials, as compared to periods during which our clinical trials were not actively enrolled. Our OCS Lung EXPAND Trial began patient enrollment in January 2014 and completed patient enrollment in October 2016. Our OCS Heart EXPAND Trial began patient enrollment in September 2015 and completed patient enrollment in March 2018. Our Liver PROTECT Trial began enrollment in January 2016 and is currently enrolling patients. Our OCS Lung EXPAND II Trial began patient enrollment in March 2018 and is currently enrolling patients. Our net revenue may continue to fluctuate from period to period as a result of the timing of ongoing clinical trials in which our OCS products are used.

Through June 30, 2018, all of our sales outside of the United States have been commercial sales (unrelated to any clinical trials) and our net revenue has been generated from sales of OCS disposable sets and, to a much lesser extent, sales of OCS Consoles. Commercial sales of OCS disposable sets generally have a higher average selling price than clinical trial sales of OCS disposable sets.

We expect that our net revenue will increase in the future as a result of receiving our first FDA PMA for the OCS Lung in the United States in March 2018 and any potential future FDA approvals in the United States for additional indications on OCS Lung and, eventually, OCS Heart and OCS Liver. We also expect that our net revenue will increase as a result of anticipated growth in non-U.S. sales if national healthcare systems begin to reimburse transplant centers for the use of the OCS, if transplant centers utilize the OCS in more transplant cases, and if more transplant centers adopt the OCS in their programs.

Cost of Revenue, Gross Profit and Gross Margin

Cost of revenue consists primarily of costs of components of our OCS Consoles and disposable sets, costs of direct materials, labor and the manufacturing overhead that directly supports production, and costs related to the depreciation of OCS Consoles loaned to customers. When we loan an OCS Console to a customer for its use free of charge, we capitalize as property and equipment the cost of our OCS Console and depreciate these assets over the five-year estimated useful life of the console. Included in the cost of disposable sets is the cost of our OCS Lung, OCS Heart and OCS Liver Solutions. If we do not meet our obligation to purchase minimum quantities annually from our supplier of OCS Lung Solution, we are obligated to pay a premium equal to the order shortfall multiplied by a specified price. We capitalize any estimated premium we expect to pay at the end of the year as an adjustment to the inventory cost of OCS Lung Solution. If the number of OCS disposable sets purchased by us increases over time, the allocated cost of the premium per disposable set sold will decrease during that time.

We expect that cost of revenue will increase in absolute dollars primarily as, and to the extent that, our net revenue increases.

Gross profit is the amount by which our net revenue exceeds our cost of revenue in each reporting period. We calculate gross margin as gross profit divided by net revenue. Our gross margin has been and will continue to be affected by a variety of factors, primarily production volumes, the cost of components and direct materials, manufacturing costs, headcount, the selling price of our OCS products and fluctuations in amounts paid by us to customers related to reimbursements of their clinical trial expenses.

We expect that cost of revenue as a percentage of net revenue will decrease and gross margin and gross profit will increase over the long term as our sales and production volumes increase and our cost per unit of our disposable sets decreases due to efficiencies of scale. We intend to use our design, engineering and manufacturing capabilities to further advance and improve the efficiency of our manufacturing processes, which we believe will reduce costs and increase our gross margin. As utilization by customers of our OCS products increases, we expect that a greater number of OCS disposable sets will be used per year on the same OCS Console, thereby driving overall gross margin improvement. Because we expect that the number of OCS disposable sets sold over time will be significantly greater than the number of OCS Consoles sold or loaned to customers over that same period, we expect that our gross margin improvement will not be significantly affected by the number of OCS Consoles that we sell or loan to customers. While we expect gross margin to increase over the long term, it will likely fluctuate from quarter to quarter.

Operating Expenses

Research, Development and Clinical Trials Expenses

Research, development and clinical trials expenses consist primarily of costs incurred for our research activities, product development, hardware and software engineering, clinical trials to develop clinical evidence of our products' safety and effectiveness, regulatory expenses, testing, consultant services and other costs associated with our OCS technology platform and OCS products, which include:

- employee-related expenses, including salaries, related benefits and stock-based compensation expense for employees engaged in research, hardware and software development, regulatory and clinical trial functions;
- expenses incurred in connection with the clinical trials of our products, including under agreements with third parties, such as consultants, contractors and data management organizations;
- the cost of maintaining and improving our product designs, including the testing of materials and parts used in our products;
- laboratory supplies and research materials; and
- facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities and insurance.

We expense research, development and clinical trials costs as incurred. In the future, we expect that research, development and clinical trials expenses will increase due to ongoing product development and approval efforts. We expect to continue to perform activities related to obtaining additional regulatory approvals for expanded indications in the United States and to developing the next generation of our OCS technology platform.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in our sales and clinical adoption team and personnel in executive, marketing, finance and administrative functions. Selling, general and administrative expenses also include direct and allocated facility-related costs, promotional activities, marketing, conferences and trade shows as well as professional fees for legal, patent, consulting, investor and public relations, accounting and audit services. We expect to continue to increase headcount in our sales and clinical adoption team and increase marketing efforts as we continue to grow commercial sales of our OCS products in both U.S. and select non-U.S. markets.

We expect that our selling, general and administrative expenses will increase as we increase our headcount to support the expected continued sales growth of our OCS products. We also anticipate that we will incur increased accounting, audit, legal, regulatory, compliance and director and officer insurance costs as well as investor and public relations expenses associated with operating as a public company.

Other Income (Expense)

Interest Expense

Interest expense consists of interest expense associated with outstanding borrowings under a prior loan agreement and our existing loan agreement as well as the amortization of debt discount associated with such agreements. We expect our interest expense will increase in connection with our credit agreement with OrbiMed, under which we borrowed $35.0 million in June 2018. At that time, we repaid the remaining $6.7 million of principal that had been outstanding under our prior loan and security agreement with Hercules Technology Growth Capital, or Hercules, thereby increasing our total debt by $28.3 million.

Change in Fair Value of Preferred Stock Warrant Liability

In connection with our prior loan and security agreement, as amended, with Hercules, we issued warrants to purchase shares of Series B, Series D and Series F preferred stock. We classify these warrants as a liability on our consolidated balance sheet that we remeasure to fair value at each reporting date, and we recognize changes in the fair value of the warrant liability as a component of other income (expense) in our consolidated statements of operations. We will continue to recognize changes in the fair value of each warrant comprising the warrant liability until each respective warrant is exercised, expires or qualifies for equity classification.

In connection with the Corporate Reorganization, the warrants to purchase preferred stock will be converted into warrants to purchase common stock, and the fair value of the warrant liability at that time will be reclassified to common stock. As a result, subsequent to the closing of this offering, we will no longer remeasure the fair value of the warrant liability at each reporting date.

Other Income (Expense), Net

Other income (expense), net includes interest income, foreign currency transaction gains and losses and other non-operating income and expense items unrelated to our core operations, including the loss on extinguishment of debt that we recognized in June 2018 in connection with our repayment of borrowings under our loan and security agreement with Hercules.

Interest income consists of interest earned on our invested cash balances. We expect our interest income to increase as we invest the net proceeds from this offering. Foreign currency transaction gains and losses result from intercompany transactions of a short-term nature as well as transactions with customers or vendors denominated in currencies other than the functional currency of the legal entity in which the transaction is recorded.

Provision for Income Taxes

Since our inception, we have not recorded any U.S. federal or state income tax benefits for the net operating losses we have incurred in each year or for the research and development tax credits we generated in the United States, as we believe, based upon the weight of available evidence, that it is more likely than not that all of our net operating loss carryforwards and tax credits will not be realized. In reporting periods subsequent to 2016, we have recorded provisions for foreign income taxes of an insignificant amount related to the operations of one of our foreign subsidiaries.

As of December 30, 2017, we had U.S. federal and state net operating loss carryforwards of $215.2 million and $148.5 million, respectively, which may be available to offset future taxable income and begin to expire in 2018 and 2030, respectively. As of December 30, 2017, we also had U.S. federal and state research and development tax credit carryforwards of $6.0 million and $4.0 million, respectively, which may be available to offset future tax liabilities and begin to expire in 2020 and 2024, respectively. As of December 30, 2017, we had no foreign net operating loss carryforwards. We have recorded a full valuation allowance against our net deferred tax assets at each balance sheet date.

On December 22, 2017, the TCJA was signed into United States law. The TCJA includes a number of changes to existing tax law, including, among other things, a permanent reduction in the federal corporate income tax rate from a top marginal tax rate of 35% to a flat rate of 21%, effective as of January 1, 2018, as well as limitation of the deduction for net operating losses to 80% of annual taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely). The federal tax rate change resulted in a reduction in the gross amount of our deferred tax assets recorded as of December 30, 2017 and a corresponding reduction in our valuation allowance. As a result, no income tax expense or benefit was recognized as of the enactment date of the TCJA.

Results of Operations

Our fiscal year ends on the Saturday nearest December 31, and we report fiscal years using a 52/53-week convention. Under this convention, certain fiscal years contain 53 weeks. Each fiscal year is typically composed of four 13-week fiscal quarters, but in years with 53 weeks, the fourth quarter is a 14-week period. Our fiscal year ended December 31, 2016 included 53 weeks, and our fiscal year ended December 30, 2017 included 52 weeks.

Comparison of the Fiscal Six Months Ended July 1, 2017 and June 30, 2018

The following table summarizes our results of operations for the fiscal six months ended July 1, 2017 and June 30, 2018:

	Fiscal Six Months Ended		
	July 1, 2017	June 30, 2018	Change
	(in thousands)		
Net revenue	$ 3,712	$ 5,434	$ 1,722
Cost of revenue	2,589	3,331	742
Gross profit	1,123	2,103	980
Operating expenses:			
Research, development and clinical trials	8,153	6,898	(1,255)
Selling, general and administrative	4,161	5,142	981
Total operating expenses	12,314	12,040	(274)
Loss from operations	(11,191)	(9,937)	1,254
Other income (expense):			
Interest expense	(534)	(571)	(37)
Change in fair value of preferred stock warrant liability	143	(240)	(383)
Other income (expense), net	232	(253)	(485)
Total other expense, net	(159)	(1,064)	(905)
Loss before income taxes	(11,350)	(11,001)	349
Provision for income taxes	(19)	(15)	4
Net loss	$ (11,369)	$ (11,016)	$ 353

Net Revenue, Cost of Revenue and Gross Profit

	Fiscal Six Months Ended		
	July 1, 2017	June 30, 2018	Change
	(in thousands)		
Net revenue	$ 3,712	$ 5,434	$1,722
Cost of revenue	2,589	3,331	742
Gross profit	$ 1,123	$ 2,103	$ 980

Net Revenue

Net revenue increased by $1.7 million in the fiscal six months ended June 30, 2018 compared to the fiscal six months ended July 1, 2017 primarily as a result of an increase in the number of OCS disposable sets sold to customers in the United States and outside the U.S.

Net revenue from customers in the United States, all of which was generated by customers conducting clinical trials of our OCS products, was $2.1 million in the fiscal six months ended June 30, 2018 and increased by $0.7 million in the fiscal six months ended June 30, 2018 compared to the fiscal six months ended July 1, 2017. The increase in net revenue from customers in the United States was primarily due to the sale of OCS disposable sets sold to customers for use in our OCS Lung EXPAND II Trial in the U.S., which began enrolling patients in March 2018. Sales of OCS Lung disposable sets in the U.S. increased from zero in the fiscal six months ended July 1, 2017 to $1.5 million in the fiscal six months ended June 30, 2018. This increase was partially offset by a $0.7 million decline in net revenue in the United States in the 2018 period primarily due to lower sales of OCS Heart disposable sets as a result of the completion of patient enrollment in our OCS Heart EXPAND Trial in March 2018. In addition, the U.S. selling price of OCS Lung disposable sets sold in the 2018 period was approximately 30% higher than the U.S. selling price of OCS Heart disposable sets sold in the 2017 period, which accounted for $0.3 million of the overall $0.7 million increase in net revenue in the United States from the 2017 period to the 2018 period.

Net revenue from customers outside the U.S. was $3.3 million in the fiscal six months ended June 30, 2018 and increased by $1.0 million in the fiscal six months ended June 30, 2018 compared to the fiscal six months ended July 1, 2017. The increase in net revenue from customers outside the U.S. was primarily due to an increase of $0.8 million in the sale of OCS disposable sets from increased utilization by new and existing customers and a $0.2 million favorable impact of foreign currency rates. In both periods, net revenue from customers outside the U.S. was derived entirely from commercial sales.

Cost of Revenue, Gross Profit and Gross Margin

Cost of revenue increased by $0.7 million in the fiscal six months ended June 30, 2018 compared to the fiscal six months ended July 1, 2017. Gross profit increased by $1.0 million in the fiscal six months ended June 30, 2018 compared to the fiscal six months ended July 1, 2017. Gross margin was 30% and 39% for the fiscal six months ended July 1, 2017 and June 30, 2018, respectively. Gross profit and gross margin increased primarily as a result of a higher average selling price for OCS disposable sets used in our OCS Lung EXPAND II Trial during the 2018 period relative to the average selling price across OCS disposable sets in the 2017 period, a favorable foreign currency impact on sales to customers in Europe and overall higher sales, which improved efficiency in production and reduced the impact of fixed costs in our manufacturing operation.

Operating Expenses

Research, Development and Clinical Trials Expenses

	Fiscal Six Months Ended		
	July 1, 2017	June 30, 2018	Change
	(in thousands)		
Personnel related (including stock-based compensation expense)	$ 2,998	$ 3,339	$ 341
Clinical trials costs	1,648	893	(755)
Consulting and third-party testing	1,302	981	(321)
Laboratory supplies and research materials	783	549	(234)
Facility related and other	1,422	1,136	(286)
Total research, development and clinical trials expenses	$ 8,153	$ 6,898	$(1,255)

Total research, development and clinical trials expenses decreased by $1.3 million from $8.2 million in the fiscal six months ended July 1, 2017 to $6.9 million in the fiscal six months ended June 30, 2018. Personnel-related costs (including stock-based compensation) increased by $0.3 million, primarily as a result of hiring additional employees in our clinical trial organization to support the initiation of our OCS Lung EXPAND II Trial, which began enrolling patients in March 2018, along with our ongoing OCS Liver PROTECT Trial and additional OCS Heart clinical trials, which we expect to initiate in early 2019. Clinical trials costs and consulting and third-party testing costs decreased by $0.8 million and $0.3 million, respectively, primarily as a result of reduced clinical trial activity in our OCS Lung EXPAND Trial as we completed our first FDA PMA process in March 2018 and reduced trial activity in our OCS Heart EXPAND Trial as we completed enrollment in March 2018. Laboratory supplies and research materials costs decreased by $0.2 million as a result of fewer clinical and preclinical experiments conducted in the fiscal six months ended June 30, 2018 compared to the fiscal six months ended July 1, 2017. Facility-related and other expenses decreased by $0.3 million in the fiscal six months ended June 30, 2018 due to less travel and other activity related to the PMA regulatory process compared to the fiscal six months ended July 1, 2017.

Selling, General and Administrative Expenses

	Fiscal Six Months Ended		
	July 1, 2017	June 30, 2018	Change
	(in thousands)		
Personnel related (including stock-based compensation expense)	$ 1,547	$ 2,032	$ 485
Professional and consultant fees	922	1,290	368
Tradeshows and conferences	513	698	185
Facility related and other	1,179	1,122	(57)
Total selling, general and administrative expenses	$ 4,161	$ 5,142	$ 981

Total selling, general and administrative expenses increased by $1.0 million from $4.2 million in the fiscal six months ended July 1, 2017 to $5.1 million in the fiscal six months ended June 30, 2018 primarily due to increases in personnel-related costs and professional and consultant fees as we hired additional resources and engaged consultants to support commercial sales of our OCS Lung product in the United States after receipt of our PMA in March 2018 and to support our preparation to operate as a public company.

Other Income (Expense)

Interest Expense

Interest expense for the fiscal six months ended July 1, 2017 and June 30, 2018 consisted primarily of interest on the outstanding borrowings under our loan and security agreement with Hercules, which was outstanding through June 22, 2018, when we terminated and repaid in full the borrowings under that agreement and entered into a new credit agreement with OrbiMed.

Change in Fair Value of Preferred Stock Warrant Liability

The change in the fair value of our preferred stock warrant liability in the fiscal six months ended July 1, 2017 and June 30, 2018 was due primarily to the changes in the fair value of our preferred stock during those periods.

Other Income (Expense), Net

Other income (expense), net for the fiscal six months ended July 1, 2017 and June 30, 2018 included interest income of $0.1 million in each period, resulting from interest earned on invested cash balances, and included $0.1 million of foreign currency transaction gains and less than $0.1 million of foreign currency transaction losses, respectively. Additionally, other income (expense), net for the fiscal six months ended June 30, 2018 included a loss on extinguishment of debt of $0.3 million that we recognized in connection with the prepayment of our borrowings under our loan and security agreement with Hercules upon entering into our new credit agreement with OrbiMed.

Comparison of the Fiscal Years Ended December 31, 2016 and December 30, 2017

The following table summarizes our results of operations for the fiscal years ended December 31, 2016 and December 30, 2017:

	Fiscal Year Ended		
	December 31, 2016	December 30, 2017	Change
	(in thousands)		
Net revenue	$ 6,209	$ 7,685	$ 1,476
Cost of revenue	5,443	5,548	105
Gross profit	766	2,137	1,371
Operating expenses:			
Research, development and clinical trials	15,637	14,957	(680)
Selling, general and administrative	8,115	7,606	(509)
Total operating expenses	23,752	22,563	(1,189)
Loss from operations	(22,986)	(20,426)	2,560
Other income (expense):			
Interest expense	(979)	(1,072)	(93)
Change in fair value of preferred stock warrant liability	(105)	159	264
Other income (expense), net	5	548	543
Total other expense, net	(1,079)	(365)	714
Loss before income taxes	(24,065)	(20,791)	3,274
Provision for income taxes	—	(32)	(32)
Net loss	$ (24,065)	$ (20,823)	$ 3,242

Net Revenue, Cost of Revenue and Gross Profit

	Fiscal Year Ended December 31, 2016	Fiscal Year Ended December 30, 2017	Change
	(in thousands)		
Net revenue	$ 6,209	$ 7,685	$1,476
Cost of revenue	5,443	5,548	105
Gross profit	$ 766	$ 2,137	$1,371

Net Revenue

Net revenue increased by $1.5 million in the fiscal year ended December 30, 2017 compared to the fiscal year ended December 31, 2016 primarily as a result of a $2.2 million increase in sales outside of the U.S., which was partially offset by a decrease of $0.7 million in sales in the United States.

Net revenue from customers in the United States, all of which was generated by customers conducting clinical trials of our OCS products, was $2.7 million in the fiscal year ended December 30, 2017 and decreased by $0.7 million in the fiscal year ended December 30, 2017 compared to the fiscal year ended December 31, 2016. The decrease in net revenue from customers in the United States was primarily due to fewer sales of OCS Lung disposable sets as a result of the completion of patient enrollment in our OCS Lung EXPAND Trial in the fourth quarter of 2016. U.S. selling prices of our OCS disposable sets were consistent from the fiscal year ended December 31, 2016 to the fiscal year ended December 30, 2017.

Net revenue from customers outside the U.S. was $4.9 million in the fiscal year ended December 30, 2017 and increased by $2.2 million in the fiscal year ended December 30, 2017 compared to the fiscal year ended December 31, 2016. The increase in net revenue from customers outside the U.S. was due to increased sales of OCS disposable sets as existing customers increased their utilization of the OCS and as several new transplant centers began using the OCS. Foreign currency rates did not have a material impact on the net revenue increase from the fiscal year ended December 31, 2016 to the fiscal year ended December 30, 2017. In both periods, net revenue from customers outside the U.S. was derived entirely from commercial sales.

Cost of Revenue, Gross Profit and Gross Margin

Cost of revenue increased by $0.1 million in the fiscal year ended December 30, 2017 compared to the fiscal year ended December 31, 2016. Gross profit increased by $1.4 million in the fiscal year ended December 30, 2017 compared to the fiscal year ended December 31, 2016 due primarily to an increase in sales outside of the U.S. as existing customers increased their utilization of the OCS for transplants and several new transplant centers began using the OCS. Gross margin was 12% and 28% for the fiscal years ended December 31, 2016 and December 30, 2017, respectively. The increase in gross margin was primarily a result of higher volume of sales of OCS disposable sets, which reduced the impact of fixed costs in our manufacturing operation, and the impact of the lower purchase cost of OCS Lung Solution in 2017 as compared to 2016. Selling prices of our OCS disposable sets were consistent from the fiscal year ended December 31, 2016 to the fiscal year ended December 30, 2017.

Operating Expenses

Research, Development and Clinical Trials Expenses

	Fiscal Year Ended		
	December 31, 2016	December 30, 2017	Change
	(in thousands)		
Personnel related (including stock-based compensation expense)	$ 6,995	$ 5,859	$(1,136)
Clinical trials costs	2,489	2,903	414
Consulting and third-party testing	1,703	2,114	411
Laboratory supplies and research materials	1,564	1,327	(237)
Facility related and other	2,886	2,754	(132)
Total research, development and clinical trials expenses	$ 15,637	$ 14,957	$ (680)

Total research, development and clinical trials expenses decreased by $0.7 million from $15.6 million in the fiscal year ended December 31, 2016 to $15.0 million in the fiscal year ended December 30, 2017. Personnel-related costs decreased by $1.1 million primarily as a result of headcount reductions during late 2016. Clinical trials costs and consulting and third-party testing costs each increased by $0.4 million, primarily as a result of the hiring of consultants to assist with activity related to the regulatory PMA process for our OCS Lung product.

Selling, General and Administrative Expenses

	Fiscal Year Ended		
	December 31, 2016	December 30, 2017	Change
	(in thousands)		
Personnel related (including stock-based compensation expense)	$ 3,269	$ 2,993	$ (276)
Professional and consultant fees	2,365	1,806	(559)
Tradeshows and conferences	1,194	674	(520)
Facility related and other	1,287	2,133	846
Total selling, general and administrative expenses	$ 8,115	$ 7,606	$ (509)

Total selling, general and administrative expenses decreased by $0.5 million from $8.1 million in the fiscal year ended December 31, 2016 to $7.6 million in the fiscal year ended December 30, 2017, primarily due to decreases in personnel-related costs, professional and consultant fees and tradeshow and conference expenses. These decreases were a result of headcount reductions during late 2016. These decreases were partially offset by an increase in facility-related and other expenses due to increased travel costs related to the regulatory PMA process for our OCS Lung product.

Other Income (Expense)

Interest Expense

Interest expense for the fiscal years ended December 31, 2016 and December 30, 2017 consisted primarily of interest on the outstanding borrowings under our loan and security agreement with Hercules.

Change in Fair Value of Preferred Stock Warrant Liability

The change in the fair value of our preferred stock warrant liability in the fiscal years ended December 31, 2016 and December 30, 2017 was due primarily to the changes in the fair value of our preferred stock during those periods.

Other Income (Expense), Net

Other income (expense), net for the fiscal years ended the December 31, 2016 and December 30, 2017 included interest income of $0.1 million and $0.3 million, respectively, resulting from interest earned on invested cash balances, as well as $0.1 million of foreign currency transaction losses and $0.3 million of foreign currency transactions gains, respectively.

Quarterly Results of Operations Data

The following table sets forth our quarterly statement of operations data for each of the six most recent fiscal quarters in the period ended June 30, 2018. We have prepared the quarterly statement of operations data on the same basis as the audited consolidated financial statements included in this prospectus. In our opinion, the quarterly financial data reflects all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair statement of this data. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. Our operating results may fluctuate due to a variety of factors. Because the timing of organ transplant procedures is generally unpredictable, we have not experienced seasonality in our business from quarter to quarter and do not expect to do so in the foreseeable future. The results of historical periods are not necessarily indicative of the results to be expected for a full year or any future period.

	Fiscal Three Months Ended					
	Apr. 1, 2017	July 1, 2017	Sept. 30, 2017	Dec. 30, 2017	Mar. 31, 2018	June 30, 2018
Net revenue	$ 1,480	$ 2,232	$ 1,867	$ 2,106	$ 2,519	$ 2,915
Cost of revenue	1,168	1,421	1,381	1,578	1,595	1,736
Gross profit	312	811	486	528	924	1,179
Operating expenses:						
Research, development and clinical trials	3,961	4,193	3,402	3,401	3,465	3,433
Selling, general and administrative	1,829	2,330	1,813	1,634	2,243	2,899
Total operating expenses	5,790	6,523	5,215	5,035	5,708	6,332
Loss from operations	(5,478)	(5,712)	(4,729)	(4,507)	(4,784)	(5,153)
Other income (expense):						
Interest expense	(265)	(269)	(270)	(268)	(258)	(313)
Change in fair value of preferred stock warrant liability	19	123	13	4	(30)	(210)
Other income (expense), net	108	123	189	128	174	(427)
Total other income (expense), net	(138)	(23)	(68)	(136)	(114)	(950)
Loss before income taxes	(5,616)	(5,735)	(4,797)	(4,643)	(4,898)	(6,103)
Provision for income taxes	(10)	(9)	(9)	(4)	(7)	(8)
Net loss	$(5,626)	$(5,744)	$(4,806)	$(4,647)	$(4,905)	$(6,111)

Liquidity and Capital Resources

Since our inception, we have incurred significant operating losses. To date, we have funded our operations primarily with proceeds from sales of preferred stock and borrowings under loan agreements. As of June 30, 2018, we had cash, cash equivalents and marketable securities of $35.2 million.

Cash Flows

The following table summarizes our sources and uses of cash for each of the fiscal periods presented:

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
	(in thousands)			
Cash used in operating activities	$ (24,109)	$ (23,098)	$ (12,817)	$ (13,800)
Cash provided by (used in) investing activities	(39,672)	24,859	12,482	11,935
Cash provided by financing activities	63,544	3	1	24,381
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(6)	335	229	(13)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (243)	$ 2,099	$ (105)	$ 22,503

Operating Activities

During the fiscal six months ended June 30, 2018, operating activities used $13.8 million of cash, primarily resulting from our net loss of $11.0 million and net cash used by changes in our operating assets and liabilities of $3.8 million, partially offset by net non-cash charges of $1.0 million. Net cash used by changes in our operating assets and liabilities for the fiscal six months ended June 30, 2018 consisted primarily of a $2.0 million increase in inventory and a $1.8 million increase in accounts receivable, partially offset by a $0.3 million increase in accounts payable and accrued expenses and other current liabilities.

During the fiscal six months ended July 1, 2017, operating activities used $12.8 million of cash, primarily resulting from our net loss of $11.4 million and net cash used by changes in our operating assets and liabilities of $1.7 million, partially offset by net non-cash charges of $0.2 million. Net cash used by changes in our operating assets and liabilities for the fiscal six months ended July 1, 2017 consisted primarily of a $1.3 million increase in accounts receivable and a $0.9 million increase in inventory, partially offset by a $0.4 million increase in accounts payable and accrued expenses and other current liabilities.

During the fiscal year ended December 30, 2017, operating activities used $23.1 million of cash, primarily resulting from our net loss of $20.8 million and net cash used by changes in our operating assets and liabilities of $2.8 million, partially offset by net non-cash charges of $0.5 million. Net cash used by changes in our operating assets and liabilities for the fiscal year ended December 30, 2017 consisted primarily of a $2.5 million increase in inventory, a $0.3 million decrease in deferred rent and a $0.3 million decrease in accounts payable and accrued expenses and other current liabilities, all partially offset by a $0.5 million decrease in accounts receivable.

During the fiscal year ended December 31, 2016, operating activities used $24.1 million of cash, primarily resulting from our net loss of $24.1 million and net cash used by changes in our operating assets and liabilities of $0.9 million, partially offset by net non-cash charges of $0.8 million. Net cash used by changes in our operating assets and liabilities for the fiscal year ended December 31, 2016 consisted primarily of a $1.6 million increase in inventory, a $0.8 million increase in accounts receivable and a $0.3 million decrease in deferred rent, all partially offset by a $1.9 million increase in accounts payable and accrued expenses and other current liabilities.

Changes in accounts receivable, inventory, accounts payable, and accrued expenses and other current liabilities in each reporting period are generally due to growth in our business, including the growth in sales, expenses and employee headcount. Our deferred rent balance will continue to decrease in each reporting period during the remaining term of the leases for our leased property.

Investing Activities

During the fiscal six months ended June 30, 2018, net cash provided by investing activities was $11.9 million, primarily due to the maturities of marketable securities of $12.0 million.

During the fiscal six months ended July 1, 2017, net cash provided by investing activities was $12.5 million, primarily due to the maturities of marketable securities of $28.1 million, partially offset by purchases of marketable securities of $15.5 million.

During the fiscal year ended December 30, 2017, net cash provided by investing activities was $24.9 million, due to the maturities of marketable securities of $44.3 million, partially offset by purchases of marketable securities of $19.2 million and purchases of property and equipment of $0.3 million.

During the fiscal year ended December 31, 2016, net cash used in investing activities was $39.7 million, due to purchases of marketable securities of $46.5 million and purchases of property and equipment of $1.5 million, partially offset by maturities of marketable securities of $8.3 million. The purchases of property and equipment during the fiscal year ended December 31, 2016 related to equipment purchases to expand our engineering and manufacturing capabilities.

Financing Activities

During the fiscal six months ended June 30, 2018, net cash provided by financing activities was $24.4 million, consisting primarily of net proceeds from borrowings under our credit agreement with OrbiMed of $33.4 million, partially offset by the repayment of our previously outstanding borrowings under our loan and security agreement with Hercules of $9.1 million, representing principal of $8.5 million and the end-of-term interest payment of $0.6 million.

Cash provided by financing activities in the fiscal six months ended July 1, 2017 and the fiscal year ended December 30, 2017 was less than $0.1 million.

During the fiscal year ended December 31, 2016, net cash provided by financing activities was $63.5 million, consisting primarily of proceeds from the issuance of preferred stock of $63.6 million.

Long-Term Debt

In June 2018, we entered into our Credit Agreement with OrbiMed, pursuant to which OrbiMed made certain term loans available to us. The Credit Agreement provides for aggregate maximum borrowings of up to $65.0 million, consisting of (i) $35.0 million upon entering into the Credit Agreement, which we borrowed in June 2018, and (ii) potential additional borrowings of up to $30.0 million that may be available upon our achievement of specified revenue thresholds and a regulatory milestone by determinable dates. As of June 30, 2018, we had not yet met the conditions for additional borrowings.

Borrowings under the Credit Agreement bear interest at an annual rate equal to the London Interbank Offered Rate, or LIBOR, subject to a minimum of 1.0% and a maximum of 4.0%, plus 8.5%, or the Applicable Margin, subject in the aggregate to a maximum interest rate of 11.5%. In addition, borrowings under the Credit Agreement bear paid-in-kind, or PIK interest, at an annual rate equal to the amount by which LIBOR plus the Applicable Margin exceeds 11.5%, but not to exceed 12.5%. The PIK interest is added to the principal amount of the borrowings outstanding at the end of each quarter until the maturity date of the Credit Agreement in June 2023. Borrowings under the Credit Agreement are repayable in quarterly interest-only payments until the maturity date, at which time all principal and accrued interest is due and payable. At our option, we may prepay outstanding borrowings under the Credit Agreement, subject to a prepayment premium of 9.0% of the principal amount of any prepayment within the first three years, which percentage decreases annually until it reaches zero

at the end of three years. We are also required to make a final payment in an amount equal to 3.0% of the principal amount of any prepayment or repayment, which we are accreting to interest expense over the term of the Credit Agreement using the effective interest method.

All obligations under the Credit Agreement are guaranteed by us and each of our material subsidiaries. All obligations of us and each guarantor are secured by substantially all of our and each guarantor's assets, including their intellectual property, subject to certain exceptions, including a perfected security interest in substantially all tangible and intangible assets of us and each guarantor. Under the Credit Agreement, we have agreed to certain affirmative and negative covenants to which we will remain subject until maturity. The negative covenants include maintaining a minimum liquidity amount of $3.0 million and restrictions on our activities, including limitations on dispositions, mergers or acquisitions; encumbering our intellectual property; incurring indebtedness or liens; paying dividends; making certain investments; and engaging in certain other business transactions. The obligations under the Credit Agreement are subject to acceleration upon the occurrence of specified events of default, including payment default, change in control, bankruptcy, insolvency, certain defaults under other material debt, certain events with respect to governmental approvals (if such events could cause a material adverse change in our business) and a material adverse change in our business, operations or other financial condition.

Upon the occurrence of an event of default and until such event of default is no longer continuing, the Applicable Margin will increase by 4.0% per annum. If an event of default (other than certain events of bankruptcy or insolvency) occurs and is continuing, OrbiMed may declare all or any portion of the outstanding principal amount of the borrowings plus accrued and unpaid interest to be due and payable. Upon the occurrence of certain events of bankruptcy or insolvency, all of the outstanding principal amount of the borrowings plus accrued and unpaid interest will automatically become due and payable. In addition, we may be required to prepay outstanding borrowings, subject to certain exceptions, with portions of net cash proceeds of certain asset sales and certain casualty and condemnation events. See "Description of Certain Indebtedness—Credit Agreement."

In June 2018, we repaid all amounts due under our 2015 loan and security agreement with Hercules and the loan and security agreement was terminated.

Funding Requirements

As we continue to pursue and increase commercial sales of our OCS products, we expect our costs and expenses to increase in the future, particularly as we expand our sales and clinical adoption team, scale our manufacturing operation, continue research, development and clinical trial efforts, and seek regulatory clearance for new products and product enhancements, including new indications, both in the United States and in select non-U.S. markets. In addition, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company. The timing and amount of our operating and capital expenditures will depend on many factors, including:

- the amount of net revenue generated by sales of our OCS Consoles, OCS disposable sets and other products that may be approved in the United States and select non-U.S. markets;
- the costs and expenses of expanding our U.S. and non-U.S. sales and marketing infrastructure and our manufacturing operations;
- the extent to which our OCS products are adopted by the transplant community;
- the ability of our customers to obtain adequate reimbursement from third-party payors for procedures performed using the OCS products;
- the degree of success we experience in commercializing our OCS products for additional indications;
- the costs, timing and outcomes of any future clinical studies and regulatory reviews, including to seek and obtain approvals for new indications for our OCS products;

- the emergence of competing or complementary technologies;
- the number and types of future products we develop and commercialize;
- the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending intellectual property-related claims; and
- the level of our selling, general and administrative expenses.

See "Risk Factors—Risks Related to Our Financial Position and Need for Additional Capital—We may need to raise additional funding, which might not be available on favorable terms, or at all."

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of June 30, 2018 and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due By Period				
	Total	Less Than 1 Year	1 to 3 Years	4 to 5 Years	More Than 5 Years
	(in thousands)				
Operating lease commitments(1)	$ 6,238	$ 1,530	$ 3,119	$ 1,589	$ —
Debt obligations(2)	55,272	3,859	7,729	43,684	—
Purchase commitments under manufacturing agreement(3)	1,262	1,262	—	—	—
Total	$62,772	$ 6,651	$10,848	$45,273	$ —

(1) Amounts in table reflect payments due for our leases of office and laboratory space in Andover, Massachusetts under two operating lease agreements that expire in December 2021.

(2) Amounts in table reflect the contractually required principal and interest payments payable under the Credit Agreement, under which borrowings bear interest at a variable rate. For purposes of this table, the interest due under the Credit Agreement was calculated using an assumed interest rate of 10.875% per annum, which was the interest rate in effect as of June 30, 2018. Because such interest rate is below the PIK interest threshold of 11.5%, we did not include PIK in our calculated payments.

(3) Amounts in the table reflect total payments we would be obligated to make to one of our contract manufacturers if, subsequent to June 30, 2018, we do not place any further orders for committed 2018 order quantities, the final year of the commitment. Minimum order quantities beyond 2018 will be renegotiated by both parties.

We are obligated to pay financing fees of $1.5 million to former financial advisors related to issuances of our Series B preferred stock and Series D preferred stock in periods prior to 2016. These financing fees are contingently payable in cash only upon an initial public offering or certain alternative transactions, including a sale of our company. These payments are not included in the table above as the timing of such payments is not known. See "Capitalization".

We also enter into other contracts in the normal course of business with consulting firms, material suppliers and other third parties for clinical trials and testing and manufacturing services. These contracts do not contain minimum purchase commitments and are cancelable by us upon prior written notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including noncancelable obligations of our service providers, up to the date of cancellation. These payments are not included in the table above as the amount and timing of such payments are not known.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. The preparation of our consolidated financial statements and related

disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, costs and expenses and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our consolidated financial statements included elsewhere in this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

Revenue Recognition

We generate revenue primarily from sales of our single-use, organ-specific disposable sets (i.e., our organ-specific OCS Perfusion Sets sold together with our organ-specific OCS Solutions) used on our organ-specific OCS Consoles, each being a component of our OCS products. To a lesser extent, we also generate revenue from the sale of OCS Consoles to customers and from the implied rental of OCS Consoles loaned to customers at no charge. For each new transplant procedure, customers purchase an additional disposable set for use on the customer's existing organ-specific OCS Console.

We recognize revenue from sales to customers when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred (based on contractual shipping terms), the sales price is fixed or determinable, and collectability is reasonably assured. Revenue is recognized upon delivery to the customer or upon the later receipt of customer acceptance, if such acceptance is required. Because all elements of a customer order are delivered and recognized as revenue at the same time and because revenue allocated to elements other than OCS disposable sets, such as implied rental income and service revenue, is insignificant, all elements of revenue from customer arrangements are classified as a single category of revenue in our consolidated statement of operations.

Our products have both software and non-software (e.g., hardware) components that function together to deliver the products' essential functionality. In addition, the hardware sold cannot be used apart from the embedded software. As a result, all of our product offerings are excluded from the scope of software revenue recognition requirements and instead fall within the scope of Accounting Standards Codification, or ASC, Topic 605, *Revenue Recognition*.

Substantially all of our customer arrangements are multiple-element arrangements that contain deliverables consisting of OCS Perfusion Sets and OCS Solutions. In some of those multiple-element arrangements, the deliverables also include an OCS Console, whether sold or loaned to the customer. We evaluate each element within a multiple-element arrangement to determine whether it represents a separate unit of accounting. An element constitutes a separate unit of accounting when the delivered item has standalone value to the customer and delivery of any undelivered element is probable and within our control.

When a customer order includes an OCS Console, whether sold or loaned, we have determined that customer training and the equipment set-up of the OCS Console, each performed by us, lack standalone value to the customer because they are not sold on a standalone basis and can only be performed by us in conjunction with a sale or loan of our OCS Console. As a result, we have concluded that training, OCS Console equipment set-up and the OCS Console itself represent a single unit of accounting. Consequently, we do not recognize any revenue from any element of a customer order that includes an OCS Console, whether sold or loaned, until the OCS Console has been delivered and the training and equipment set-up have been completed by us. Further, we deem that "delivery" of an OCS Console occurs only after the console has been delivered and the training and equipment set-up have been completed by us.

Some of our revenue has been generated from products sold in conjunction with the clinical trials conducted for our OCS products, under arrangements referred to as customer clinical trial agreements. Under most of these customer clinical trial agreements, we place an organ-specific OCS Console at the customer site for its use free of charge for the duration of the clinical trial, and the customer separately purchases from us the OCS disposable sets used in each transplant during the clinical trial. When we loan the OCS Console to the customer, we retain title to the console at all times and do not require minimum purchase commitments from the customer related to any OCS products. In such cases, we invoice the customer for OCS disposable sets based on customer orders received for each new transplant procedure and the prices set forth in the customer agreement. Over time, we typically recover the cost of the loaned OCS Console through the customer's continued purchasing and use of additional disposable sets. For these reasons, we have determined that part of the arrangement consideration for the disposable set is an implied rental payment for use of the OCS Console.

When our customer arrangements are multiple-element arrangements that contain a loan of an OCS Console for the customer's use at its customer site as well as OCS disposable sets that are delivered simultaneously, we allocate the arrangement consideration between the lease deliverables (i.e., the OCS Console) and non-lease deliverables (i.e., the disposable sets) based on the relative selling price of each deliverable, determined using the selling price hierarchy. To date, the amounts allocated to lease deliverables have been insignificant.

In any multiple-element arrangement, we limit the amount of the arrangement fee allocated to deliverables to the amount that is not contingent on the future delivery of products or future performance obligations and the amount that is not subject to customer-specific return or refund privileges.

Other Revenue Recognition Policies

Under all of our customer arrangements that include a customer clinical trial agreement, we receive payments from sales to the customer of our OCS products and also make payments to that customer for reimbursements of clinical trial materials and for specified clinical documentation related to the customer's use of our OCS products. If the clinical trial includes a patient arm that uses existing standard-of-care protocols for organ transplants (and does not use our OCS products), then we make additional payments to that customer to obtain clinical documentation related to existing standard-of-care protocols (i.e., unrelated to our OCS products).

In these cases, we have determined that the payments made to the customer for clinical trial materials and its costs incurred to execute specific clinical trial protocols related to our OCS products do not provide us with a separately identifiable benefit, and therefore, such payments are recorded as a reduction of revenue from the customer in our consolidated statements of operations. Reductions of revenue related to such payments made to customers for reimbursements are recognized when we recognize the revenue for the sale of our OCS disposable sets. For the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018, we recorded as a reduction of revenue $0.9 million, $0.7 million, $0.4 million and $0.6 million, respectively, of reimbursable clinical trial costs.

In these same cases, we have also determined that payments made to the customer to obtain clinical documentation related to existing standard-of-care protocols (i.e., unrelated to our OCS products) do meet the criteria to be classified as a cost because we receive an identifiable benefit separate from the customer's purchase of our OCS products and the consideration paid represents the fair value of the benefit received by us. As a result, payments made by us to customers for standard-of-care protocols are recorded as research, development and clinical trials expenses. For the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018, we recorded as research, development and clinical trials expenses $0.3 million, $0.2 million, $0.1 million and $0.1 million, respectively, related to payments made to customers at clinical trial sites for documentation related to existing standard-of-care protocols.

Billings to customers for shipping costs and reimbursement of out-of-pocket expenses, including travel, lodging and meals, are recorded as revenue, and the associated costs incurred by us for those items are recorded as cost of revenue.

We exclude any taxes assessed by a governmental authority that are directly imposed on a revenue-producing transaction (e.g., sales, use and value added taxes) from our revenue and costs.

Distributors

We market and sell our products primarily through our direct sales force, which sells our products to end customers globally. A small portion of our revenue is generated by sales to a limited number of distributors in Europe and Asia-Pacific. When we transact with a distributor, our contractual arrangement is with the distributor and not with the end customer. Whether we transact business with and receive the order from a distributor or directly from an end customer, our revenue recognition policy and resulting pattern of revenue recognition for the order are the same.

In our business with distributors, we enter into a distributor agreement under which the distributor places orders to us for our products in connection with the distributor's own sales to identified end customers, and we confirm the identification of the end customer prior to accepting each order. Our distributors do not stock OCS Consoles purchased from us and stock only minimal quantities of OCS disposable sets. Under these contractual arrangements, we invoice the distributor for the arrangement fee (which reflects a distributor discount relative to typical end customer pricing) and payment to us from the distributor is not contingent upon the distributor's collection from the end customer. We record revenue based on the amount of the discounted arrangement fee.

When a sale to a distributor includes an OCS Console, we perform the training and OCS Console equipment set-up for the end customer. We recognize no revenue from a distributor order that includes an OCS Console until the OCS Console has been delivered and the training and equipment set-up have been completed by us.

New Revenue Recognition Standard

Effective December 30, 2018, we will be required to adopt ASC Topic 606, *Revenue from Contracts with Customers*, or ASC 606. We are currently evaluating the method of adoption and the potential impact that the adoption of ASC 606 will have on our consolidated financial statements. For additional information, see "—Emerging Growth Company Status" and Note 2 to our consolidated financial statements included elsewhere in this prospectus.

Stock-Based Compensation

We measure stock-based option awards granted to employees and directors based on their fair value on the date of the grant using the Black-Scholes option-pricing model. Compensation expense for those awards is recognized over the requisite service period, which is generally the vesting period of the respective award. Generally, we issue awards with only service-based vesting conditions and record the expense for these awards using the straight-line method.

For stock-based option awards granted to non-employee consultants, we recognize compensation expense over the period during which services are rendered by such consultants until completed. At the end of each financial reporting period prior to the completion of the service, the fair value of these awards is remeasured using the then-current fair value of our common stock and updated assumption inputs in the Black-Scholes option-pricing model.

The Black-Scholes option-pricing model uses as inputs the fair value of our common stock and assumptions we make for the volatility of our common stock, the expected term of our common stock options, the risk-free interest rate for a period that approximates the expected term of our common stock options, and our expected dividend yield.

Determination of Fair Value of Common Stock

As there has been no public market for our common stock to date, the estimated fair value of our common stock has been determined by our board of directors as of the date of each option grant, with input from management, considering our most recently available third-party valuations of common stock, and our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. Our common stock valuations were prepared using a Monte Carlo simulation method, which used either a market or income approach to estimate our enterprise value. A Monte Carlo simulation method is used to calculate the value of an enterprise (or other asset) with multiple sources of uncertainty or with complicated features and to allocate the total equity value among the various holders of a company's securities upon the simulated exit using a waterfall. Under this method, the common stock has value only if the funds available for distribution to stockholders exceeded the value of the preferred stock liquidation preferences at the time of the liquidity event, such as a strategic sale or a merger. A discount for lack of marketability of the common stock is then applied to arrive at an indication of value for the common stock. These third-party valuations were performed at various dates, which resulted in valuations of our common stock of $0.63 per share as of May 12, 2016 and $0.92 per share as of April 5, 2018. In addition to considering the results of these third-party valuations, our board of directors considered various objective and subjective factors to determine the fair value of our common stock as of each grant date, including:

- the prices at which we sold shares of preferred stock and the superior rights and preferences of the preferred stock relative to our common stock at the time of each grant;
- the progress of our research and development, including the status and results of clinical trials to develop clinical evidence of our products' safety and effectiveness and progress of our development of our OCS products;
- our stage of development and commercialization and our business strategy;
- external market conditions affecting the medical device industry and trends within the medical device industry;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common stock and our preferred stock;
- the likelihood of achieving a liquidity event, such as an initial public offering, or IPO, or sale of our company in light of prevailing market conditions; and
- the analysis of IPOs and the market performance of similar companies in the medical device industry.

The assumptions underlying these valuations represented management's best estimate, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could have been materially different.

Once a public trading market for our common stock has been established in connection with the closing of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our common stock in connection with our accounting for granted stock options and other such awards we may grant, as the fair value of our common stock will be determined based on the quoted market price of our common stock.

Options Granted

The following table summarizes by grant date the number of shares subject to options granted between January 1, 2017 and September 29, 2018, the per share exercise price of the options, the fair value of common stock on each grant date, and the per share estimated fair value of the options:

Grant Date	Number of Shares Subject to Options Granted	Per Share Exercise Price of Options	Fair Value of Common Stock per Share on Grant Date	Per Share Estimated Fair Value of Options
March 30, 2017	145,000	$ 0.63	$ 0.63	$ 0.29
June 22, 2017	1,282,959	$ 0.63	$ 0.51(1)	$ 0.19
April 5, 2018	245,000	$ 0.92	$ 0.92	$ 0.47
July 18, 2018	65,000	$ 0.92	$ 0.92	$ 0.47

(1) At the time of the option grant on June 22, 2017, our board of directors determined that the fair value of our common stock of $0.63 per share, calculated in the valuation as of May 12, 2016, reasonably reflected the per share fair value of our common stock as of the grant date. However, as described below, the fair value of common stock at the date of this grant was adjusted in connection with a retrospective fair value assessment for accounting purposes.

In preparing for the issuance of our financial statements for the fiscal year ended December 30, 2017, in September 2018, we performed a retrospective fair value assessment and concluded that the fair value of our common stock underlying stock options that we granted on June 22, 2017 was $0.51 per share for accounting purposes. We applied the fair value of our common stock from our retrospective fair value assessment to determine the fair value of these awards and calculate stock-based compensation expense for accounting purposes. This reassessed value was based, in part, upon a third-party valuation of our common stock prepared as of the June 22, 2017 grant date on a retrospective basis. The third-party valuation was prepared using a Monte Carlo simulation method and used an income approach to determine our enterprise value.

Valuation of Warrants to Purchase Preferred Stock

We classify warrants to purchase shares of our Series B, Series D and Series F preferred stock as liabilities on our consolidated balance sheets as these warrants are free-standing financial instruments that may require us to transfer assets upon exercise. The warrant liability associated with each of these warrants was initially recorded at fair value on the issuance date of each warrant and is subsequently remeasured to fair value at each reporting date. Changes in fair value of the warrant liability are recognized as a component of other income (expense) in our consolidated statements of operations. We will continue to recognize changes in fair value of each warrant comprising the warrant liability until each respective warrant is exercised, expires or qualifies for equity classification.

We utilize the Black-Scholes option-pricing model, which incorporates assumptions and estimates to value the preferred stock warrants. We assess these assumptions and estimates on a quarterly basis as additional information impacting the assumptions is obtained. Estimates and assumptions impacting the fair value measurement include the fair value per share of the underlying Series B, Series D and Series F preferred stock, the remaining contractual term of the warrants, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying preferred stock. The most significant assumption in the Black-Scholes option-pricing model impacting the fair value of the preferred stock warrants is the fair value of our preferred stock as of each remeasurement date. We determine the fair value per share of the underlying preferred stock by taking into consideration our most recent sales of our preferred stock, results obtained from third-party valuations and additional factors that we deem relevant. As of December 31, 2016, the fair value our Series B, Series D and Series F preferred stock was $0.98 per share, $3.76 per share and $4.99 per share, respectively. As of December 30, 2017, the fair value of our Series B, Series D and Series F preferred stock was $0.75 per share, $2.99 per share and $4.83 per share, respectively. As of June 30, 2018, the fair value of our Series D and Series F

preferred stock was $4.43 per share and $5.00 per share, respectively. We have historically been a private company and lack company-specific historical and implied volatility information of our stock. Therefore, we estimate expected stock volatility based on the historical volatility of publicly traded peer companies for a term equal to the remaining contractual term of the warrants. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining contractual term of the warrants. We have estimated a 0% dividend yield based on the expected dividend yield and the fact that we have never paid or declared dividends.

In connection with the Corporate Reorganization, the warrants to purchase preferred stock will be converted into warrants to purchase common stock, and the fair value of the warrant liability at that time will be reclassified to common stock.

Valuation of Inventory

We value inventory at the lower of cost or market value, with cost computed using the first-in, first-out method. We establish provisions for excess and obsolete inventories after evaluating historical sales, future demand, market conditions, expected product life cycles, and current inventory levels to reduce such inventories to their estimated net realizable value. Such provisions are made in the normal course of business and charged to cost of revenue in the consolidated statements of operations.

At the end of each reporting period, we assess whether losses should be accrued on long-term manufacturing purchase commitments in accordance with ASC 330, *Inventory*, which requires that losses that are expected to arise from firm, noncancelable and unhedged commitments for the future purchase of inventory, measured in the same way as inventory losses, should be recognized in the current period in the statement of operations unless they are deemed recoverable through firm sales contacts or when there are other circumstances that reasonably assure continuing sales without price decline. As of the end of each reporting period presented in our consolidated financial statements included elsewhere in this prospectus, we did not identify any potential losses arising from remaining future purchase commitments as compared to estimated future customer sales through the remainder of the term of the manufacturing purchase commitment, and as a result, did not recognize in a current period any loss provision for future-period remaining purchase commitments.

Backlog

We define backlog as contractually committed orders for our products for which the associated revenue has not been recognized and the customer has not been invoiced. Amounts that have been invoiced but not yet recognized as revenue are reported as deferred revenue on our consolidated balance sheets and are not included in our calculation of backlog. As of July 1, 2017, December 30, 2017 and June 30, 2018, we had backlog of $0.1 million, $0.6 million and $1.4 million, respectively. The increase in backlog was primarily due to increased sales of our OCS disposable sets and timing of orders. Of the amount of backlog as of June 30, 2018, we expect that substantially all of it will be invoiced to customers within the following 12 months. However, because our customers may cancel, change or reschedule orders without penalty at any time prior to shipment, we have no assurance that we will be able to convert our backlog into shipped orders.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows is disclosed in Note 2 to our consolidated financial statements included elsewhere in this prospectus.

Quantitative and Qualitative Disclosures about Market Risks

We are exposed to changes in interest rates and foreign currency exchange rates because we finance certain operations through variable rate debt instruments and denominate our transactions in a variety of foreign currencies. Changes in these rates may have an impact on future cash flow and earnings. We manage these risks through normal operating and financing activities.

Foreign Currency Exchange Risk

Our foreign currency transaction exposure results primarily from intercompany transactions and transactions with customers or vendors denominated in currencies other than the functional currency of the legal entity in which the transaction is recorded by us. Assets and liabilities arising from such transactions are translated into the legal entity's functional currency using the period-end exchange rates. Foreign currency transaction gains (losses) are included in the consolidated statements of operations as a component of other income (expense). We recognized foreign currency transaction losses of less than $0.1 million during the fiscal six months ended June 30, 2018.

Foreign currency translation exposure results from the translation of the financial statements of our subsidiaries whose functional currency is not the U.S. dollar into U.S. dollars for consolidated reporting purposes. Assets and liabilities of these subsidiaries are translated into U.S. dollars using the period-end exchange rates, and income and expense items are translated into U.S. dollars using average exchange rates in effect during each period. The effects of these foreign currency translation adjustments are included in accumulated other comprehensive loss, a separate component of stockholders' equity (deficit) on our consolidated balance sheets. We recorded foreign currency translation losses of less than $0.1 million during the fiscal six months ended June 30, 2018.

For the fiscal six months ended June 30, 2018, 45% of our net revenue and 11% of our operating costs and expenses were generated by subsidiaries whose functional currency is not the U.S. dollar and therefore are subject to foreign currency exposure.

Currently, our largest foreign currency exposure is that with respect to the euro. We believe that a 10% change in the exchange rate between the U.S. dollar and euro would not materially impact our operating results or financial position. We have experienced and we will continue to experience fluctuations in our net loss as a result of revaluing our assets and liabilities that are not denominated in the functional currency of the entity that recorded the asset or liability. At this time, we do not hedge our foreign currency risk.

Interest Rate Sensitivity

As of December 30, 2017, we had cash, cash equivalents and marketable securities of $24.7 million, which consisted of cash, money market funds, U.S. Treasury notes and U.S. government agency bonds. As of June 30, 2018, we had cash, cash equivalents and marketable securities of $35.2 million, which consisted of cash, money market funds, U.S. Treasury notes and U.S. government agency bonds. Interest income is sensitive to changes in the general level of interest rates; however, due to the nature of these investments, an immediate 10% change in interest rates would not have a material effect on the fair market value of our investment portfolio.

As of December 30, 2017, we had $8.5 million of borrowings outstanding under our 2015 loan and security agreement with Hercules, of which we repaid $1.8 million during the fiscal six months ended June 30, 2018 according to the repayment terms of the loan agreement. In June 2018, we repaid the remaining outstanding amount and terminated this agreement. In June 2018, we entered into our Credit Agreement with OrbiMed. Borrowings under the Credit Agreement bear interest at a variable rate per annum equal to LIBOR plus 8.5%. As of June 30, 2018, borrowings outstanding under the Credit Agreement totaled $35.0 million and the interest rate applicable to such borrowings was 10.875%. An immediate 10% change in LIBOR would not have a material impact on our debt-related obligations, financial position or results of operations.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition or results of operations.

Emerging Growth Company Status

The Jumpstart Our Business Startups Act of 2012 permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected not to "opt out" of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company.

BUSINESS

Overview

We are a commercial-stage medical technology company transforming organ transplant therapy for end-stage organ failure patients across multiple disease states. We developed the OCS to replace a decades-old standard of care that we believe is significantly limiting access to life-saving transplant therapy for hundreds of thousands of patients worldwide. Our innovative OCS technology replicates many aspects of the organ's natural living and functioning environment outside of the human body. As such, the OCS represents a paradigm shift that transforms organ preservation for transplantation from a static state to a dynamic environment that enables new capabilities, including organ optimization and assessment. We believe our substantial body of clinical evidence has demonstrated the potential for the OCS to significantly increase the number of organ transplants and improve post-transplant outcomes.

Incidence of end-stage organ failure has been rapidly rising worldwide due to demographic trends that contribute to chronic diseases. Organ transplantation is the treatment of choice for addressing end-stage organ failure due to its positive clinical outcomes and favorable health economics. However, transplant volumes have been significantly restricted by the limitations of cold storage, the standard of care for organ transplantation. Cold storage is a rudimentary approach to organ preservation in which a donor organ is flushed with cold pharmaceutical solutions, placed in a plastic bag on top of ice and transported in a cooler. Cold storage subjects organs to significant injury due to a lack of oxygenated blood supply, or ischemia, does not allow physicians to assess organ viability and lacks the ability to optimize an organ's condition once it has been retrieved from the donor. Time-dependent ischemic injury has been shown to result in short- and long-term post-transplant clinical complications and, together with the inability to assess or optimize organs, contributes to the severe underutilization of donor organs. While there are approximately 67,000 potential donors annually in the United States, Canada, the European Union and Australia, which we refer to as our key geographies, the majority of lungs and hearts donated after brain death, or DBD, go unutilized, and almost no available lungs and hearts donated after circulatory death, or DCD, are utilized.

We developed the OCS to comprehensively address the major limitations of cold storage. The OCS is a portable organ perfusion, optimization and monitoring system that utilizes our proprietary and customized technology to replicate near-physiologic conditions for donor organs outside of the human body. We designed the OCS technology platform to perfuse donor organs with warm, oxygenated, nutrient-enriched blood, while maintaining the organs in a living, functioning state; the lung is breathing, the heart is beating and the liver is producing bile. Because the OCS significantly reduces injurious ischemic time on donor organs as compared to cold storage and enables the optimization and assessment of donor organs, it has demonstrated improved clinical outcomes relative to cold storage and offers the potential to significantly improve donor organ utilization.

We designed the OCS to be a platform that allows us to leverage core technologies across products for multiple organs. To date, we have developed three OCS products, one for each of lung, heart and liver transplantations, making the OCS the only multi-organ technology platform. Our OCS products have been used for over 1,100 human organ transplants. We have commercialized the OCS Lung and OCS Heart outside of the United States and received our first PMA from the FDA in March 2018 for the use of the OCS Lung for donor lungs currently utilized for transplantation. We expect FDA action on additional applications for PMAs we submitted or that we expect to submit in connection with our other OCS products over the next 18 months.

OCS Clinical Program	Potential FDA Action & Timing
OCS Lung INSPIRE Trial ▪ Donor lungs currently utilized for transplantation	▪ **PMA approved – March 2018**
OCS Lung EXPAND Trial ▪ Donor lungs currently unutilized for transplantation	▪ **PMA submitted – August 2018** ▪ **Potential major deficiency letter and Day-100 meeting – Q4 2018**
OCS Heart EXPAND & PROCEED II Trials ▪ DBD donor hearts currently utilized and unutilized for transplantation	▪ **Potential PMA submission – Q1 2019** ▪ **Potential major deficiency letter and Day-100 meeting – Q2 2019**

We are focused on establishing the OCS as the standard of care for organ transplantation. Because we believe cold storage is the primary factor limiting donor organ utilization today, we estimate our opportunity based on the existing donor pools and the potential for significantly expanded utilization with the OCS. Based on the utilization rates in our clinical trials and our commercial experience outside the United States, we estimate the potential annual addressable commercial opportunity for the OCS to be approximately $8 billion for lung, heart and liver transplantation combined. Our clinical trials have demonstrated that the OCS may result in improved post-transplant outcomes as compared to cold storage, and we believe this will enable us to capture a significant portion of the expanded transplant opportunity.

The vast majority of transplant procedures are performed at a relatively small number of hospitals that have specialized organ transplant centers. We estimate that approximately 50 to 55 transplant centers in the United States perform over 70% of the lung, heart and liver transplant volume. The lead transplant surgeons at each of these centers are the primary decision-makers on most aspects of the transplant programs. These surgeons rely primarily on clinical evidence to drive changes in their programs. During our clinical trials, we established relationships with over 55 leading transplant programs in our key geographies and have generated a substantial body of clinical evidence. Our commercial strategy is focused on leveraging these relationships to drive deeper adoption of the OCS at the leading, large-volume academic transplant institutions. As of September 29, 2018, our sales and clinical adoption team consisted of 24 sales and clinical professionals.

We believe the OCS will drive significant benefits to all stakeholders in the field of organ transplantation. For patients, we believe the OCS provides more patients with access to life-saving transplants and allows for quicker recovery following transplantation. For hospitals, we believe the OCS provides a means to increase transplant volume, treat more patients, enhance provider status and improve transplant program economics. Finally, we believe the OCS provides payors with a more cost-effective treatment for end-stage organ failure and reduces exposure to significant post-transplant complication costs and extended hospital stays.

Our OCS products are reimbursed in the United States through existing, standard commercial transplant billing mechanisms. The Medicare program and private payors have been providing reimbursement for the OCS Lung, OCS Heart and OCS Liver during the U.S. pivotal trials and have been providing reimbursement for the OCS Lung following FDA approval in March 2018. We believe these established channels will continue to facilitate commercial reimbursement for the OCS Lung and, if they are approved by the FDA, for the OCS Heart and OCS Liver. We are in the process of seeking long-term reimbursement for our products outside of the United States.

Our corporate headquarters, manufacturing and clinical training facilities are located in Andover, Massachusetts. We have additional distribution and commercial operations in Europe and Asia-Pacific. As of September 29, 2018, we employed 82 people globally. We generated $7.7 million of net revenue during the fiscal

year ended December 30, 2017 and $5.4 million of net revenue during the fiscal six months ended June 30, 2018, of which $2.9 million of net revenue was generated during the fiscal three months ended June 30, 2018, representing a 31% increase as compared to the fiscal three months ended July 1, 2017. Our business model is characterized by a high level of recurring revenue, which is derived primarily from sales of our single-use, organ-specific disposable sets that are required for each transplant using the OCS. We expect that greater than 90% of our revenue will be related to sales of our single-use OCS disposable sets.

Commercial Opportunity

Demand for Organ Transplants

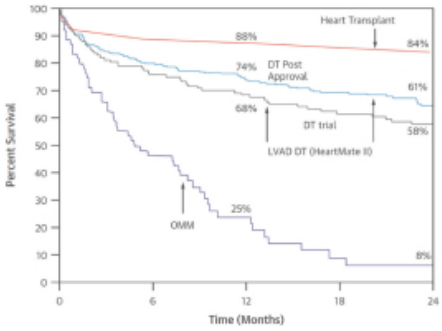
Incidence of end-stage organ failure has been rapidly rising worldwide due to demographic trends that contribute to chronic disease, including an aging population and obesity. Key disease states resulting in organ failure include COPD, chronic heart failure, diabetes, chronic liver disease and end-stage renal disease, or ESRD. COPD, which is primarily caused by smoking and can result in lung failure, has been diagnosed in over 12 million Americans and is responsible for 120,000 deaths in the United States annually. Approximately 6 million Americans live with chronic heart failure, with approximately 650,000 new patients diagnosed with heart failure each year. Of these patients, an estimated 250,000 could benefit from heart transplantation annually. Approximately 2.8 million patients globally are diagnosed with liver cirrhosis, a leading cause of liver failure. In addition, approximately 468,000 Americans are on chronic dialysis as a result of kidney failure associated with ESRD.

Organ Transplantation Represents the Treatment of Choice for End-Stage Organ Failure

Life-sustaining therapies for patients with end-stage organ failure are costly to the healthcare system. According to data from the 2017 Milliman U.S. Organ and Tissue Transplant research report, in the United States the average billed charges in the 30 days prior to transplant are approximately $39,000 per double-lung transplant patient, approximately $43,000 per heart transplant patient and approximately $41,000 per liver transplant patient.

We believe organ transplantation is the most effective treatment for end-stage organ failure in terms of both clinical outcomes and health economics. For example, the therapeutic options for end-stage heart failure include optimum medical management with pharmaceutical treatments, or OMM, mechanical support with a left ventricular assist device, or LVAD, and heart transplantation. As indicated in the figure below, heart transplantation is associated with materially longer survival rates as compared to OMM and LVADs, which are either used as a bridge to transplant or as destination therapy, an alternative to transplant.

Survival Curves of Stage IV Heart Failure Following Different Treatment Modalities
Mancini, et al. LVADs vs. Transplants, JACC 2015



Survival for HeartMate II in the post-approval DT study compared with the initial DT trial, OMM in the REMATCH (Randomized Evaluation of Mechanical Assistance for the Treatment of Congestive Heart Failure) trial (19), and post-transplant survival. Modified with permission from Jorde et al. DT= destination therapy; HF= heart failure.

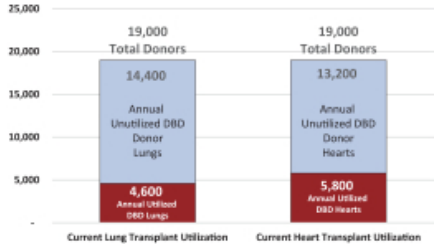
These improved survival rates, in turn, result in favorable economics on the basis of quality-adjusted life years. According to 2004 studies, the cost of adding one quality-adjusted life year is approximately $40,000 for a heart transplant as compared to approximately $800,000 for an LVAD or approximately $110,000 for OMM. Despite the large and growing incidence of organ failure worldwide, and the significant clinical and economic benefits of organ transplantation, the number of transplants severely lags demand due to the limitations of traditional methods of organ preservation prior to transplantation.

Supply of Donor Organs for Transplantation

The supply of donor organs for transplantation comes from two primary sources:

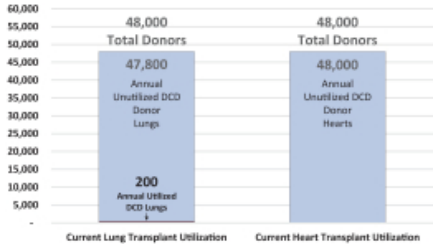
- ***Donation After Brain Death—DBD Donors***: DBD donors suffered irreversible brain damage. Because hearts continue to beat naturally for a few days in these donors, the organs continue to be perfused with oxygenated blood until retrieval, allowing transplant clinicians the opportunity to assess organ viability. We estimate that the pool of DBD donors is approximately 19,000 DBD donors annually in our key geographies, with approximately 8,400 DBD donors annually in the United States. While DBD donors represent the vast majority of donor organs transplanted, only approximately 23% of donated lungs and 32% of donated hearts were utilized in the United States in 2016, which we believe is primarily due to the limitations of current organ preservation methods.
- ***Donation After Circulatory Death—DCD Donors***: DCD donors suffered cardiac and circulatory arrest. Because hearts cease to beat in these donors, the organs do not receive oxygenated blood and transplant clinicians are unable to assess organ viability. We estimate that the potential DCD donor pool is approximately 48,000 donors annually in our key geographies, with over 22,000 DCD donors annually in the United States. Despite the large size of this donor pool, we estimate that DCD donor organs are used in fewer than 5% of lung transplants and are not used for heart transplants because current methods for organ preservation are unable to overcome the challenges presented by the lack of perfusion.

Annual Lung and Heart DBD Donor Utilization
United States, Canada, European Union, Australia



Sources: Organ Procurement Transplantation Network; Global Observatory on Donation and Transplantation

Estimated Annual Lung and Heart DCD Donor Utilization
United States, Canada, European Union, Australia



Source: Institute of Medicine of the National Academy of Science (2006)

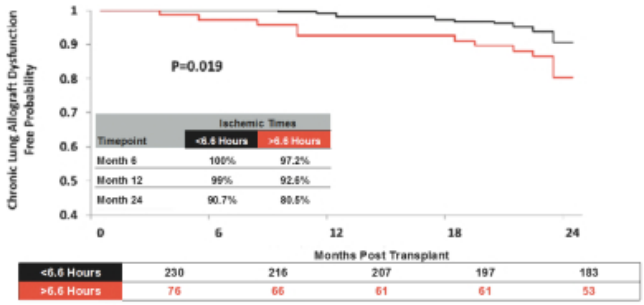
Limitations of Current Organ Preservation Methods

In recent years, significant innovations have been implemented in most aspects of organ transplantation surgery. However, organ preservation remains primarily limited to cold storage. Cold storage involves flushing the organs with cold pharmaceutical solutions designed to reduce organ temperature and arrest organ function. The donor organ is then placed in a sterile plastic bag and stored on ice in a cooler. This process adversely

impacts clinical outcomes and leads to underutilization of viable donor organs due to the following inherent challenges:

- ***Time-dependent ischemic injury:*** Cold storage subjects donor organs to significant injury due to a lack of oxygenated blood supply, or ischemia. Ischemia has been reported to be an independent predictor of mortality after heart transplantation and development of short-term severe primary graft dysfunction, or PGD, which is associated with long-term complications in lung transplantation. A long-term consequence of PGD3, the most severe form of PGD, is chronic lung allograft dysfunction. Published data from the thoracic transplant registry of the International Society for Heart and Lung Transplantation shows that the risk for post-transplant patient mortality increases dramatically after approximately 190 minutes of injurious ischemic time in heart transplantation. This data highlights that the longer an organ spends on ice, the higher the risk of poor clinical outcomes, including mortality. In addition to resulting in poor transplant outcomes, time-dependent ischemic injury limits the acceptable time that transplant centers permit between organ retrieval and transplantation to four to six hours, resulting in restrictions on geographical distance between donors and transplant recipients.

Correlation between Ischemic Injury and Development of Long-Term Complications after Lung Transplantation— Results of the OCS Lung INSPIRE Trial



A p-value is a statistical calculation that relates to the probability that a difference between groups happened by chance. Typically, a p-value less than 0.05 represents statistical significance.

- ***Lack of diagnostic assessment of organ viability or function:*** Cold storage does not support the assessment of organ function or viability because the organs are not functioning or metabolically active during cold storage. This lack of diagnostic assessment largely limits the donor pool to DBD donors, whose organs can be assessed for viability prior to retrieval because their hearts continue to beat. The lack of diagnostic assessment of organ viability during cold storage is the primary reason that DCD organs are rarely used for lung transplants and never used for heart transplants.
- ***Lack of therapeutic or optimization capabilities:*** Clinical studies have demonstrated the clinical benefits of replenishing donor organs with glucose, oxygen, hormones and electrolytes that are significantly altered or depleted during the donation process. Cold storage, however, does not allow for therapeutic intervention to optimize the condition of donor organs, which results in suboptimal post-transplant outcomes. In addition, transplant programs are less likely to accept organs that may appear compromised if they are unable to treat or optimize the organ, which prevents utilization of the vast majority of organs from DBD and DCD donors.

We believe the limitations of cold storage are directly responsible for the severe shortage in donor organ supply, which results in nearly all lungs and hearts from DCD donors, and the majority of lungs and hearts from DBD donors, going unutilized each year. In 2016, approximately 77% of donated lungs and approximately 68% of donated hearts went unutilized in the United States. In addition, we believe the limitations of cold storage are

the primary driver of the high rate of severe post-transplant complications that negatively impact both patients' clinical outcomes and transplant economics for payors and providers.

We developed the OCS technology platform to comprehensively address the major limitations of cold storage. The OCS represents a paradigm shift that transforms organ preservation with a dynamic technology that replicates many aspects of an organ's natural state outside of the human body and enables new capabilities of organ optimization and assessment. Because the OCS reduces injurious ischemic time significantly and enables the optimization and assessment of donor organs, it offers the potential to significantly improve organ utilization relative to cold storage and could lead to improved clinical outcomes.

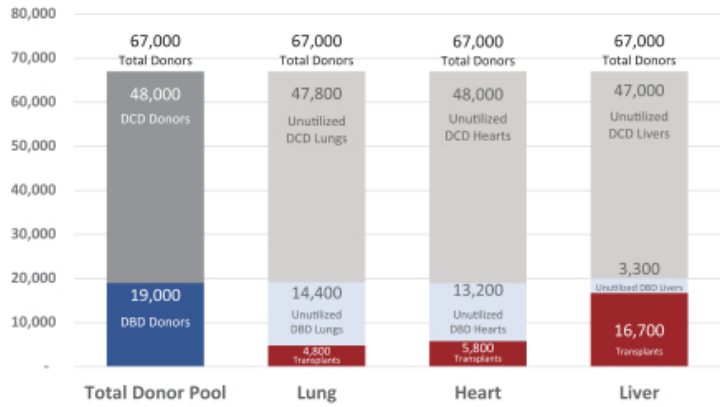
Our Commercial Opportunity

We believe organ transplantation is severely supply constrained by the limitations of cold storage. While there is a national transplant waiting list that represents a snapshot of demand, we believe this waiting list significantly underrepresents the true clinical demand for organ transplants. Because the supply of donor organs has historically been constrained, the waiting list is fairly static, with annual additions to the waiting list typically matching closely the number of transplants performed or patients otherwise removed from the list. We believe that with increased utilization of donor organs for transplant, the waiting list will grow to match any increase in global supply.

We estimate our commercial opportunity based on the existing donor pools and the potential for significantly improved utilization resulting from the use of our OCS technology. We estimate that the potential pool of donors in our key geographies includes approximately 67,000 DBD and DCD donors annually. Because the OCS reduces injurious ischemic time significantly, allows for therapeutic optimization of the organ's condition and enables diagnostic assessment, we believe the OCS could allow surgeons to utilize the vast majority of the donor pool that is currently unutilized due to the limitations of cold storage.

Estimated Transplant Pool Underutilization

United States, Canada, European Union, Australia



Sources: Organ Procurement and Transplantation Network; Global Observatory on Donation and Transplantation; Institute of Medicine of the National Academy of Science (2006)

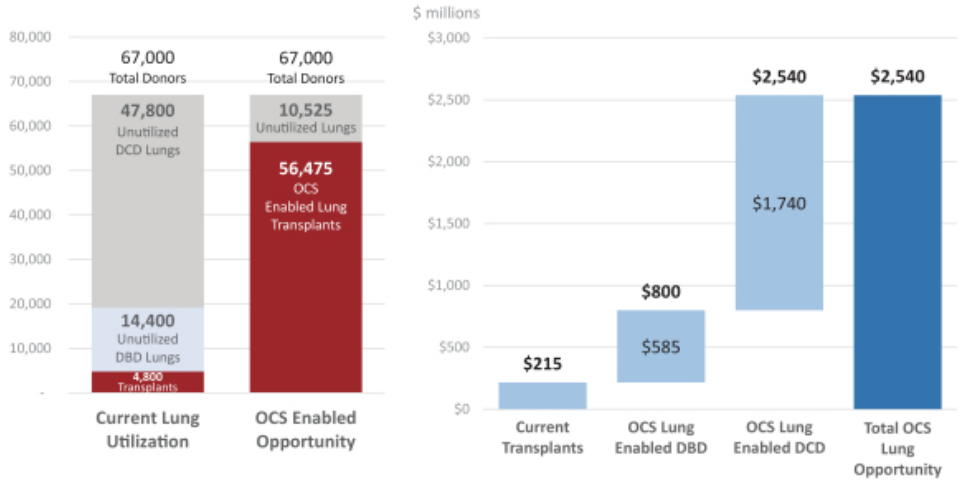
We are focused on establishing the OCS as the standard of care for organ transplantation. Our clinical trial results have demonstrated that the OCS may result in improved post-transplant outcomes as compared to cold storage. In addition, our clinical trial results and commercial experience outside the United States have

demonstrated a significant improvement in donor organ utilization to approximately 87% of DBD and DCD donor lungs, approximately 81% of DBD donor hearts and approximately 80% of DCD donor hearts, with improved post-transplant outcomes compared to cold storage. As a result, we believe that the OCS will also expand the existing pool of utilizable donor organs to include a significant share of the 67,000 potential annual donors and increase the overall number of transplants performed each year. We believe the OCS could be adopted for use in a significant share of transplants; however, certain factors may limit the actual utilization of the OCS, including the need to continue to educate surgeons, transplant centers and private payors of the merits of the OCS as compared with cold storage, the requisite training of surgeons prior to their use of the OCS and the overall capacity of transplant centers to perform organ transplants due to factors such as the availability of surgeons. See “Risk Factors—We depend heavily on the success of the OCS and achieving market acceptance. If we are unable to successfully commercialize the OCS, our business may fail” and “ —We must continue to educate surgeons, transplant centers and private payors and demonstrate the merits of the OCS compared with cold storage or new competing technologies. Surgeons, transplant centers and private payors may require additional clinical data prior to adopting or maintaining coverage of the OCS.”

Lung Opportunity

Today, there are only 4,800 donor lungs utilized annually for transplantation in our key geographies, resulting in approximately 62,200 organs, comprised of 14,400 from potential DBD donors and 47,800 from potential DCD donors, going unutilized each year due to the limitations of cold storage. Our OCS Lung EXPAND Trial demonstrated that the use of the OCS Lung in the types of organs that currently are not transplanted resulted in a blended DBD and DCD utilization rate of approximately 87%, based on 90% DBD utilization and 81% DCD utilization, with improved post-transplant outcomes compared to cold storage. Applying this 90% utilization rate to DBD donor lungs and 81% utilization rate to DCD donor lungs implies a total potential addressable opportunity of approximately $2.5 billion annually, of which approximately $215 million represents currently transplantable lungs, approximately $585 million represents improved utilization of DBD donors and the remaining approximately $1.7 billion represents utilization of DCD donors.

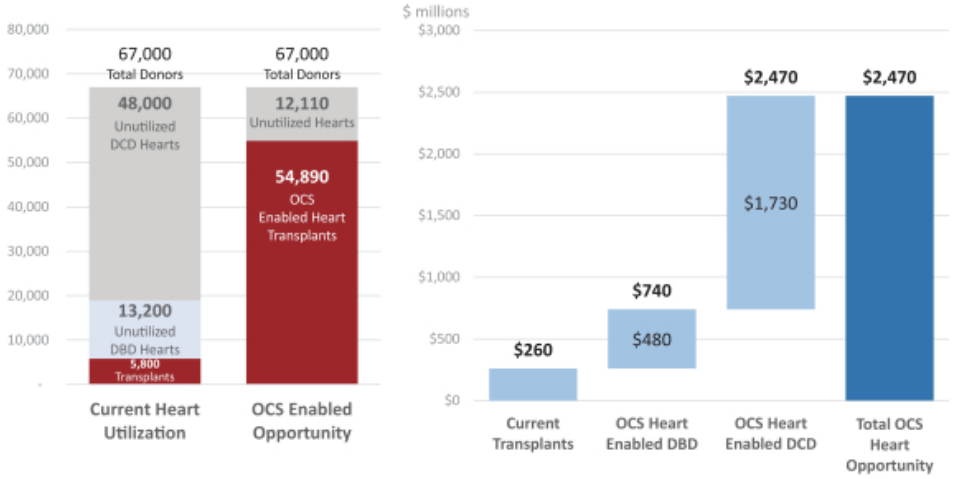
Estimated Addressable Lung Opportunity
United States, Canada, European Union, Australia



Heart Opportunity

Today, there are only 5,800 donor hearts utilized annually for transplantation in our key geographies, resulting in approximately 61,200 organs, comprised of 13,200 from potential DBD donors and 48,000 from potential DCD donors, going unutilized each year due to the limitations of cold storage. Results from our OCS Heart EXPAND Trial demonstrated that the use of the OCS Heart in the types of organs that are currently unutilized resulted in a DBD utilization rate of approximately 81%, with improved post-transplant outcomes compared to cold storage preservation. In addition, the results of the OCS Heart DCD commercial activities in Europe and Australia have resulted in a utilization rate of approximately 80% of DCD donor hearts. Applying this 81% utilization rate to DBD donor hearts and 80% utilization rate to DCD donor hearts implies a total addressable opportunity of approximately $2.5 billion annually, of which approximately $260 million represents currently transplantable hearts, approximately $480 million represents improved utilization of DBD donors and the remaining approximately $1.7 billion represents utilization of DCD donors.

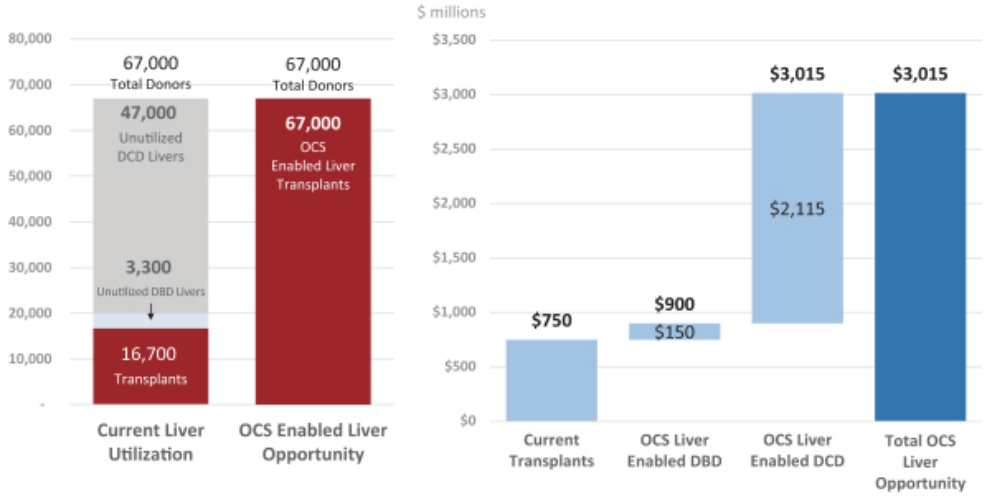
Estimated Addressable Heart Opportunity
United States, Canada, European Union, Australia



Liver Opportunity

Today, only 16,700 donor livers are utilized annually for transplantation in our key geographies, resulting in approximately 50,300 organs, comprised of 3,300 from potential DBD donors and 47,000 from potential DCD donors, going unutilized each year due to the limitations of cold storage. To support an FDA PMA for the OCS Liver, we are currently conducting a pivotal trial to preserve and assess donor livers from both DBD and DCD donors. Final results from the OCS Liver European REVIVE Trial demonstrated that the OCS Liver resulted in approximately 100% utilization of DBD and DCD donor livers, with the potential for improved post-transplant outcomes compared to cold storage preservation. Applying this utilization rate implies a total potential addressable opportunity of approximately $3.0 billion annually, of which approximately $750 million represents currently transplantable livers, approximately $150 million represents improved utilization of DBD donors and the remaining approximately $2.1 billion represents utilization of DCD donors.

Estimated Addressable Liver Opportunity
United States, Canada, European Union, Australia



Our Technology and Solution

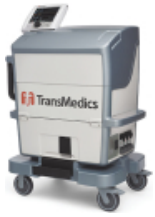
We developed the OCS to comprehensively address the major limitations of cold storage. The OCS is a portable organ perfusion, optimization and monitoring system that utilizes our proprietary and customized technology to replicate near-physiologic conditions for donor organs outside of the human body. The OCS was designed to perfuse donor organs with warm, oxygenated and nutrient-enriched blood, while maintaining the organs in a living, functioning state; the lung is breathing, the heart is beating and the liver is producing bile. As such, the OCS represents a paradigm shift that transforms organ preservation for transplantation from a static state to a dynamic environment that enables new capabilities, including organ optimization and assessment.

The OCS Technology Platform

We developed the OCS, the first and only multi-organ platform, to leverage proprietary core technologies across multiple organs. For each OCS product, we supplement the platform with organ-specific, customized and proprietary technologies. To date, we have developed three OCS products, one for each of lung, heart and liver transplantation. OCS products for additional organs, including kidneys, are under development.

Each OCS product consists of three primary components customized for each organ:

- **OCS Console:** The OCS Console is a highly portable electromechanical medical device that houses and controls the function of the OCS and is designed to fit in the current workflow for organ transplantation.



- **OCS Perfusion Set:** The OCS Perfusion Set is a sterile, biocompatible single-use disposable set that stores the organ and circulates blood. The OCS Perfusion Set includes all accessories needed to place the organ on the system.

- **OCS Solutions:** The OCS Solutions are a set of nutrient-enriched solutions used with blood to replenish depleted nutrients and hormones needed to optimize the organ's condition outside of the human body.

The OCS technology platform is equipped with the following core technologies that we designed to comprehensively address the limitations of cold storage and improve transplant outcomes:

- **proprietary pulsatile blood pump** to simulate beating heart perfusion in organs outside of the human body;
- **proprietary software-controlled titanium blood warmer** to maintain blood at body temperature while maximizing portability;
- **gas exchanger** to maintain organ oxygenation outside of the human body;
- **customized hemodynamics sensors** to monitor and assess organ function outside of the human body;
- **proprietary software-controlled, miniaturized, electromechanical system with universal power supply and hot-swappable batteries** to maximize portability and travel distance for organ retrieval;
- **proprietary wireless monitor and control software** to provide an intuitive user interface for monitoring critical organ function; and
- **customized carbon fiber OCS console structure** to reduce the overall weight of the system and maximize portability.

For each organ product, the OCS core technologies are supplemented with additional customized and proprietary organ-specific features to meet each organ's requirements. The following table summarizes the key features of our current commercial products.

	OCS Lung	OCS Heart	OCS Liver
Console			
Perfusion set / Solution			
Regulatory status	• FDA—PMA approved for donor lungs currently utilized for transplantation and PMA submitted to the FDA in August 2018 for donor lungs currently unutilized for transplantation • CE Marked for console, perfusion set and solutions	• FDA—Pivotal trial enrollment completed for currently utilized and unutilized DBD donor hearts and potential PMA submission in Q1 2019 • CE Marked for console, perfusion set and solutions	• FDA—Pivotal trial ongoing for current and unutilized DBD and DCD donor livers • CE Marked for console and perfusion set and under review for bile salts
Key features	• **Proprietary and customized ventilation circuit and method** allows the lung to breathe outside of the human body, while maximizing portability • **Customized cannulation** enables the lung to be maintained and assessed using standard clinical diagnostics • **Proprietary nutrient-rich, lung-specific solution** improves lung condition from negative effects of brain death	• **Proprietary organ chamber** maintains critical valve heart function with embedded EKG sensors to monitor heart viability during preservation • **Proprietary automated drug delivery system** optimizes condition of the heart perfusion during preservation • **Proprietary nutrient- and hormone-rich physiologic solutions** replenish and optimize the heart with depleted nutrients	• **Proprietary perfusion circuit** enables physiologic dual blood supply of the liver using a single pump and a **bile collection system** assesses liver function during organ preservation • **Proprietary automated drug delivery** optimizes condition of the liver perfusion during preservation • **Customized OCS bile salt solution** stimulates the liver to continue to produce bile

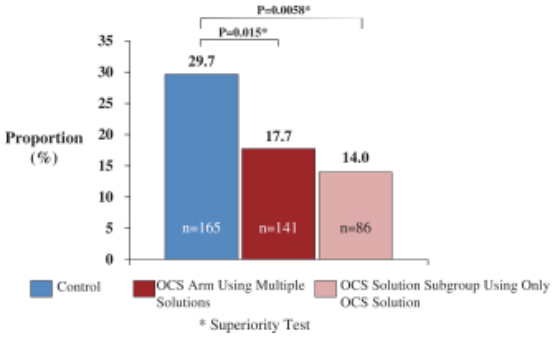
Key Advantages of the OCS Platform

We believe the OCS platform provides significant benefits relative to cold storage.

Improved Clinical Outcomes

Use of the OCS has demonstrated a significant reduction in injurious ischemic time in all of our clinical trials. The results of our OCS Lung INSPIRE Trial, which compared the use of the OCS Lung to cold storage, demonstrated a statistically significant reduction of approximately two hours in the amount of time the organ went without oxygenation, or ischemic time. These results were achieved while allowing for an average of 1.5 incremental hours between donor and recipient. This decrease in injurious ischemic time resulted in an approximately 50% reduction relative to cold storage in the most common and severe form of lung transplant complication called primary graft dysfunction grade 3, or PGD3. PGD3 is a dangerous and costly complication as patients with it typically experience longer time on mechanical ventilation and in the intensive care unit, as well as potential long-term negative consequences. We believe these results are consistent with those of our other clinical trials and will support adoption of the OCS.

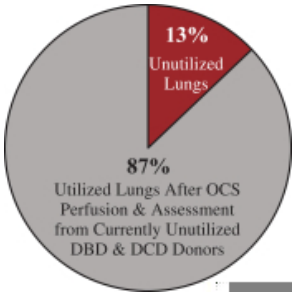
Use of OCS Lung Significantly Reduced Incidence of PGD3
In Lung Transplant Recipients—INSPIRE Trial Results



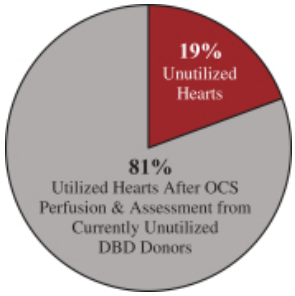
Increased Donor Organ Utilization

In our OCS Lung EXPAND Trial, we evaluated the use of the OCS Lung for donor organs from both DBD and DCD donors that would not otherwise have been utilized, and in the OCS Heart EXPAND Trial, we evaluated the use of the OCS Heart for donor organs from DBD donors that would not otherwise have been utilized. The lungs and hearts that were transplanted in these studies were rejected an average of 35 and 66 times, respectively, by other institutions using cold storage due to a variety of clinical and logistical reasons that may have included donor organ quality, donor age, expected injurious ischemic time or travel distance, or type of donor. In these trials, the use of the OCS resulted in an 87% utilization rate of DBD and DCD donor lungs and an 81% utilization rate of DBD donor hearts that otherwise would have been unutilized. The results of these trials support our belief that the OCS can significantly expand the number of organs that can be transplanted and better serve the large population of patients who need an organ transplant to survive.

OCS Lung EXPAND Trial Utilization Results



OCS Heart EXPAND Trial Utilization Results



Benefits of the OCS Platform for Key Stakeholders

We believe the OCS platform provides significant benefits to key constituents across the transplant continuum.

Value to Patients

We believe the OCS increases patients' access to what we believe is the best treatment option for end-stage organ failure, which results in improved quality of life and longer life expectancy. In addition, we believe improved clinical outcomes from use of the OCS will allow patients to recover more quickly following a transplant.

Value to Providers

We believe the OCS allows providers to improve clinical outcomes and increase the number of patients who receive organ transplants. Improvements in clinical outcomes could enable providers to meet the CMS post-transplant survival metrics required for reimbursement coverage and improve the overall financial profile of their transplant programs. In addition, we believe the increase in transplant volumes enabled by the OCS will help providers achieve "Center of Excellence" designations with payors and thus drive significant revenue growth for their transplant programs.

Value to Payors

We believe organ transplantation is a cost-effective treatment for end-stage organ failure as it provides the longest life expectancy, and better quality of life, compared to other treatments like mechanical support or medical therapy. We believe the OCS will enable payors to benefit from these favorable health economics and limit their exposure to the high cost of severe post-transplantation complications and extended hospital stays.

Our Strategy

We are committed to transforming organ transplantation with our OCS platform by increasing the utilization of donor organs and improving clinical outcomes. We are targeting a large and highly concentrated opportunity that, we believe, currently lacks an effective solution for organ preservation, optimization and assessment. Our goal is to establish the OCS as the standard of care for organ transplantation and increase the number of organ transplants performed.

The key elements of our strategy are:

- **Target and drive deeper adoption of the OCS at leading transplant institutions.** We are focused on driving adoption at leading, high volume transplant programs where we have established strong

relationships during our clinical trials. We plan to leverage these centers' familiarity with the value of the OCS to increase the number of transplants they perform and increase our penetration of their case volumes. Moreover, the substantial overlap among organ transplant programs should enable us to deploy multiple OCS products at the same institutions. For example, there are several centers that use both the OCS Lung and OCS Heart and centers that use all three of the OCS Lung, OCS Heart and OCS Liver. We also plan to expand our reach to additional high volume transplant programs.

- **Continue to build clinical evidence to substantiate the benefits of the OCS and expand clinical transplant indications.** Surgeons affiliated with leading academic transplant centers rely primarily on clinical evidence to drive changes in their practice. We have developed an extensive body of clinical evidence supporting the use of the OCS technology in the field of organ transplantation. We plan to expand this body of clinical evidence in the post-market setting. For example, our ongoing post-market Thoracic Organ Perfusion Registry will continue to collect all OCS Lung transplant patient outcomes. We believe this registry could become the global clinical reference on post-transplant outcomes in the new era of organ transplantation using the OCS.
- **Expand the existing pool of utilizable donor organs by securing additional FDA PMA Supplements and new PMAs for expanded indications.** We secured our first PMA for the OCS Lung in March 2018. We have several additional applications for PMAs in the pipeline, including for our expanded lung indications and for our heart products, and we also plan to seek a PMA for our liver products. If we are successful in obtaining such FDA approvals, we believe we will significantly expand the available donor organ pool.
- **Leverage the established commercial reimbursement process and billing mechanisms to accelerate U.S. commercial traction.** Medicare and private payors provided reimbursement for the OCS Lung, OCS Heart and OCS Liver during our U.S. pivotal trials using existing commercial billing and reimbursement processes for organ transplant procedures and have provided reimbursement for the OCS Lung following FDA approval in March 2018. We believe these established methods will continue to facilitate commercial reimbursement for the OCS Lung and, if they are approved by the FDA, for the OCS Heart and OCS Liver. We are in the process of seeking long-term reimbursement for our OCS products in several other countries.
- **Develop the next generation OCS technology platform to improve user experience and expand OCS products.** We intend to invest in developing the next generation multi-organ platform to improve the user experience. We also intend to develop and seek approval for additional OCS products for other organs, including kidneys.

Commercialization Strategy & Business Model

We have developed a customized commercial strategy to address the characteristics of the organ transplant field and position us for future growth.

Organ Transplant Opportunity Characteristics

The vast majority of transplant procedures are performed at a relatively small number of hospitals that have specialized organ transplant centers. For example, we estimate that approximately 50 to 55 transplant centers in the United States perform over 70% of the lung, heart and liver transplant volume. Furthermore, there is a high degree of overlap within each center. For example, the top 30 U.S. lung transplant centers, which were responsible for 77% of the total adult lung transplant volume in 2017, also performed a significant portion of heart and liver transplants.

The field of organ transplantation is driven by leading clinical academic institutions. The lead transplant surgeon at each of these institutions is often the primary decision-maker on most aspects of the transplant program, including preservation technology, threshold for accepting donor organs and travel distance for

accepting organs. Unlike other specialties for which hospital administrators are more likely to exercise control over purchasing decisions, lead transplant surgeons are typically the primary purchasing decision-makers for new transplant technologies. To effect these changes in their programs, lead transplant surgeons rely primarily on clinical evidence and are focused on the following major factors:

- **Improving post-transplant clinical outcomes** in order to:
  - enhance patients' quality of life,
  - meet CMS post-transplant survival metrics required for reimbursement coverage, and
  - support the financial health of programs; and
- **Increasing the volume of organ transplantation** in order to:
  - facilitate more patients receiving an organ transplant,
  - achieve "Center of Excellence" designation with payors, and
  - drive revenue growth.

Our Commercial Strategy

In light of these dynamics, we designed our commercialization strategy to drive adoption of the OCS at the leading, large-volume academic transplant institutions that were involved with the OCS trials as well as to expand our presence to new centers. We believe our substantial body of clinical evidence has demonstrated the potential benefits of the OCS and we are also focused on continuing to increase our clinical evidence in the post-market setting to maintain a high level of engagement with transplant program directors and enable further penetration of the OCS at transplant programs.

We believe the concentrated nature of organ transplant activity in the United States and the reputation we established during our clinical trials will enable us to rely on a focused commercial team. As of September 29, 2018, our sales and clinical adoption team consisted of 24 sales and clinical professionals. The sales and clinical adoption team sells our OCS products and provides clinical education for their use in leading academic transplant centers in our key geographies during our clinical trials and commercially where our OCS products are approved. In addition, our team targets new leading transplant centers to expand our user base. We believe the team has established deep knowledge and credibility with our clinical users and customers. We believe the close relationship between transplant surgeons and our team provides us with unparalleled customer access that should enable us to further penetrate these transplant centers.

Business Model

Our business model is characterized by a high level of recurring revenue, which is derived primarily from sales of our single-use OCS Perfusion Sets and OCS Solutions, which we refer to collectively as a disposable set, that are required for each transplant using the OCS. Each OCS product is comprised of three components: the OCS Console, the OCS Perfusion Set and the OCS Solutions.

The OCS Console is either purchased by or loaned to a transplant program depending on individual center arrangements. Given the independent buying power of each transplant program within an institution, as well as the unique organ-specific characteristics of each OCS product, a multi-organ transplant center will require at least one OCS Console for each organ transplant program within the same center. For example, there are several centers that use both the OCS Lung and OCS Heart and centers that use all three of the OCS Lung, OCS Heart and OCS Liver.

Our recurring revenue stream is derived primarily from sales of our single-use OCS disposable sets. In light of the unscheduled nature of transplant procedures, our users replenish OCS disposable sets to maintain a minimum stock of three to five units per OCS product, on average. We expect that greater than 90% of our revenue will be related to sales of our single-use OCS disposable sets.

We generate a significant amount of our net revenue from a limited number of customers. For the fiscal year ended December 30, 2017, Harefield Hospital accounted for 16% of our net revenue. For the fiscal six months ended June 30, 2018, Harefield Hospital and Massachusetts General Hospital accounted for 15% and 13%, respectively, of our net revenue and, in the aggregate, these customers accounted for 28% of our net revenue. We expect that sales to relatively few customers will continue to account for a significant percentage of our net revenue in future periods. See “Risk Factors—We depend on a limited number of customers for a significant portion of our net revenue and the loss of, or a significant shortfall in demand from, these customers could have a material adverse effect on our financial condition and results of operations.”

Reimbursement

Due to the significant economic benefits of organ transplantation, Medicare’s reimbursement for organ transplant procedures is well-established and involves two payment mechanisms. The first is the inpatient hospital prospective payment system, which reimburses the transplant hospital for operating costs incurred during the inpatient stay in which the transplant procedure is performed. The payment for this stay is determined by the MS-DRG into which the case is assigned. The second mechanism involves a separate payment, in addition to the MS-DRG-based payment, for organ acquisition costs, which include organ preservation and transportation costs. Medicare reimburses hospitals for allowable organ acquisition costs on a reasonable cost basis. The OCS is reimbursed under this second mechanism.

For Medicaid transplant recipients, reimbursement to a transplant hospital for the incurred cost of the OCS is determined based on the applicable state Medicaid program. Some states establish a global payment for the transplant and organ acquisition costs, and some states have separate payments for the inpatient stay based on the MS-DRG system and for organ acquisition costs. Private insurers typically have agreements as to how they reimburse for the transplant costs and the organ acquisition costs, which may be through a global payment for both, or a payment for the transplant and a separate mechanism for paying for organ acquisition costs. Nearly half of U.S. lung, heart and liver transplants are covered under the Medicare and Medicaid programs, with the remainder being reimbursed through private payors.

Data from the 2017 Milliman U.S. Organ and Tissue Transplant research report estimates the average billed charges per organ transplant, including costs billed to organ acquisition costs. The report estimates that in the United States the overall billed charges for a double-lung transplant are approximately $1.2 million, of which only approximately $130,000 is associated with organ acquisition; overall billed charges for a heart transplant are approximately $1.4 million, of which only approximately $100,000 is associated with organ acquisition; and overall billed charges for a liver transplant are approximately $800,000, of which only approximately $95,000 is associated with organ acquisition.

Medicare and private payors provided reimbursement for the OCS Lung, OCS Heart and OCS Liver during the U.S. pivotal trials and have provided reimbursement for the OCS Lung following FDA approval in March 2018. This has established multiple years of billing precedent. We believe these established methods will continue to facilitate commercial reimbursement for the OCS Lung and, if they are approved by the FDA, for the OCS Heart and OCS Liver. Reimbursement outside of the United States follows a similar overall structure; however, reimbursement decisions are required in each individual country and may require national health systems to review and approve OCS reimbursement for each organ-specific product. Currently, national healthcare systems do not reimburse transplant centers for the use of the OCS and reimbursement in international markets may require us to undertake additional clinical studies. However, international hospitals using the OCS currently pay for the OCS from their hospital budget or charitable funds. We are in the process of seeking long-term reimbursement for our OCS products in several jurisdictions.

Clinical Evidence

The lead transplant surgeons at transplant centers are clinically focused and rely primarily on clinical evidence to drive changes in their practice of organ transplantation. We have developed a substantial body of global clinical

evidence supporting the clinical effectiveness, safety and benefits of the OCS for lung, heart and liver transplantation. Many of these clinical trials and studies have been published in peer-reviewed clinical journals and several additional studies are ongoing. Our clinical trials have evaluated the use of the OCS for transplantation of organs that meet the current criteria for organ transplantation, as well as organs that would otherwise go unutilized from DBD and DCD donors. We believe the results of our clinical trials across lung, heart and liver transplantation may support the efficacy of the OCS in improving clinical outcomes and increasing utilization of available donor organs.

OCS Lung Clinical Trials

Below is a summary of our key clinical trials evaluating the OCS Lung.

	OCS Lung INSPIRE Trial For Current Lung Transplants	**OCS Lung EXPAND Trial For Currently Unutilized DBD and DCD Donor Lungs**
FDA Status	• PMA approved in March 2018	• PMA is under review by FDA
Objectives	• International pivotal trial for FDA approval and market access for current lung transplant market • Compare OCS Lung clinical outcomes to cold storage	• International pivotal trial for FDA approval and market access for currently unutilized DBD and DCD donors • Single arm trial to assess the ability of the OCS to improve donor lung utilization from currently unutilized DBD and DCD donors
Number of Patients	• 320 patients in pre-specified cohort and 29 additional patients as administrative extension	• 79 patients
Length of Follow-up	• 24 months post-transplantation	• 12 months post-transplantation
Number of Centers	• 21 international centers	• 8 international centers
Summary Outcomes	• Met primary effectiveness and safety endpoints • Demonstrated significant reduction of most severe and common form of post-lung transplant complication, PGD3, compared to cold storage controls • Demonstrated significant reduction of injurious ischemic time on donor lungs compared to cold storage controls	• Did not meet the primary effectiveness endpoint • Demonstrated significant increase in donor lung utilization from currently unutilized DBD and DCD donors to 87% utilization • Demonstrated excellent patient survival at one year post-transplantation, comparable to current standard lung transplant outcomes • Demonstrated substantial reduction of PGD3 in unutilized DBD and DCD donors, when compared to other published results of similar trials
Publication Status	• Warnecke et al., Lancet Respiratory Medicine, April 2018	• In drafting process

Summary Overview of OCS Lung INSPIRE Trial & Results

We sponsored the OCS Lung INSPIRE Trial, a randomized, controlled, multi-center study, at 21 leading global academic lung transplant centers. The objective of the OCS Lung INSPIRE Trial was to compare the safety and effectiveness of the OCS Lung to cold storage preservation for lung transplants. The trial inclusion criteria focused on current standard lung transplant donor lung criteria. The trial enrolled 349 patients in total, of which 320 lung transplant recipients were randomized between OCS Lung perfusion and cold storage control. Twenty-nine additional patients were added as an administrative extension.

The OCS Lung INSPIRE Trial protocol allowed donor lungs to be perfused on the OCS Lung device with either OCS Lung Solution or a commercial low potassium dextran, or LPD, solution, both supplemented with packed red blood cells. In addition to comparing the outcomes of all transplants performed with the OCS, our results included a subgroup analysis of the transplants that also used the OCS Solutions. We believe this subgroup is the most clinically relevant given it is the product approved by the FDA for exclusive use in the OCS Lung.

PGD is a form of acute lung injury that is a common and serious complication after lung transplantation. The most severe form of PGD, PGD3, has been shown to be positively correlated with poor short- and long-term transplant outcomes. Generally, in lung transplant procedures, PGD3 is assessed at four distinct timepoints: within a few hours of the transplantation, and at 24 hours, 48 hours and 72 hours following the transplantation. In the OCS Lung INSPIRE Trial, we assessed the incidence of PGD at the same four timepoints during the initial 72 hours following the transplantation.

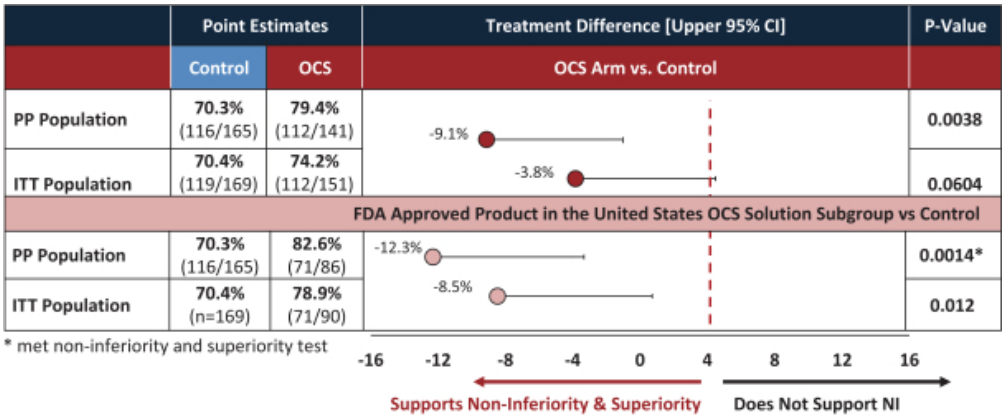
The OCS Lung INSPIRE Trial's initial primary effectiveness endpoint was a composite of patient survival at day 30 post-lung transplant and freedom from PGD3 measured at only a single timepoint of 72 hours post-transplantation. After the initiation of the trial, and based on a successful appeal to the Director of the FDA's Office of Device Evaluation at the time, we amended the primary effectiveness endpoint to be a composite of patient survival at day 30 post-lung transplant and freedom from PGD3 within all assessment timepoints in the initial 72-hour period post-transplantation. The intention of this amendment was to comprehensively assess the impact of the OCS Lung on PGD3 development. We achieved statistical non-inferiority in three of four analysis populations based on the amended primary effectiveness endpoint but did not achieve statistical non-inferiority relative to the control arm for the initial primary effectiveness endpoint. While we provided the results of both the initial and amended primary effectiveness endpoints to the FDA, the amended primary effectiveness endpoint ultimately served as the basis for the OCS Lung approval by the FDA.

We analyzed these results on a "per protocol," or PP, basis and an "intent to treat," or ITT, basis. PP included all randomized patients that were transplanted without any major protocol deviations and for whom the eligible donor lung received the complete preservation procedure as per the randomization assignment. ITT consisted of all randomized patients for whom a matching donor lung had been retrieved and was determined to be eligible before any attempt had been made to preserve the lung with either OCS or cold storage. The ITT results were confounded by the fact that the ITT population included two randomized OCS patients who were transplanted using cold storage as well as patients who were transplanted with lungs that did not meet the eligibility criteria. While the typical non-inferiority threshold for medical device pivotal trials allows for a differential of 7.5% – 15.0% between treatment and control, for this trial the FDA also imposed a narrow 4.0% non-inferiority margin for comparing the OCS results to the control arm.

Based on observed results, the OCS arm was numerically better than the control arm for all analyses of the primary endpoint. Relative to the amended primary effectiveness endpoint, the OCS achieved statistical non-inferiority in all analysis populations, except the ITT population. We believe that the imposition of a narrow 4.0% non-inferiority margin is the only reason the ITT population did not meet the statistical non-inferiority test despite performing 3.8% better than the control group.

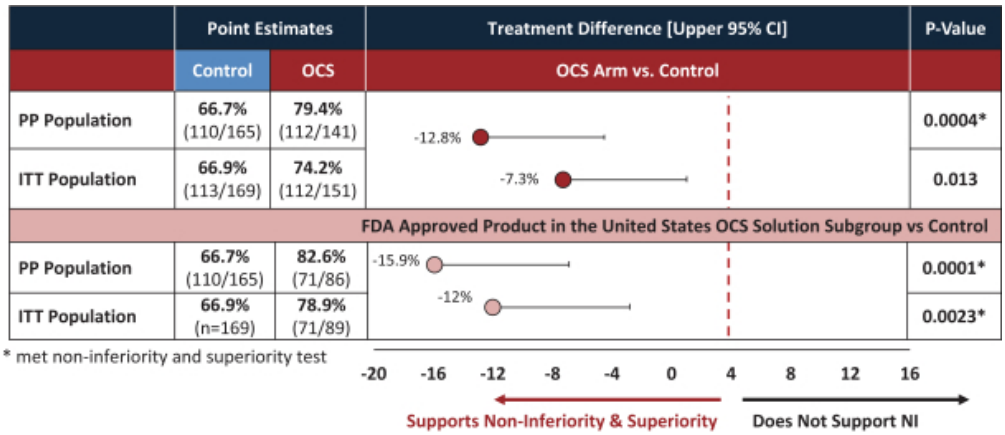
In addition, when assessing the results from the actual product to be marketed, the OCS Solution subgroup, the OCS met the non-inferiority test in all analyses and was statistically superior to the control arm in the PP

population. The figure below is a forest plot summarizing the results of the amended primary effectiveness endpoint.



Primary Effectiveness Composite Endpoint: patient survival at day 30 and freedom from PGD3 within the initial 72 hours after lung transplantation. This forest plot shows the point estimates (observed results) of the treatment arms and the percentage difference between the two treatment arms for the different study populations and subgroups. Upper 95% confidence interval is reported as we used a one-sided test for non-inferiority.

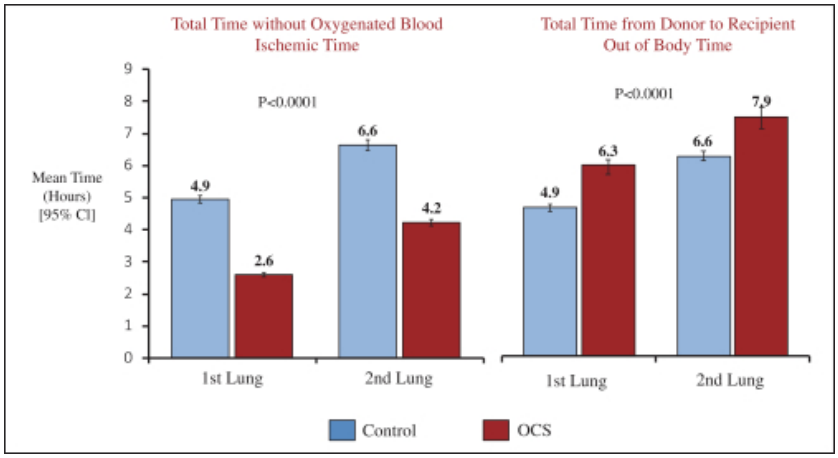
We also performed an adjunctive effectiveness composite analysis to evaluate patient survival at day 30 and throughout the initial transplant hospital admission, which comprehensively assessed surgical survival following transplantation and freedom from PGD3. In the adjunct analysis, the OCS arm not only met the non-inferiority test in all analysis populations, but was statistically superior to the control arm in three out of four analyses.



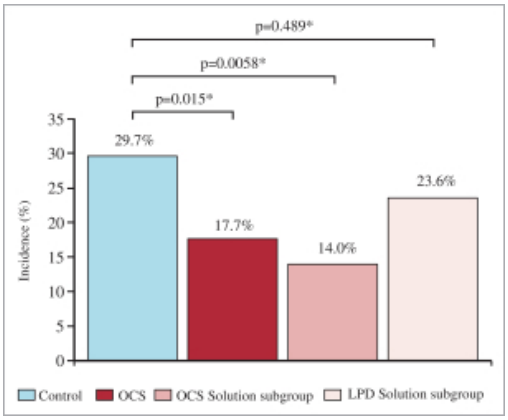
Adjunct Effectiveness Composite Analyses: patient survival at day 30 and throughout the initial transplant hospital admission and freedom from PGD3 within the initial 72 hours after lung transplantation. This forest plot shows the point estimates (observed results) of the treatment arms and the percentage difference between the two treatment arms for the different study populations and subgroups. Upper 95% confidence interval is reported as we used a one-sided test for non-inferiority.

Summary results of the OCS Lung INSPIRE Trial include:

- ***Significant Reduction of Injurious Ischemic Time on Donor Lungs***: OCS Lung significantly reduced the injurious ischemic time on donor lungs, while permitting the organ to remain out of the body for a significantly longer time compared to cold storage. These clinically significant results marked the first time in organ transplant history that a preservation technology demonstrated the ability to reduce the injurious ischemic time on the donated lung, regardless of the travel distance.



- ***Significant Reduction of PGD3 Post-Lung Transplantation:*** The OCS Lung also significantly reduced PGD3, the most severe and common clinical complication resulting from lung transplantation. PGD3 has been associated with poor short- and long-term outcomes following lung transplantation. We believe the OCS is the only technology or therapy that has demonstrated a significant reduction in this common and severe short-term complication in lung transplantation.



Incidence of PGD3 in the per-protocol analysis
OCS=Organ Care System; LPD=low potassium dextran; *Superiority test

Summary Overview of OCS Lung EXPAND Trial & Results

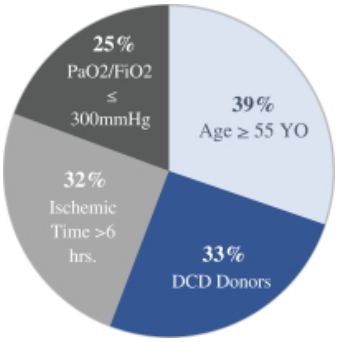
We sponsored the OCS Lung EXPAND Trial, a single arm, multi-center U.S. FDA pivotal trial in eight leading global academic lung transplant centers. The objective of the OCS Lung EXPAND Trial was to demonstrate the ability of the OCS Lung to improve donor lung utilization from currently unutilized DBD and DCD donors and to demonstrate reasonable assurance of effectiveness and safety required for U.S. FDA approval for this indication. The trial inclusion criteria focused on currently unutilized DBD and DCD donor lungs and enrolled 79 lung transplant recipients with donor lungs that would otherwise have been unutilized. In fact, data obtained from the U.S. United Network for Organ Sharing, or UNOS, demonstrated that the U.S. donor lungs used for the OCS Lung EXPAND Trial had been declined for transplantation on average 35 times by other transplant centers before reaching a center participating in the OCS Lung EXPAND Trial due to a variety of clinical and logistical reasons, including donor organ quality, donor age, expected injurious ischemic time or travel distance, or type of donor.

The primary effectiveness endpoint in the OCS Lung EXPAND Trial was a composite of patient survival at day 30 post-transplantation and freedom from PGD3 within the initial 72-hour period post-transplantation. The results of the OCS Lung EXPAND Trial did not meet the pre-specified performance goal that 65% of transplants meet the composite endpoint. The key clinical driver for missing the primary endpoint was the 44.3% rate of PGD3 within the initial 72-hour period post-transplantation due to the challenging nature of the donor lung criteria included in the OCS Lung EXPAND Trial. However, patient survival at day 30 post-transplantation was 98.7%. The primary endpoint of the OCS Lung EXPAND trial was established prior to the initiation of the study and was based on the only published data available for PGD3 within the initial 72-hour period post-transplantation, which reflected data from currently utilized donor lungs. Several recently-published studies have demonstrated higher rates of PGD3 within the initial 72-hour period post-transplantation when using donor lungs from currently unutilized DBD and DCD donors. We performed a comparative benchmark analysis against these studies with the results of the OCS Lung EXPAND Trial. Although the analysis was not a head-to-head comparison and thus is not definitive evidence of efficacy, the OCS Lung resulted in significantly lower rates of PGD3 within the initial 72-hour period post-transplantation as compared to similar donor cohorts.

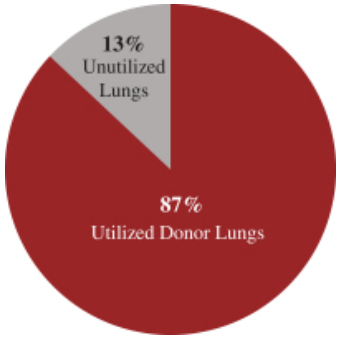
Summary results of the OCS Lung EXPAND Trial include:

- ***Observed 87% Utilization Rate for Lung Transplantation Using OCS Lung:*** The OCS Lung EXPAND Trial included several clinical criteria that would typically result in the rejection of lungs from DBD donors, including donor age above 55 years old, lung oxygenation function assessed by fraction oxygenation index, or PaO2/FiO2, below 300 mmHg and injurious ischemic time greater than six hours. In addition, the trial included DCD donor organs that are seldom utilized for transplantation today. Use of the OCS Lung resulted in successful utilization of 87% of these donor lungs that had been rejected for transplantation by other transplant centers using cold storage. The figure below demonstrates the donor lung criteria and observed rates of successful transplantation in the OCS Lung EXPAND Trial.

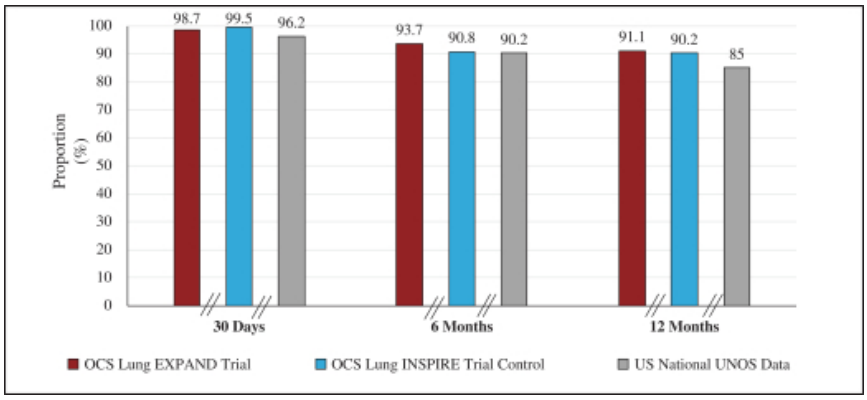
OCS Lung EXPAND Trial Donors Inclusion Criteria



OCS Lung EXPAND Trial Utilization Result



- ***The OCS Lung Resulted in Good Short- and Long-Term Patient Survival at One Year Post-Lung Transplantation:*** As indicated in the figure below, the 30-day, 6-month and one-year survival of patients in the OCS Lung EXPAND Trial was good and compared favorably to the survival rates of patients receiving donor lungs in our OCS Lung INSPIRE Trial as well as to U.S. national averages post-transplantation.



Summary Overview of OCS Lung EXPAND II Trial

We are also currently enrolling patients in our OCS Lung EXPAND II Trial, which is intended to provide continued clinical access to the OCS Lung for use in unutilized DBD and DCD donor lungs, similar to our OCS Lung EXPAND Trial, while the PMA for our OCS Lung EXPAND Trial is under review by the FDA. Our OCS Lung EXPAND II Trial may also serve as supplemental clinical evidence to support our OCS Lung EXPAND PMA indication currently under review by the FDA. The OCS Lung EXPAND II Trial is a prospective single-arm trial and has a design that is similar to the OCS Lung EXPAND Trial. Target enrollment for completion of the study is a total of 75 transplanted lung recipients. The trial is currently enrolling patients, with 37% of target enrollment completed at several active U.S. lung transplant centers as of October 1, 2018. We expect enrollment to be completed by the end of 2019.

OCS Lung Thoracic Organ Perfusion Post-Approval Study Registry

As a condition of approval for our currently marketed OCS Lung PMA, we are conducting a post-approval study known as the OCS Lung Thoracic Organ Perfusion Post-Approval Study Registry, or TOP Registry. The TOP Registry will evaluate the short- and long-term safety and effectiveness of the OCS Lung for lung transplantation in a real-world environment. This registry will enroll all consenting patients who receive preserved double-lung transplants using the OCS Lung. A minimum of 500 double-lung transplant recipients transplanted with donor lungs preserved using the OCS Lung will be included in the registry. The first 289 eligible post-approval study consenting recipients transplanted with eligible donor lungs preserved on the OCS Lung will comprise the primary analysis population. The primary effectiveness endpoint is 12-month patient and graft survival post double-lung transplant. The safety endpoints are the number of lung graft-related serious adverse events through the longer of 30 days post-transplantation or initial hospital stay per patient, survival rate at 30 days post-transplantation and survival rate through initial transplant surgery hospital stay, if longer than 30 days. No patients have yet been enrolled.

OCS Lung INSPIRE Continuation Post-Approval Study

We also plan to enroll patients in our OCS Lung INSPIRE Continuation Post-Approval Study, which will evaluate long-term Bronchiolitis Obliterans Syndrome, or BOS, -free survival outcomes of OCS Lung INSPIRE Trial patients and is a condition of approval for our currently marketed OCS Lung PMA. This is a two-arm observational study limited to patients previously enrolled in the OCS Lung INSPIRE Trial in the United States and outside of the United States. The primary effectiveness endpoint is BOS-free survival, which measures freedom from BOS and mortality through five years post-transplantation. All patients in the OCS Lung INSPIRE Trial will be approached to seek their consent for collecting their long-term clinical diagnosis of BOS and survival status. In addition, the UNOS database will be queried to obtain BOS-free survival data on U.S. patients through five years of follow-up in an anonymized fashion by arm. The maximum number of patients to be enrolled is 349. No patients have yet been enrolled, but the last patient in the OCS Lung INSPIRE Trial will reach the five-year post-transplantation time point on November 24, 2019.

OCS Heart Clinical Trials

Below is a summary of our key clinical trials evaluating the OCS Heart.

	OCS Heart PROCEED II Trial in Current Donor Hearts	OCS Heart EXPAND Trial for Currently Unutilized DBD Donors
FDA Status	Potential PMA submission in Q1 2019	
Objectives	• International pivotal trial for FDA approval and market access for current heart transplant market • Compare OCS Heart clinical outcomes to cold storage and demonstrate non-inferiority of OCS Heart clinical outcomes to cold storage control	• U.S. pivotal trial for FDA approval and market access for currently unutilized DBD donors • Single arm trial to assess the ability of the OCS to improve donor heart utilization from currently unutilized DBD donors
Number of Patients	• 128 patients	• 75 patients
Length of Follow-up	• 30 days post-transplantation	• 12 months post-transplantation
Number of Centers	• 10 U.S. and international centers	• 9 U.S. centers
Summary Outcomes	• Met primary effectiveness and safety endpoints • Demonstrated significant reduction of injurious ischemic time on donor hearts compared to cold storage controls	• Demonstrated significant increase in donor heart utilization from currently unutilized DBD donors to 81% utilization • Demonstrated excellent patient survival at 6 months post-transplantation, which is ongoing; 12 months follow-up is also ongoing
Publication Status	• Ardehali et al., The Lancet Journal, April 2015	• Pre-publication

The OCS Heart PROCEED II Trial was the first FDA trial for machine perfusion technologies for solid organ transplantation and helped identify several trial design and technology implementation opportunities. These opportunities were addressed in the design of the OCS Heart EXPAND Trial. As a result, we voluntarily withdrew our original PMA for OCS Heart in an effort to expand our data to include OCS Heart EXPAND Trial results as well as supplement our OCS Heart PROCEED II Trial results with long-term follow-up data that was not collected as part of the original trial protocol.

Summary Overview of OCS Heart PROCEED II Trial & Results

We sponsored the OCS Heart PROCEED II Trial, a randomized, controlled, multi-center study at 10 leading global academic heart transplant centers. The purpose of this trial was to demonstrate non-inferiority of the OCS Heart compared to cold storage. The trial inclusion criteria focused on current routine donor heart transplant criteria and the trial enrolled 128 heart transplant recipients randomized between the OCS Heart and the control arm, which used cold storage. Summary results of the OCS Heart PROCEED II Trial include:

- ***Met Primary Effectiveness Endpoint of Patient Survival at Day 30 post-Heart Transplantation:*** The OCS met the primary effectiveness endpoint in all analysis populations, demonstrating a greater than 90% survival rate at day 30 post-transplantation. These survival rates were not statistically different from those of the control arm, which potentially support that the OCS is effective in preserving donor hearts for transplantation.

- ***Met Principal Safety Endpoint of Cardiac-Graft Related Serious Adverse Events Relative to the Control Arm:*** The OCS Heart PROCEED II Trial met the secondary endpoint of cardiac-graft related serious adverse events, with no statistically significant difference relative to the control arm. These results support the safety of the OCS Heart for donor heart preservation.

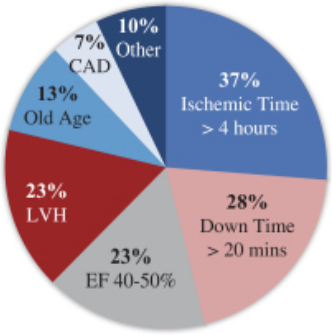
Summary Overview of OCS Heart EXPAND Trial & Results

We sponsored the OCS Heart EXPAND Trial, a single arm, multi-center U.S. FDA pivotal trial at nine leading academic U.S. heart transplant centers. The objective of the OCS Heart EXPAND Trial was to demonstrate the ability of the OCS Heart to improve donor heart utilization from currently unutilized DBD donors and to demonstrate reasonable assurance of effectiveness and safety required for U.S. FDA approval for this indication. The trial inclusion criteria focused on currently unutilized DBD donor hearts and enrolled 75 heart transplant recipients with donor hearts that would otherwise have been unutilized from DBD donors. In fact, data obtained from UNOS demonstrated that U.S. donor hearts used for the OCS Heart EXPAND Trial had been declined for transplantation an average of 66 times by other transplant centers before reaching a center participating in the OCS Heart EXPAND Trial due to variety of clinical and logistical reasons, including donor organ quality, donor age, expected injurious ischemic time or travel distance, or type of donor.

Summary results of the OCS Heart EXPAND Trial:

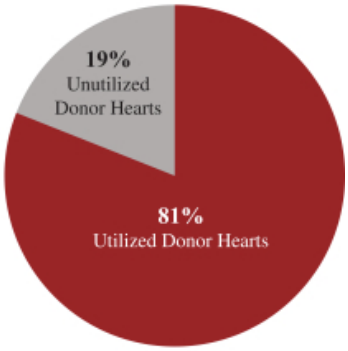
- ***Observed 81% Utilization Rate for Heart Transplantation Using OCS Heart Technology***: The OCS Heart EXPAND Trial included several clinical criteria that would typically result in the rejection of hearts from DBD donors, including older donor age, lower than acceptable cardiac ejection fraction, or EF, donor with prolonged cardiac arrest/down time requiring resuscitation, donor hearts with thick left ventricle hypertrophy, or LVH, donor hearts with non-specific coronary artery disease, or CAD, and long injurious ischemic time greater than four hours. Use of the OCS Heart resulted in successful utilization of 81% of these donor hearts that had been rejected for transplantation by other transplant centers using cold storage. The figure below demonstrates the donor heart characteristics and observed rates of successful transplantation in the OCS Heart EXPAND Trial.

OCS Heart EXPAND Trial Donors Type



25 patients had more than one inclusion criteria

OCS Heart EXPAND Trial Utilization Results



- ***Good Short- and Mid-Term Patient Survival at Six Months Post-Heart Transplantation:*** Despite the higher risk profile associated with the donor hearts used in the OCS Heart EXPAND Trial, the trial demonstrated short- and mid-term survival rates of 94.7% and 88.0% at 30 days and six months, respectively. The 12-month follow-up is ongoing.

Summary of Key Ex-U.S. Studies Supporting OCS Heart for DCD Donors

The OCS Heart is the only portable medical technology capable of resuscitating, preserving and assessing hearts from DCD donors. Outside of the United States, the OCS has been used to successfully transplant 100 hearts from DCD donors. As such, in addition to our clinical trials that potentially support the FDA approval process for the OCS Heart, there are several scientific and clinical publications from Australia and the U.K. that may provide additional support for demonstrating the safety and efficacy of the OCS Heart in the transplantation of DCD donor hearts.

A single-center observational matched cohort study in the U.K. compared the outcomes of consecutive patients who received transplants of DCD donor hearts between February 1, 2015 and March 31, 2017 to matched recipients who received transplants of DBD donor hearts between February 1, 2013 and March 31, 2017. The DCD donor hearts were transported and perfused on the OCS Heart, while the DBD hearts were preserved with cold storage. There was no difference in the protocol for implant technique or immunosuppressive regimens during this period. In this study, the use of the OCS Heart resulted in an 87% rate of successful utilization of DCD donor hearts for transplantation and resulted in one-year post-transplantation survival rates that were comparable to those of the matched DBD donor hearts that were transplanted with cold storage. This study was published in the Journal of Heart and Lung Transplantation in December 2017.

Similarly, a publication by Dhital et al. in April 2015 in The Lancet Journal described the experience of using the OCS Heart to preserve DCD donor hearts at St. Vincent's Hospital in Sydney, Australia. The DCD program at this institution began in July 2014 with all DCD donor hearts being perfused with the OCS Heart. As of October 2018, there have been 17 DCD donor heart transplants utilizing 71% of DCD donor hearts. Of the reported results available on 16 of the 17 patients, all 16 patients were alive and had normal biventricular function.

OCS Liver Clinical Trials

We are also actively enrolling patients in our U.S. pivotal IDE trial, the OCS Liver PROTECT Trial, to support U.S. FDA approval and market access for the OCS Liver. The OCS Liver PROTECT Trial is a prospective, randomized trial to evaluate the effectiveness of the OCS Liver to preserve and assess donor livers intended for transplantation. This is a two-armed, multi-center, randomized, controlled pivotal trial with participants assigned to the OCS treatment arm or the control arm, which uses cold storage. Target enrollment for completion of the study is a total of 300 patients. The trial is currently enrolling patients with nearly 43% of target enrollment completed at leading academic U.S. liver transplant centers as of September 29, 2018.

Additionally, our OCS Liver European REVIVE Trial, which was a single arm, prospective trial of 25 transplanted liver recipients, evaluated the safety and performance of the OCS Liver. The primary performance endpoint was the number of donor livers preserved by the OCS Liver in a near-physiologic state. The primary safety endpoint was the number of events directly related to the use of the OCS Liver that led to the donor liver being deemed not clinically acceptable and, consequently, not transplanted. Results from the OCS Liver European REVIVE Trial demonstrated that the OCS Liver resulted in approximately 100% utilization of DBD and DCD donor livers. Long-term data collection is ongoing.

Intellectual Property

Patents and Trade Secrets

We rely on a combination of patent, trademark, copyright, trade secret and other intellectual property laws, nondisclosure and assignment of inventions agreements and other measures to protect our intellectual property. Our patent portfolio includes patents and patent applications that we own or license from third parties.

As of September 7, 2018, our owned and licensed patent portfolio consisted of approximately 202 issued patents and pending patent applications worldwide, including in Australia, Europe, Canada, China, Israel, New

Zealand and Japan. The patents and patent applications licensed from the VA include one issued unexpired United States patent, and 26 issued international patents. Two additional issued United States patents licensed from the VA expired in 2017, and the corresponding issued international patents expire in 2018. The international patent application licensed from the VA issued in 16 European countries, Australia, Japan and Canada. The VA patents include claims directed to systems, methods and solutions for warm, blood-based, *ex vivo* organ maintenance. Our portfolio includes patents and applications related to one or more of the OCS Lung, OCS Heart, OCS Liver and solutions. In the United States, our portfolio includes about 20 issued patents and 9 pending applications. Worldwide, our portfolio includes about 120 issued patents and 53 pending applications. Issued patents in our portfolio are expected to expire between 2018 and 2032, excluding any potential additional patent term for patent term adjustments or patent term extensions, if applicable. If granted, the pending U.S. and foreign patent applications in our portfolio are expected to expire between 2025 and 2036, excluding any potential additional patent term for patent term adjustments or patent term extensions, if applicable.

As of September 7, 2018, our patent portfolio relating to the OCS Lung includes a family comprised of patents and patent applications with claims that are generally directed to certain methods and systems for preserving a lung *ex vivo* using both perfusion and ventilation. Such patents are issued in the United States, Australia, China, Israel, Japan, Hong Kong and New Zealand and patent applications are pending in the United States, Australia, Canada, China, Europe, Hong Kong, Israel, Japan and New Zealand. These patents, and any patents issued from pending patent applications, are expected to expire in 2028, excluding any potential additional patent term for patent term adjustments or patent term extensions, if applicable.

As of September 7, 2018, our patent portfolio relating to the OCS Heart includes a family comprised of patents and patent applications with claims that are generally directed to certain methods and systems for preserving a heart *ex vivo*. Such patents are issued in the United States, Australia, Belgium, China, Germany, Denmark, Europe, Spain, France, United Kingdom, Hong Kong, Ireland, Israel, Italy, Japan, The Netherlands, New Zealand and Sweden and patent applications are pending in the United States, Australia, Canada, Israel, Japan and New Zealand. These patents, and any patents issued from pending patent applications, are expected to expire in 2025, excluding any potential additional patent term for patent term adjustments or patent term extensions, if applicable.

As of September 7, 2018, our patent portfolio relating to the OCS Liver includes a family of allowed and pending patent applications with claims that are generally directed to certain systems, including perfusion circuits for perfusing a liver *ex vivo*. Such patent applications are pending in the United States, Australia, Canada, China, Europe, Hong Kong, Israel, Japan and New Zealand. Any patents issued from pending patent applications are expected to expire in 2035, excluding any potential additional patent term for patent term adjustments or patent term extensions, if applicable.

As of September 7, 2018, our patent portfolio relating to the OCS Solutions includes a family comprised of patents and patent applications with claims that are generally directed to compositions of certain perfusion fluids. Such patents are issued in the United States and patent applications are pending in the United States. These patents, and any patents issued from pending patent applications, are expected to expire in 2025, excluding any potential additional patent term for patent term adjustments or patent term extensions, if applicable.

The term of individual patents depends on the legal term for patents in the countries in which they are granted. In most countries, including the United States, the patent term is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. We cannot assure you that patents will be issued from any of our pending applications or that, if patents are issued, they will be of sufficient scope or strength to provide meaningful protection for our technology. Notwithstanding the scope of the patent protection available to us, a competitor could develop methods or devices that are not covered by our patents. Furthermore, numerous U.S. and foreign issued patents and patent applications owned by third parties exist in the fields in which we are developing products. Because patent applications can take many years to issue, there may

be applications unknown to us, which applications may later result in issued patents that our existing or future products or proprietary technologies may be alleged to infringe.

There has been substantial litigation regarding patent and other intellectual property rights in the medical device industry. In the future, we may need to engage in litigation to enforce patents issued or licensed to us, to protect our trade secrets or know-how, to defend against claims of infringement of the rights of others or to determine the scope and validity of the proprietary rights of others. Litigation could be costly and could divert our attention from other functions and responsibilities. Adverse determinations in litigation could subject us to significant liabilities to third parties, could require us to seek licenses from third parties and could prevent us from manufacturing, selling or using the OCS, any of which could severely harm our business.

For more information, see “Risk Factors—Risks Related to Intellectual Property.”

Department of Veterans Affairs License

In August 2002, we entered into a license agreement with the VA under which the VA granted us an exclusive, worldwide license under specified patents to make, use, sell and import perfusion apparatuses for our portable organ preservation systems and disposable perfusion modules for use in these apparatuses and a non-exclusive, worldwide license to make, use, sell and import solutions for use in or with those systems. Prior to September 23, 2017, our license rights under the VA patents included at least 20 issued United States and international patents and patent applications pending in the United States, Canada and Japan. Dr. Hassanein, our President and Chief Executive Officer and founder, is a co-inventor on all of these patents. During his cardiac surgery research fellowship at West Roxbury VA Medical Center prior to founding TransMedics, Dr. Hassanein performed much of the research and other work that resulted in the inventions and claims that subsequently became the subject of patents and patent applications currently held by the VA. The majority of the licensed U.S. patents expired in 2017, and the foreign patents expired in September 2018. However, we have requested patent term extension for one U.S. patent covered by the VA license agreement, U.S. Patent No. 6,100,082. We have been granted interim patent term extension for this patent. The maximum extension granted could be through May 2022; however, the length of the patent term extension is currently being determined by the United States Patent and Trademark Office. Our rights under the license agreement will continue until the expiration of the last to expire of the licensed patents, which will be the ’082 patent. Our license includes the right to grant sublicenses, subject to approval by the VA and other restrictions, and is subject to the U.S. government’s right to practice the licensed patents on its own behalf without payment of a royalty and an obligation to grant certain sublicenses as necessary to fulfill public health, welfare and safety needs. During its term, our license agreement with the VA also requires us to make our products covered by the licensed patents available to the public on reasonable terms and to provide the U.S. government such products at the lowest price. During the term, we must manufacture our products covered by the licensed patents in the United States to the extent practicable.

As consideration for the licenses granted by the VA, we paid a one-time five figure amount to the VA and are obligated to pay tiered royalties ranging from a low single-digit to a mid single-digit percentage on net sales of each product covered by a licensed patent (subject to a minimum aggregate royalty payment of less than $0.1 million per year during each of the first five years after the first commercial sale, after which no minimum is required). Royalties will be paid by us on a licensed product-by-licensed product and country-by-country basis, beginning on the first commercial sale of such licensed product in such country until expiration of the last valid patent claim covering such licensed product in such country. Our license agreement with the VA provides that so long as our license remains exclusive, we have the first right to amend, prosecute and maintain the licensed patents at our own expense, and, subject to prior written approval of the U.S. Department of Justice or, if required by law, jointly with the VA, the first right to enforce the licensed patents with respect to infringement relating to perfusion apparatuses. Our license agreement with the VA can be terminated by us or the VA only if the other party fails to cure its material breach within a specified period after receiving notice of such breach.

Research, Development and Clinical Trial Operations

Our research, development and clinical trial operations function consists of a dedicated clinical trial team that has trial management, data collection and biostatistics expertise. Our product engineering function consists of a multi-disciplinary engineering team that has electrical, mechanical, systems and software engineering expertise. Our regulatory function includes a team with both U.S. and international medical device regulatory expertise and is supported by senior FDA regulatory advisors and legal counsel. For the fiscal years ended December 31, 2016 and December 30, 2017, our research, development and clinical trials expenses were $15.6 million and $15.0 million, respectively.

This team is focused on the following research, development and clinical trial activities:

- expanding the body of clinical evidence supporting the use of the OCS platform through pre-market clinical trials, post-market registries and scientific publications;
- improving incrementally the technology and manufacturing efficiency of our current platform;
- developing the next generation OCS; and
- conducting research to investigate new clinical applications and uses for the OCS platform.

Competition

Competition in organ preservation for transplantation can be classified into two main segments: (1) cold storage and cold perfusion technologies and (2) warm perfusion technologies. In both cold storage and cold perfusion, the organs are not functioning or metabolically inactive. The characteristics of cold storage and cold perfusion described above significantly limit donor organ utilization and are a primary driver of post-transplant complications. Supply of cold storage and cold perfusion products is fragmented with a number of companies mainly providing undifferentiated flush and perfusion solutions.

Warm perfusion preservation for solid organ transplant is an emerging alternative designed to address the limitations of cold storage and cold perfusion. In warm perfusion, the organs are functioning and metabolically active. We are aware of only two other companies providing warm perfusion systems, OrganOx Limited and XVIVO Perfusion AB, both of which offer single-organ systems for the liver and lung, respectively.

We believe that our principal competitive factors include:

- strong clinical evidence from large trials demonstrating safety, effectiveness and clinical benefits;
- regulatory approvals for broad clinical indications of use;
- ease of integration into current organ retrieval workflow, including system portability across all modes of transportation;
- platform capabilities designed to support multiple organ transplant programs;
- brand recognition among leading transplant programs worldwide;
- established clinical relationships and a core of committed clinical users;
- commercial reimbursement; and
- sophisticated clinical training and support program to users worldwide.

Manufacturing, Supply and Operations

We design and assemble our OCS Consoles and disposable OCS Perfusion Sets at our facility in Andover, Massachusetts. We believe our current facility’s capacity using a single shift is sufficient to cover the next two to

three years of forecast demand, and we also have the ability to increase capacity significantly with additional shifts. We manufacture our sterilized disposable OCS Perfusion Sets in a class 10,000 cleanroom. We source many of the components for the OCS Console and OCS Perfusion Sets from third-party suppliers that are required to manufacture and test them according to our specifications. We purchase some of the components of the OCS Console and OCS Perfusion Set from single-source suppliers and, in a few cases, sole-source suppliers.

We source the OCS Solutions using our proprietary formulas from third-party suppliers. Fresenius is our single-source supplier of OCS Solutions for the OCS Lung and OCS Heart. Our agreement with Fresenius for the supply of OCS Lung Solution expires in April 2020 and automatically extends for subsequent periods of 24 months each, unless terminated by either party at least 12 months prior to the end of the initial term or the then-current extension term. We may also terminate this agreement with 12 months' notice if we request that Fresenius qualify a second manufacturing plant or qualify a reputable third party to manufacture the OCS Lung Solution and Fresenius fails to respond to this request. We are obligated to meet certain annual minimum purchase commitments based upon rolling order forecasts that we provide to Fresenius in accordance with this agreement. Our agreement with Fresenius for the supply of OCS Heart Solution has one-year evergreen terms, terminable by either party at least 12 months prior to the end of the then-current term.

Our operations team includes production and test employees, manufacturing engineers and field service technicians.

Facilities

Our corporate headquarters and manufacturing and clinical training facilities are located in Andover, Massachusetts, where we lease 54,000 square feet of space, including a 10,500 square foot laboratory and training facility and a 2,400 square foot class 10,000 re-configurable cleanroom facility. The leases for these facilities expire on December 31, 2021.

Employees

As of September 29, 2018, we employed 82 people globally. We believe the success of our business will depend, in part, on our ability to attract and retain qualified personnel. We are committed to developing our employees and providing them with opportunities to contribute to our growth and success. Except for certain European employees, our employees are not subject to collective bargaining agreements, and we believe that we have good relations with our employees.

Legal Proceedings

We are not currently a party to any material legal proceedings. From time to time, we may be involved in legal proceedings or investigations, which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business.

REGULATION

Our OCS products and our operations are subject to extensive regulation by the FDA and other federal and state authorities in the United States, as well as comparable authorities in the European Union. EU laws in relation to CE marking also apply in Norway, Lichtenstein, Iceland, Switzerland and Turkey due to mutual recognition agreements. Our products are subject to regulation as medical devices under the FDCA, as implemented and enforced by the FDA. The FDA regulates the development, design, non-clinical and clinical research, manufacturing, safety, effectiveness, labeling, packaging, storage, installation, servicing, recordkeeping, premarket clearance or approval, adverse event reporting, advertising, promotion, marketing and distribution, and import and export of medical devices to ensure that medical devices distributed domestically are safe and effective for their intended uses and otherwise meet the requirements of the FDCA.

In addition to U.S. regulations, we are subject to a variety of regulations in the European Union and other countries, governing medical devices, clinical investigations and commercial sales and distribution of our products. Whether or not we have or are required to obtain FDA clearance or approval for a product, we will be required to obtain authorization before commencing clinical trials and to obtain marketing authorization or approval of our products under the comparable regulatory authorities of countries outside of the United States before we can commence clinical trials or commercialize our products in those countries. The approval processes outside the European Union, although to a significant extent harmonized across the European Union, will vary from country to country and the time may be longer or shorter than that required for FDA clearance or approval.

FDA Premarket Clearance and Approval Requirements

Unless an exemption applies, each medical device commercially distributed in the United States requires either FDA clearance of a 510(k) premarket notification or approval of a PMA. Under the FDCA, medical devices are classified into one of three classes—Class I, Class II or Class III—depending on the degree of risk associated with each medical device and the extent and regulatory controls needed to ensure its safety and effectiveness. Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be assured by adherence to the FDA's General Controls for medical devices, which include compliance with the applicable portions of the QSR facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Class II devices are subject to the FDA's General Controls, and special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls can include performance standards, post-market surveillance, patient registries and FDA guidance documents. While most Class I devices are exempt from the 510(k) premarket notification requirement, manufacturers of most Class II devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA requesting a classification determination that provides permission to commercially distribute the device. The FDA's permission to commercially distribute a device subject to a 510(k) premarket notification is generally known as 510(k) clearance. Under the 510(k) process, the manufacturer must submit to the FDA a premarket notification demonstrating that the device is "substantially equivalent" to either a device that was legally marketed prior to May 28, 1976, the date upon which the Medical Device Amendments of 1976 were enacted, or a device that was reclassified from Class III to Class II or I, or another commercially available device that was cleared through the 510(k) process or that was granted marketing authorization through the *De Novo* classification process under section 513(f)(2) of the FDCA.

Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting and most implantable devices, or devices that have been found not substantially equivalent to a legally marketed Class I or Class II predicate device, are placed in Class III, requiring approval of a PMA. Pre-amendment Class III devices require a PMA only after FDA publishes a regulation calling for PMA submissions, and prior to the PMA effective date are subject to the FDA's 510(k) premarket notification and clearance process in order to be commercially distributed.

We received a PMA for the OCS Lung in March 2018 for the preservation of donor lungs for double-lung transplantation. In the future, we also hope to obtain PMAs for the OCS for preservation of extended criteria donor lungs, standard and extended criteria donor hearts, and standard and extended criteria donor livers for transplantation.

PMA Pathway

Class III devices require a PMA before they can be marketed although some pre-amendment Class III devices for which the FDA has not yet required a PMA are cleared through the 510(k) process. The PMA process is more demanding than the 510(k) premarket notification process. In a PMA, the manufacturer must demonstrate that the device is safe and effective, and the PMA must be supported by extensive data, including data from preclinical studies and human clinical trials. The PMA must also contain a full description of the device and its components, a full description of the methods, facilities and controls used for manufacturing, and proposed labeling. Following receipt of a PMA, the FDA determines whether the application is sufficiently complete to permit a substantive review. If the FDA accepts the application for review, it has 180 days under the FDCA to complete its review of a PMA, although in practice, the FDA's review generally takes from one to three years, or even longer, from the time the PMA application is submitted to the FDA until an approval is obtained. An advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. The FDA may or may not accept the panel's recommendation. In addition, the FDA will generally conduct a preapproval inspection of the applicant or its third-party manufacturers' and/or suppliers' manufacturing facility or facilities to ensure compliance with the QSR and will audit the applicant and clinical sites as part of its BioResearch Monitoring program.

The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s). The FDA may approve a PMA with post-approval conditions intended to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution, and collection of long-term follow-up data from patients in the clinical study that supported a PMA or requirements to conduct additional clinical studies post-approval. The FDA may condition a PMA on some form of post-market surveillance when deemed necessary to protect the public health or to provide additional safety and efficacy data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to the FDA on the clinical status of those patients. For our currently marketed OCS Lung, as part of the conditions of approval we must complete two PMA post-approval studies, the INSPIRE Continuation Post-Approval Study, which is a two-arm observational study intended to evaluate long-term outcomes of the OCS Lung INSPIRE Trial patients, and the TOP Registry, a prospective, single-arm, multi-center, observational study designed to evaluate the short- and long-term safety and effectiveness of the OCS Lung. Both the INSPIRE Continuation Post-Approval Study and the TOP Registry entail submission of regular reports to the FDA. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval.

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

Clinical Trials

Clinical trials are almost always required to support a PMA. All clinical investigations of investigational devices to determine safety and effectiveness must be conducted in accordance with the FDA's investigational device exemption, or IDE, regulations that govern investigational device labeling, prohibit promotion of the investigational device, and specify an array of recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk" to human health, as defined by the FDA, the FDA requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials. A significant risk device is one that presents a potential for serious risk to the health, safety or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. To be approved, an IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE will automatically become effective 30 days after receipt by the FDA unless the FDA notifies the company that the investigation may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical trial to proceed under a conditional approval.

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

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

Currently, pivotal trials are being initiated or conducted under IDEs that investigate (i) the safety and effectiveness of the OCS Heart for the preservation of certain donor hearts that do not meet the current standard donor heart acceptance criteria for transplantation; (ii) the safety and effectiveness of the OCS Lung for the preservation of certain donor lungs that do not meet the current standard donor lung acceptance criteria for transplantation; and (iii) the safety and effectiveness of the OCS Liver for the preservation of standard donor livers and certain donor livers that do not meet the current standard donor liver acceptance criteria for transplantation. In addition, we completed an IDE pivotal trial of the OCS Heart for donor hearts, and plans to submit IDEs for a Continued Access Protocol to the OCS Heart Study for the preservation of certain donor hearts that do not meet the current standard donor heart acceptance criteria for transplantation, and for a study of OCS Heart for donor hearts that are donated after circulatory death.

Post-market Regulation

After a device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include:

- establishment registration and device listing with the FDA;
- QSR requirements, which require manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and manufacturing process;
- labeling and marketing regulations, which require that promotion is truthful, not misleading, fairly balanced and provide adequate directions for use and that all claims are substantiated, and also prohibit the promotion of products for unapproved or "off-label" uses and impose other restrictions on labeling;
- approval of a PMA supplement for certain modifications to PMA-approved devices that affect the safety or effectiveness of the device, or clearance of a new 510(k) premarket notification for modifications to 510(k) cleared devices that could significantly affect safety or effectiveness or that would constitute a major change in intended use of the device;
- medical device reporting regulations, which require that a manufacturer report to the FDA information that reasonably suggests a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- complying with the new federal law and regulations requiring Unique Device Identifiers, on devices and also requiring the submission of certain information about each device to the FDA's Global Unique Device Identification Database;
- the FDA's recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and
- post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and effectiveness data for the device.

Our manufacturing processes are required to comply with the applicable portions of the QSR, which cover the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master record, device history file, and complaint files. As a manufacturer, our facilities, records and manufacturing processes are subject to periodic scheduled or unscheduled inspections by the FDA. Our failure to maintain compliance with the QSR or other applicable regulatory requirements (for example, if we fail to re-certify our products under the new Medical Devices Regulation in time) could result in the shutdown of, or restrictions on, our manufacturing operations and the recall or seizure of our products. The discovery of previously unknown problems with any of our products, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its clearance or off-label by a physician in the practice of medicine, could result in restrictions on the device, including the removal of the product from the market or voluntary or mandatory device recalls.

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

- warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties;

- recalls, withdrawals, or administrative detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for PMAs of new products or modified products;
- withdrawing a PMA that has already been granted;
- refusal to grant export or import approvals for our products; or
- criminal prosecution.

Regulation of Medical Devices in the European Union

In the European Union, our products are regulated as medical devices. Regulation of medical devices in the European Union is harmonized such that EU countries follow the standards set out in three medical devices directives (90/385/EEC, 93/42/EEC and 98/79/EC). However, the competent authorities in each member state have the right to enforce the standards set out in those directives against the manufacturer selling medical devices in the state.

All medical devices placed on the market in the European Union must meet the applicable essential requirements laid down in Directive 93/42/EEC concerning medical devices, or the Medical Devices Directive. Similar to the U.S. system, medical devices are classified into one of four classes: I, IIa, IIb and III, with class I representing the lowest risk products and class III the highest risk products. The most fundamental essential requirement is that a medical device must be designed and manufactured in such a way that it will not compromise the clinical condition or safety of patients, or the safety and health of users and others. In addition, the device must achieve the performances intended by the manufacturer and be designed, manufactured and packaged in a suitable manner. The European Commission has adopted various standards applicable to medical devices. These include standards governing common requirements, such as sterilization and safety of medical electrical equipment, and product standards for certain types of medical devices. There are also harmonized standards relating to design and manufacture. While not mandatory, compliance with these standards is often viewed as the easiest way to satisfy the essential requirements as a practical matter. Compliance with a standard developed to implement an essential requirement also creates a rebuttable presumption that the device satisfies that essential requirement.

To demonstrate compliance with the essential requirements laid down in Annex I to the Medical Devices Directive, medical device manufacturers must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. Conformity assessment procedures require an assessment of available clinical evidence, literature data for the product and post-market experience in respect of similar products already marketed.

Except for low-risk medical devices (Class I non-sterile, non-measuring devices), where the manufacturer can self-declare the conformity of its products with the essential requirements (except for any parts that relate to sterility or metrology), a conformity assessment procedure requires the intervention of a notified body. Notified bodies are private entities and are authorized or licensed to perform such assessments by government authorities. The notified body must audit and examine a product’s technical dossiers and the manufacturers’ quality system. If satisfied that the relevant product conforms to the relevant essential requirements, the notified body issues a certificate of conformity, which the manufacturer uses as a basis for its own declaration of conformity. The manufacturer may then apply the CE Mark to the device, which allows the device to be placed on the market throughout the European Union. Once the product has been placed on the market in the European Union, the manufacturer must comply with requirements for reporting incidents and field safety corrective actions associated with the medical device. The notified body has on-going audit rights and must be notified of all significant changes to the device.

Clinical Investigations

In order to demonstrate safety and efficacy for their medical devices, manufacturers must conduct clinical investigations in accordance with the requirements of Annex X to the Medical Devices Directive, and applicable European and International Organization for Standardization standards, as implemented or adopted in the European Union member states. Clinical investigations for medical devices cannot proceed without a positive opinion of an ethics committee and approval by or notification to the national regulatory authorities. Both regulators and ethics committees also require the submission of serious adverse event reports during a study and may request a copy of the final study report.

Post-marketing Requirements

In the European Union, we are currently required to comply with strict post-marketing obligations that accompany the affixing of the CE Mark to medical devices. These include the obligation to report serious adverse events within a specified time period and to provide periodic safety reports and updates. Authorities in the European Union also closely monitor the marketing programs implemented by device companies. The obligations that companies must fulfill concerning premarketing approval of promotional material vary among member states of the European Union as advertising and promotion law is not harmonized in the European Union.

New Developments: MDR

On April 5, 2017, the European Parliament passed the Medical Devices Regulation (Regulation 2017/745), which repeals and replaces the EU Medical Devices Directive. Unlike directives, which must be implemented into the national laws of the EU member states, the regulations would be directly applicable without the need for adoption of EU member state laws implementing them, in all EU member states and are intended to eliminate current differences in the regulation of medical devices among EU member states. The Medical Devices Regulation, among other things, is intended to establish a uniform, transparent, predictable and sustainable regulatory framework across the European Union for medical devices and ensure a high level of safety and health while supporting innovation.

The Medical Devices Regulation will become applicable May 2020. Once applicable, the new regulations will among other things:

- strengthen the rules on placing devices on the market, by requiring more evidence substantiating safety and efficacy of the device, and reinforce surveillance once they are available;
- establish explicit provisions on manufacturers' responsibilities for the follow-up of the quality, performance and safety of devices placed on the market and new responsibilities for distributors and importers;
- improve the traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number;
- set up a central database to provide patients, healthcare professionals and the public with comprehensive information on products available in the European Union; and
- strengthen rules for the assessment of certain high-risk devices, such as implants, which may have to undergo an additional check by experts before they are placed on the market.

We recognize that our products will have to be re-certified under the Medical Devices Regulation and we are in the process of updating internal procedures to ensure compliance with the new Medical Devices Regulation and have added international regulatory personnel to assist with the transition. Additional steps may include undertaking a gap analysis to determine the additional steps required to comply with MDR, including determining whether additional clinical trial or post market study data might be required to be obtained, other regulatory requirements to ensure that the technical file will be.

New Developments: Brexit

We recognize that we may need to revise our regulatory strategy in the European Union because following the U.K.'s withdrawal from the European Union, certificates issued by U.K. notified bodies will no longer be recognized. Our notified body, BSI, is currently headquartered in the U.K., but it is in the process of applying for designation as a Medical Device Notified Body in the Netherlands to ensure that CE marks are transferred without interruption, or minimal delay. If BSI is unable to issue certificates from its office in the Netherlands, we may be unable to sell products in the European Union and the U.K. following Brexit until we are able to obtain an authorized notified body.

Regulations Applicable to Transport of Organs Intended for Transplantation

In the European Union, the Directive 2010/53/EU (formerly Directive 2010/45/EU) sets out certain standards which the EU member states should apply in respect of procurement, preservation and transport of organs intended for transplantation. While we are not directly affected by this directive, our EU customers are, and our products may either help or impede their compliance with this Directive.

Regulation in Other Countries

We are subject to regulations and product registration requirements in many foreign countries in which we may sell our products, including in the areas of:

- design, development, manufacturing and testing (including with respect to significant changes to the products);
- product standards;
- product safety;
- product safety reporting;
- marketing, sales and distribution;
- packaging and storage requirements;
- labeling requirements;
- content and language of instructions for use;
- clinical trials;
- record keeping procedures;
- advertising and promotion;
- recalls and field corrective actions;
- post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury;
- import and export restrictions;
- tariff regulations, duties and tax requirements;
- registration for reimbursement, agreement of prices with government; and
- necessity of testing performed in country by distributors for licensees.

The time required to obtain clearance by foreign countries may be longer or shorter than that for FDA clearance, and requirements for licensing a product in a foreign country may differ significantly from FDA requirements.

Adverse events and potential adverse events are monitored closely by regulatory authorities. For example, if, as a result of manufacturing error, the efficacy of our products does not meet the standards claimed in the accompanying instructions for use, regulatory authorities could prevent our products from being placed on the market in the European Union.

Internationally, the approaches to product defects will vary. A product may be recalled in one country but not in others. However, within the European Union, competent authorities share adverse event information and cooperate with each other and a recall in one EU member state is more likely to lead to recalls in the rest of the European Union.

Federal, State and Foreign Fraud and Abuse and Physician Payment Transparency Laws

In addition to FDA restrictions on marketing and promotion of drugs and devices, other federal, state, international laws, as well as laws with extra-territorial effect and market practices restrict our business practices. These laws include, without limitation, U.S. and foreign laws intended to prohibit or otherwise regulate activities that might result in fraud, abuse and bribery.

U.S. Laws

U.S. federal healthcare fraud and abuse laws generally apply to our activities because our products are covered under federal healthcare programs such as Medicare and Medicaid. The principal U.S. federal healthcare fraud and abuse laws applicable to us and our activities include: (1) the Anti-Kickback Statute, which prohibits the knowing and willful offer, solicitation, payment or receipt of anything of value in order to generate business reimbursable by a federal healthcare program; (2) the False Claims Act, which prohibits the submission of false or otherwise improper claims for payment to a federally-funded healthcare program, including claims resulting from a violation of the Anti-Kickback Statute; and (3) healthcare fraud statutes that prohibit false statements and improper claims to any third-party payor. There are also similar state anti-kickback and false claims laws that apply to activities involving state-funded Medicaid and other healthcare programs as well as to private third-party payers.

The Anti-Kickback Statute is particularly relevant because of its broad applicability. Specifically, the Anti-Kickback Statute prohibits persons from knowingly and willfully soliciting, offering, receiving, or providing remuneration, directly or indirectly, in exchange for, or to induce, either the referral of an individual, or the furnishing, arranging for or recommending a good or service for which payment may be made in whole or part under federal healthcare programs, such as the Medicare and Medicaid programs. Almost any financial interaction with a healthcare provider, patient or customer will implicate the Anti-Kickback Statute. Statutory exceptions and regulatory safe harbors protect certain interactions if specific requirements are met. Only those interactions that represent fair market value exchanges, however, are generally protected by an exception or safe harbor. The government can exercise enforcement discretion in taking action against unprotected activities. Many interactions in which we commonly engage, such as the provision of business courtesies to healthcare practitioners, could implicate the Anti-Kickback Statute and may not be protected by an exception or safe harbor. If the government determines that these activities are abusive, we could be subject to enforcement action. Penalties for Anti-Kickback Statute violations may include both criminal penalties such as imprisonment and civil sanctions such as fines and possible exclusion from Medicare, Medicaid, and other federal healthcare programs. Exclusion would mean that our products were no longer eligible for reimbursement under federal healthcare programs.

Laws and regulations have also been enacted by the federal government and various states to regulate the sales and marketing practices of medical device and pharmaceutical manufacturers. The laws and regulations generally limit financial interactions between manufacturers and healthcare providers; require pharmaceutical and medical device companies to comply with voluntary compliance standards issued by industry associations and the relevant compliance guidance promulgated by the U.S. federal government; and/or require disclosure to the government and/or public of financial interactions, so-called “sunshine laws”.

The healthcare laws and regulations applicable to us, including those described above, contain ambiguous requirements and are subject to evolving interpretations and enforcement discretion. Manufacturers must adopt reasonable interpretations of requirements if there is ambiguity and those interpretations could be challenged. If a governmental authority were to conclude that we are not in compliance with applicable laws and regulations, we and our officers and employees could be subject to severe criminal and civil financial penalties, including, for example, exclusion from participation as a supplier of product to beneficiaries covered by Medicare or Medicaid. Any failure to comply with laws and regulations relating to reimbursement and healthcare goods and services could adversely affect our reputation, business, financial condition and cash flows.

International Laws

Many foreign countries have similar laws relating to healthcare fraud and abuse. Foreign laws and regulations may vary greatly from country to country. For example, the advertising and promotion of our products is subject to EU Directives concerning misleading and comparative advertising and unfair commercial practices, as well as other EU member state legislation governing the advertising and promotion of medical devices. Sometimes the relevant rules are found in industry guidance rather than legislation—for example, relationships with healthcare professionals in the U.K. are governed by the code of Association of British Healthcare Industries, or the ABHI Code, and rules may limit or restrict the advertising and promotion of our products to the general public and impose limitations on our promotional activities with healthcare professionals.

In the European Union the consequences for failing to comply with advertising and promotional laws might lead to reputational damage, fines, exclusions from public tenders and actions for damages from competitors for unfair competition.

Laws with Extra-territorial Effect

Many countries in which we operate have laws with extra-territorial effect—those laws apply to our operations outside the relevant country, to the extent they are breached. Examples of such laws include: FCPA, Bribery Act and the GDRP.

The extra-territorial effect of those laws affects our sales and marketing strategy, since in many countries healthcare professionals are officers of the state. This is particularly important in the context of bribery offences, which in the U.K. and in the United States include the offence of bribing a foreign public official.

Data Privacy and Security Laws

We are, or in the future may, become subject to various U.S. federal and state as well as foreign laws that protect the confidentiality of certain patient health information, including patient medical records, and restrict the use and disclosure of patient health information by healthcare providers.

HIPAA proscribes the conduct of certain electronic healthcare transactions and requires certain entities, called covered entities, to handle and protect, among other things, the privacy and security of protected health information, or PHI, in certain ways. HIPAA also requires business associates to enter into business associate agreements with covered entities and to safeguard a covered entity’s PHI against improper use and disclosure.

HIPAA privacy regulations cover the use and disclosure of protected health information by covered entities as well as business associates, which are defined to include subcontractors that create, receive, maintain, or transmit protected health information on behalf of a business associate. These regulations also set forth certain rights that an individual may have with respect to his or her protected health information maintained by a covered entity, including the right to access or amend certain records containing protected health information, or to request restrictions on the use or disclosure of protected health information. HIPAA security regulations set forth requirements for safeguarding the confidentiality, integrity, and availability of protected health information that

is electronically transmitted or electronically stored. HITECH, among other things, provides certain health information security breach notification requirements. Under these laws, the covered entity must notify any individual whose protected health information is breached as required under the breach notification rule. Although we believe that we currently are neither a "covered entity" nor a "business associate" under HIPAA, a business associate relationship may be imputed from facts and circumstances even in the absence of an actual business associate agreement. In addition, HIPAA may affect our interactions with customers who are covered entities or their business associates. The HIPAA privacy and security regulations establish a uniform federal "floor" and do not supersede state laws that may be more stringent or provide individuals with greater rights with respect to the privacy or security of, and access to, their health and other personal information.

In the European Union, we may be subject to laws relating to our collection, control, processing and other use of personal data, such as data relating to an identifiable living individual. We process personal data in relation to our operations. We process data of both our employees and our customers, including health and medical information. The data privacy regime in the European Union includes the GDPR, regarding the processing of personal data and the free movement of such data, which became applicable on May 25, 2018, the E-Privacy Directive 2002/58/EC and national laws implementing each of them. Each EU member state has transposed the requirements laid down by the Data Protection Directive and E-Privacy Directive into its own national data privacy regime and therefore the laws may differ by jurisdiction, sometimes significantly. In addition, many EU member states have passed legislation addressing areas where the GDPR permits member states to derogate from the regulation's requirements, thus leading to divergent requirements between member states in spite of the GDPR's stated goal of creating a uniform privacy law for the entire EU. We need to ensure compliance with the rules in each jurisdiction where we are established or are otherwise subject to local privacy laws. For example, we may be subject to the GDPR for processing personal data in connection with offering goods or services to persons located in the European Union or monitoring the behavior of persons located in the European Union.

GDPR requirements include that personal data may only be collected for specified, explicit and legitimate purposes based on a legal grounds, and may only be processed in a manner consistent with those purposes. Processing of personal data also needs to be adequate, relevant, not excessive in relation to the purposes for which it is collected, secure, not be transferred outside of the European Union unless certain steps are taken to ensure an adequate level of protection and not be kept for longer than necessary for the purposes of collection. To the extent that we process, control or otherwise use sensitive data relating to living individuals (for example, patients' health or medical information), more stringent rules may apply, limiting the circumstances and the manner in which we are legally permitted to process that data and transfer that data outside of the European Union. In particular, in order to process such data, explicit consent to the processing (including any cross-border transfer) usually may be required from the data subject (being the person to whom the personal data relates), though in certain cases, and depending on the jurisdiction in which the data originate or are processed, such data may be processed absent explicit consent for purposes of medical diagnosis, public interest in the area of public health or scientific research.

The new EU-wide GDPR became applicable on May 25, 2018, replacing the current data protection laws issued by each EU member state based on the Directive 95/46/EC. Unlike the Directive, which needed to be transposed at national level, the GDPR text is directly applicable in each EU member state, resulting in a more uniform application of data privacy laws across the European Union. The GDPR also imposes potentially onerous accountability obligations requiring data controllers and processors to maintain a record of their data processing and policies. It requires data controllers to be transparent and disclose to data subjects (in a concise, intelligible and easily accessible form) how their personal information is to be used, imposes limitations on retention of information, increases requirements pertaining to pseudonymized (i.e., key-coded) data, introduces mandatory data breach notification requirements and sets higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. Fines for non-compliance with the GDPR may be significant. The GDPR provides that EU member states may introduce further conditions, including limitations, to the processing of genetic, biometric or health data, which could limit our ability to collect, use and

share personal data, or could cause our compliance costs to increase, ultimately having an adverse impact on our business.

We are subject to the supervision of local data protection authorities in those jurisdictions where we are established or otherwise subject to applicable law.

We depend on third parties in relation to provision of our services, a number of which process personal data on our behalf. With such providers we have a practice of entering into contractual arrangements to ensure that they process personal data only according to our instructions, and that they have adequate technical and organizational security measures in place. Where personal data is being transferred outside the European Union, our policy is that it is done so in compliance with applicable data export requirements. Any failure by us or third parties to follow these policies or practices, or otherwise comply with applicable data laws, could lead to a security or privacy breach, regulatory enforcement, or regulatory or financial harm.

U.S. Healthcare Reform

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

The implementation of the Affordable Care Act in the United States, for example, has changed healthcare financing and delivery by both governmental and private insurers substantially, and affected medical device manufacturers significantly. The Affordable Care Act imposed, among other things, a 2.3% federal excise tax, with limited exceptions, on any entity that manufactures or imports Class I, II and III medical devices offered for sale in the United States that began on January 1, 2013. Through a series of legislative amendments, the tax was suspended for 2016 through 2019. Absent further legislative action, the device excise tax will be reinstated on medical device sales starting January 1, 2020. The Affordable Care Act also provided incentives to programs that increase the federal government’s comparative effectiveness research, and implemented payment system reforms, including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models. Additionally, the Affordable Care Act has expanded eligibility criteria for Medicaid programs and created a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research. We do not yet know the full impact that the Affordable Care Act will have on our business. There have been judicial and Congressional challenges to certain aspects of the Affordable Care Act, and we expect additional challenges and amendments in the future. Moreover, the Trump Administration and the U.S. Congress may take further action regarding the Affordable Care Act, including, but not limited to, repeal or replacement. Most recently, the Tax Cuts and Jobs Acts was enacted, which, among other things, removes penalties for not complying with the individual mandate to carry health insurance.

In addition, other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. For example, the Budget Control Act of 2011, among other things, included reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2027 unless additional Congressional action is taken. Additionally, the American Taxpayer Relief Act of 2012, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

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

MANAGEMENT

Officers and Directors

The following table sets forth information regarding our executive officers, key employees and directors as of , 2018:

Name	Age	Position
Executive Officers		
Waleed Hassanein, M.D.	50	President, Chief Executive Officer, Director
John Carey	54	Vice President of Operations
Stephen Gordon	51	Chief Financial Officer
Tamer Khayal, M.D.	49	Chief Commercial Officer
Miriam Provost, Ph.D	57	Vice President of U.S. Regulatory and FDA Relations
John Sullivan	53	Vice President of Engineering
Key Employees		
Jacqueline Sneve, MPA	50	Vice President, Healthcare Economics and Reimbursement
Brian Thomson	50	Vice President, Human Resources
Non-Employee Directors		
James R. Tobin	74	Chairman of Board of Directors
Edward M. Basile	71	Director
James Gilbert	60	Director
Thomas J. Gunderson	68	Director
Edwin M. Kania, Jr.	61	Director

(1) Member of audit committee.
(2) Member of compensation committee.
(3) Member of nominating and corporate governance committee.

Officers and Employee Directors

Waleed H. Hassanein, M.D., age 50, our founder, has served as our President and Chief Executive Officer and as a member of our board of directors since August 1998. Prior to founding TransMedics, Inc. Dr. Hassanein completed a three-year cardiac surgery research fellowship at West Roxbury VA Medical Center and Brigham and Women's Hospital, a Harvard Medical School affiliate. Prior to his research fellowship, Dr. Hassanein completed two years of general surgery residency at Georgetown University Medical Center. Dr. Hassanein earned his M.D. degree from Georgetown University in 1993. Prior to transferring to Georgetown University, Dr. Hassanein attended Cairo University School of Medicine from 1985 to 1989, and holds a General Certificate of Education from the University of London. We believe that Dr. Hassanein is qualified to serve on our board of directors because of his extensive experience in the medical field and his extensive knowledge of our company based on his role as founder and President and Chief Executive Officer.

John Carey, age 54, has been employed by us since February 2006 and has served as our Vice President of Operations since 2013. Prior to joining TransMedics, Mr. Carey held operations management positions at Vasca, Inc., a medical device company, from 1997 to 2006 and served as Vice President of Operations at Vasca from 2004 to 2006. Prior to joining Vasca, Mr. Carey held engineering and operations management positions at C. R. Bard, Inc. and Galileo Electro-Optics Corporation. Mr. Carey holds a Bachelor's of Science degree in Mechanical Engineering from the University of Massachusetts.

Stephen Gordon, age 51, has served as our Chief Financial Officer since March 2015. Prior to joining TransMedics, Mr. Gordon was the Vice President, Financial Planning & Analysis at Analogic Corporation, a medical device and security technology company from 2010 to 2015. Before joining Analogic, Mr. Gordon held various financial leadership positions at Hologic, Inc., Cytyc Corporation, Maxtor Corporation and Hewlett-Packard Company. Mr. Gordon holds a Bachelor's degree in Finance and Accounting from the Wharton School at the University of Pennsylvania and an MBA from Boston University.

Tamer Khayal, M.D., age 49, has served as our Chief Commercial Officer since January 2018. He served as our Chief Medical Officer and Vice President of Clinical Development from 2006 to 2017 and as our Director of Clinical Development from 2001 to 2006. Prior to joining TransMedics, Dr. Khayal served for six years as Director of Clinical Affairs for Zentiva Group, a.s., a pharmaceutical company, where he led clinical research, regulatory filings and clinical sales training for the company's Middle East and Africa operations. Prior to his employment in the pharmaceutical industry, Dr. Khayal was a practicing physician. Dr. Khayal received a General Certificate of Education from the University of London and a M.D. degree from Cairo University School of Medicine.

Miriam Provost, Ph.D., age 57, has served as our Vice President of U.S. Regulatory and FDA Relations since February 2018, after serving as a key regulatory consulting advisor for us for over three years. Dr. Provost has over 23 years of experience in medical device regulatory affairs. Prior to joining TransMedics, Dr. Provost was an internationally recognized expert in FDA Regulatory Affairs and provided strategic guidance and tactical support for large and small medical device companies as a Senior Regulatory Consultant at the Biologics Consulting Group, Inc. Her expertise stems from 13 years as a reviewer and manager at the FDA where she served in a variety of roles across the agency, gaining broad knowledge and familiarity with all matters related to FDA policies, procedures and decision making. Dr. Provost earned a Bachelor's degree in Chemical Engineering from the University of Dayton and M.S. and Ph.D. degrees in Chemical Engineering from the University of Pennsylvania.

John Sullivan, age 53, has served as our Vice President of Engineering since 2012. Prior to joining TransMedics, Mr. Sullivan served as Software Development Manager at Juniper Networks and designed patient monitoring systems at Siemens Medical Systems USA, Inc. He has also held a number of roles at startups and established companies, including ViaSat, Inc., Argon Networks and Raytheon Company. Mr. Sullivan holds a Bachelor's degree in Electrical Engineering and Computer Science from Princeton University and a M.S. in Computer Engineering from Boston University.

Key Employees

Jacqueline Sneve, age 50, has served as our Vice President of Healthcare Economics and Reimbursement since April 2012. Prior to joining TransMedics, Ms. Sneve served as Vice President of Strategic Alliances at Surgical Review Corporation from 2005 to 2011. Before joining Surgical Review and during her tenure, she was a senior consultant with the Transplant Management Group. She led the National Transplant Network for Humana, Inc. from 1996 to 2005. Ms. Sneve has a Master's Degree in Public Administration with a certificate degree in Health Administration from the University of Wisconsin-Madison.

Brian Thomson, age 50, has served as our Vice President, Human Resources since September, 2018. Prior to joining TransMedics, Mr. Thomson served as Executive Director, Human Resources at Aegerion Pharmaceuticals from 2014 to 2018. Aegerion Pharmaceuticals is an indirect subsidiary of Novelion Therapeutics. Before joining Aegerion, he was the Assistant Director of Recruiting for the Broad Institute, a biomedical and genomic research center having formal affiliations with Harvard University and MIT. Before joining the Broad Institute, he held a number of senior recruiting positions at other life science firms, including Biogen Idec and Philips. Mr. Thomson holds a Bachelor's degree from the University of Tampa and an MBA from Boston College.

Non-Employee Directors

James R. Tobin, age 74, has served as Chairman of our board of directors since 2011. Mr. Tobin is the retired President and CEO of Boston Scientific Corporation, a medical device company, where he served from

1999 to 2009. Prior to Boston Scientific, Mr. Tobin was the President and CEO of Biogen Inc., and, from 1994 to 1997, its President and Chief Operating Officer. Before Biogen, Mr. Tobin spent 22 years with Baxter International Inc., rising from Financial Analyst to President and Chief Operating Officer. Mr. Tobin currently serves as a director of Corindus Vascular Robotics, Globus Medical Inc., Oxford Immunotec, Inc., each of which are public companies, and Resolys Bio, Inc., a private company. Mr. Tobin has also served on the boards of Curis, Inc., from 1995 to 2015, Medical Simulation Corp, from 2012 to 2018, CardioDX, Inc., from 2014 to 2017, Chiasma, Inc., from 2015 to 2016, and Aptus Endosystems, Inc. from 2011 to 2015. Mr. Tobin holds an AB from Harvard College and an MBA from Harvard Business School. Mr. Tobin also served to Lieutenant in the U.S. Navy. We believe Mr. Tobin is qualified to serve on our Board of Directors because of his decades of experience as President and Chief Executive Officer or Chief Operating Officer of three large biotechnology and medical device companies.

Edward M. Basile, age 71, has served as a member of our board of directors since February 2016. He is currently retired. During his 25 year tenure with the law firm King & Spalding, Mr. Basile served as Chair of the firm's FDA and Life Sciences Practice and on the firm's Policy and Compensation Committees. Mr. Basile's law practice included representing large, medium and small medical device, pharmaceutical, and biotechnology companies before the U.S. Food and Drug Administration. Mr. Basile also served in the Chief Counsel's Office of FDA as Associate Chief Counsel for Drugs & Biologics and Associate Chief Counsel for Enforcement from 1975 to 1985. Mr. Basile received a BSME from Lafayette College and a JD from George Washington University Law School. We believe the Mr. Basile's decades of experience representing medical device, pharmaceutical and biotechnology companies qualify him to serve on our Board of Directors.

James Gilbert, age 60, has served a as a member of our board of directors since June 2016. Mr. Gilbert is a senior partner of Flagship Pioneering. Before joining Flagship Pioneering in 2016, Mr. Gilbert served as a senior advisor to the investment firm General Atlantic and as a senior operating executive at Welsh, Carson, Anderson & Stowe. In addition to representing Flagship on the TransMedics board, Mr. Gilbert is also a board member of ECG Management Consultants, National Dentex Corporation, Sigilon, KSQ Therapeutics and Kintai Therapeutics. He previously served on the boards of directors of Nestlé Health Science S.A. between 2012 and 2016 and Rubius Therapeutics from 2015 to 2016. Mr. Gilbert has a BS from Cornell University and an MBA from Harvard Business School. Mr. Gilbert was also an Executive Vice President and Cardiovascular Group President at Boston Scientific and a Partner/Managing Director of the Global Healthcare Practice at Bain Consulting. We believe that Mr. Gilbert is qualified to serve on our Board of Directors due to his extensive experience advising and investing in life sciences and healthcare companies, in addition to his experience gained through serving on public company and private company boards of directors.

Thomas J. Gunderson, age 68, has served as a member of our board of directors since August 2016. Mr. Gunderson has served as Chair of the Board of Directors at the Minneapolis Heart Institute Foundation from 2015 to present, as Executive in Residence at the University of Minnesota's Medical Industry Leadership Institute from 2016 to present, as a member of the Board of Directors of Merit Medical Systems, Inc. from 2017 to present, as a member of American Heart Association Science and Technology Accelerator Committee from 2015 to 2017 and as managing director and senior research analyst at Piper Jaffray (focus on medical technology companies) from 1992 to 2016. We believe Mr. Gunderson is qualified to serve on our board of directors because of his more than 25 years of substantive experience in the medical device industry, his seasoned perspective on the challenges, trends and opportunities of publicly-traded medical device manufacturers, and understanding of our competitive position within its industry, as well as his strong background in financial and economic analysis and valuable insights regarding business development and acquisition opportunities.

Edwin M. Kania, Jr., age 61, has served as a member of our board of directors since 2003. Mr. Kania is the co-founder of Flagship Pioneering. He served as Flagship's Chairman between 2001 and 2014 and continues as Managing Partner for the three Flagship funds raised during that period. Mr. Kania also serves as Managing Partner for the predecessor OneLiberty Funds that were an early lead investor in our company. During Mr. Kania's 35 years in the venture capital industry, he has served on the boards of numerous privately and

publicly held companies, including previous board positions at Acceleron Pharma and Selecta Biosciences. Mr. Kania earned his Bachelor's degree in physics from Dartmouth College and his MBA from Harvard Business School. We believe that Mr. Kania's significant experience investing in and then serving as a board member of numerous life science companies, including several that have emerged as significant revenue businesses, make him qualified to serve on our Board of Directors.

There are no family relationships among any of our directors or executive officers.

Composition of the Board of Directors

Upon the consummation of this offering, our board of directors will consist of members, of whom were elected as directors pursuant to the board composition provisions of our stockholders' agreement among us and some of our stockholders. The board composition provisions of our stockholders' agreement will terminate upon the closing of this offering and there will be no further contractual obligations regarding the election of our directors. Our directors hold office until their successors have been elected and qualified or until their earlier death, resignation or removal.

In accordance with the terms of our restated articles of organization and amended and restated bylaws that will become effective upon the closing of this offering, all of our directors will serve for one-year terms and will be elected annually. Section 8.06(c)(2) of the Massachusetts Business Corporation Act provides that our board of directors may opt into the staggered board of directors requirements of Section 8.06(b), which provides that unless a company decides otherwise, the terms of directors of a public Massachusetts company shall be staggered by dividing the directors into three groups, as nearly equal in number as possible, with only one group of directors being elected each year. Sections 8.06(d) and (e) of the Massachusetts Business Corporation Act provide that when directors are so classified, (i) shareholders may remove directors only for cause, (ii) the number of directors shall be fixed only by the vote of the board of directors, (iii) vacancies and newly created directorships shall be filled solely by the affirmative vote of a majority of the remaining directors, and (iv) a decrease in the number of directors will not shorten the term of any incumbent director.

Our restated articles of organization and amended and restated bylaws that will become effective upon the closing of this offering provide that our directors may be removed only for cause by the affirmative vote of the holders of at least a majority of the stock entitled to vote for the election of directors.

Director Independence

Under the rules of the Nasdaq Stock Market, independent directors must comprise a majority of a listed company's board of directors within one year of the completion of its initial public offering. In addition, the rules of the Nasdaq Stock Market require that, subject to specified exceptions, each member of a listed company's audit and compensation committees be independent and that director nominees be selected or recommended for the board's selection by independent directors constituting a majority of the independent directors or by a nominating and corporate governance committee comprised solely of independent directors. Under the rules of the Nasdaq Stock Market, a director will only qualify as "independent" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that such person is "independent" as defined under Nasdaq Stock Market and the Exchange Act rules.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee: (1) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries or (2) be an affiliated person of the listed company or any of its subsidiaries.

Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that each of our directors, with the exception of Dr. Hassanein, is an "independent director" as defined under applicable rules of the Nasdaq Stock Market, including, in the case of all the members of our audit committee other than due to his beneficial ownership of greater than 10% of the shares of our common stock, the independence criteria set forth in Rule 10A-3 under the Exchange Act, and in the case of all the members of our compensation committee, the independence criteria set forth in Rule 10C-1 under the Exchange Act. In making such determination, our board of directors considered the relationships that each such non-employee director has with our Company and all other facts and circumstances that our board of directors deemed relevant in determining his or her independence, including the beneficial ownership of our capital stock by each non-employee director. Dr. Hassanein is not an independent director under these rules because he is our President and Chief Executive Officer.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will operate pursuant to a charter to be adopted by our board of directors and which will be effective upon the closing of this offering. The board of directors may also establish other committees from time to time to assist us and the board of directors in their duties. Upon the effectiveness of the registration statement of which this prospectus forms a part, the composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act, the Nasdaq Stock Market and the Exchange Act. Upon our listing on Nasdaq, each committee's charter will be available on the corporate governance section of our website at www.transmedics.com. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our common stock.

Audit Committee

The audit committee's responsibilities upon completion of this offering will include:

- appointing, approving the compensation of, and evaluating the qualifications, performance and independence of our registered public accounting firm;
- overseeing the work of our registered public accounting firm, including through the receipt and consideration of reports from such firm;
- reviewing and discussing with management and the registered public accounting firm our annual and quarterly financial statements and related disclosures;
- coordinating our board of directors' oversight of our internal control over financial reporting, disclosure controls and procedures, and code of business conduct and ethics;
- discussing our risk management policies with management;
- establishing policies regarding hiring employees from the registered public accounting firm and procedures for the receipt and retention of accounting related complaints and concerns;
- meeting independently with our registered public accounting firm and management;
- reviewing and approving or ratifying any related person transactions;
- overseeing the integrity of our information technology systems, process and data;
- preparing the audit committee report required by SEC rules;
- reviewing and assessing the adequacy of the audit committee's charter; and
- performing, on an annual basis, an evaluation of the performance of the audit committee.

All audit services and all non-audit services, other than de minimis non-audit services, to be provided to us by our independent registered public accounting firm must be approved in advance by our audit committee.

The members of our audit committee are , and . chairs the audit committee. Our board of directors has determined that and of the audit committee satisfies the independence standards for audit committee purposes as that term is defined by the applicable rules of the Nasdaq Stock Market and the Exchange Act, and that each has sufficient knowledge in financial and auditing matters to serve on the audit committee. Our board of directors has also determined is an "audit committee financial expert," as defined under Item 407 of Regulation S-K.

Compensation Committee

Our compensation committee's responsibilities upon completion of this offering will include:

- assisting our board of directors in developing and reviewing potential candidates for executive positions;
- reviewing our overall compensation strategy, including base salary, incentive compensation and equity-based grants;
- reviewing and approving corporate goals and objectives relevant to compensation of our chief executive officer and our other executive officers;
- reviewing and making recommendations to the board of directors with respect to director compensation;
- overseeing and administering our cash and equity incentive plans;
- reviewing, considering and selecting, to the extent determined to be advisable, a peer group of appropriate companies for purposing of benchmarking and analysis of compensation for our executive officers and directors;
- retaining, appointing or obtaining advice of a compensation consultant, legal counsel or other advisor, and determining the compensation and independence of such consultant or advisor;
- preparing the compensation committee report on executive compensation for inclusion in our annual proxy statement in accordance with the proxy rules;
- monitoring our compliance with the requirements of Sarbanes-Oxley relating to loans to directors and officers;
- overseeing our compliance with applicable SEC rules regarding shareholder approval of certain executive compensation matters;
- reviewing the risks associated with our compensation policies and practices;
- reviewing and assessing the adequacy of the compensation committee's charter; and
- performing, on an annual basis, an evaluation of the performance of the compensation committee.

The members of our compensation committee are , and . chairs the compensation committee. Prior to establishing a compensation committee, our board of directors made decisions relating to the compensation of our executive officers. Our board of directors has determined that each member of the compensation committee satisfies the independence standards of the applicable rules of the Nasdaq Stock Market and Rule 10C-1 of the Exchange Act and "non-employee directors" as defined in Section 16b-3 of the Exchange Act.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee's responsibilities upon completion of this offering will include:

- identifying individuals qualified to become members of our board of directors consistent with criteria approved by the board and receiving nominations for such qualified individuals;
- recommending to our board of directors the persons to be nominated for election as directors and to each committee of the board;
- establishing a policy under which our shareholders may recommend a candidate to the nominating and corporate governance committee for consideration for nomination as a director;
- articulating to each of our directors the expectations of serving on our board, including basic duties and responsibilities with respect to attendance and advance review of meeting materials;
- developing and recommending to our board of directors a set of corporate governance principals applicable to us and reviewing the principles on at least an annual basis;
- reviewing and making recommendations to our board with respect to our board leadership structure and board committee structure;
- reviewing, in concert with our board of directors, our policies with respect to significant issues of corporate public responsibility;
- making recommendations to our board of directors processes for annual evaluations of the performance of our board of directors, the chairman of our board of directors, our chief executive officer and committees of our board of directors;
- considering and reporting to our board of directors any questions of possible conflicts of interest of members of our board of directors;
- providing new director orientation and continuing education for existing directors on a periodic basis;
- overseeing the maintenance and presentation to the Board of management's plans for succession to senior management positions in the Company;
- reviewing and assessing the adequacy of the nominating and corporate governance committee's charter; and
- performing, on an annual basis, an evaluation of the performance of the nominating and corporate governance committee.

The members of our nominating and corporate governance committee are , and . chairs the nominating and corporate governance committee. Our board of directors has determined that each member of the nominating and corporate governance committee satisfies the independence standards of the applicable rules of the Nasdaq Stock Market.

Our board of directors may establish other committees from time to time.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

Prior to the completion of this offering, we intend to adopt a written code of business conduct and ethics, which will become effective upon the closing of this offering, that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Following this offering, we will post a current copy of the code on our website. In addition, we intend to post on our website all disclosures that are required by law or Nasdaq Stock Market rules concerning any amendments to, or waivers from, any provision of the code.

EXECUTIVE COMPENSATION

Introduction

This section provides an overview of the compensation of our principal executive officer and our next two most highly-compensated executive officers for our fiscal year ended December 30, 2017. These individuals, who we refer to as our "named executive officers" in this prospectus, are:

- Waleed Hassanein, M.D., our President and Chief Executive Officer;
- Tamer Khayal, M.D., our Chief Commercial Officer; and
- Stephen Gordon, our Chief Financial Officer.

This section also provides an overview of certain compensation arrangements that we currently anticipate adopting in connection with this offering. The actual compensation arrangements that we adopt in connection with this offering may materially differ from the arrangements described herein.

Summary Compensation Table

The following table sets forth the compensation awarded to, earned by, or paid to our named executive officers in respect of their service to TransMedics, Inc. during our fiscal year ended December 30, 2017.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Option Awards ($)(2)	Total ($)
Waleed Hassanein, M.D. *President and Chief Executive Officer*	2017	350,769	96,000	154,548	601,317
Tamer Khayal, M.D. *Chief Commercial Officer*	2017	304,615	94,500	33,117	432,232
Stephen Gordon *Chief Financial Officer*	2017	269,808	96,250	27,598	393,656

(1) The amounts reported in this column represent the annual bonuses paid for 2017, as described in more detail under "Annual Bonuses" below.

(2) The amounts reported in this column represent the aggregate grant-date fair value of options to purchase our common stock granted to Drs. Hassanein and Khayal and Mr. Gordon in our fiscal year ended December 30, 2017, computed in accordance with FASB ASC 718, excluding the effect of estimated forfeitures. The assumptions used to value the options for this purpose are set forth in Note 11 to our consolidated financial statements included elsewhere in this prospectus.

Narrative Disclosure to Summary Compensation Table

Base Salaries

From January 1, 2017 until June 21, 2017, the annual base salaries for Drs. Hassanein and Khayal and Mr. Gordon were $320,000, $295,000 and $265,000, respectively. Effective June 22, 2017, the annual base salaries for Drs. Hassanein and Khayal and Mr. Gordon were increased to $384,000, $315,000 and $275,000, respectively. In connection with this offering, our board of directors anticipates increasing the annual base salaries for Drs. Hassanein and Khayal and Mr. Gordon to $484,000, $375,000 and $360,000, respectively.

Annual Bonuses

Each of our named executive officers is eligible to receive an annual bonus in the discretion of our compensation committee. The annual bonus targets for Dr. Khayal and Mr. Gordon for fiscal 2017 were 30% of

their annual base salaries. Dr. Hassanein did not have a formal annual bonus target for fiscal 2017. Our compensation committee determined the amount of the annual bonuses paid to our named executive officers for fiscal 2017 based on individual and Company performance. The amounts paid in respect of annual bonuses for fiscal 2017 is reported under the "Bonus" column in the Summary Compensation Table above. In connection with this offering, our board of directors anticipates increasing the annual bonus targets for Drs. Hassanein and Khayal and Mr. Gordon to 90%, 45% and 45%, respectively, of their annual base salaries.

Equity Compensation

On June 22, 2017, Dr. Hassanein was granted an option to purchase 798,287 shares of our common stock, Dr. Khayal was granted an option to purchase 171,061 shares of our common stock, and Mr. Gordon was granted an option to purchase 142,551 shares of our common stock. These stock options were granted under our 2014 Plan, described below, and vest on a monthly basis over four years, generally subject to the named executive officer's continued employment on each applicable vesting date. Our named executive officers also hold stock options that were granted in fiscal years prior to 2017. See the "Outstanding Equity Awards at Fiscal Year-End Table" below for more information regarding the outstanding stock options held by our named executive officers as of December 30, 2017.

Agreements with our Named Executive Officers

We have entered into offer letters with each of Dr. Khayal and Mr. Gordon that set forth the initial terms and conditions of his employment with us, including, with respect to Mr. Gordon, his eligibility for a discretionary annual bonus of up to 30% of his annual base salary. We have also entered into a retention agreement with each of our named executive officers that provides for severance payments and benefits in the event the named executive officer's employment is terminated in certain circumstances. In addition, each of our named executive officers has entered into an invention and non-disclosure disclosure agreement and a non-competition and non-solicitation agreement with us. The material terms of these agreements are summarized below. As used in the summary below, the terms "cause," "disability," "good reason" and "change in control" have the meanings set forth in the applicable agreement.

Dr. Hassanein. Pursuant to his retention agreement, Dr. Hassanein is entitled to severance benefits in the event we terminate his employment other than for cause or due to his death or disability or if Dr. Hassanein resigns for good reason. If his employment terminates in such circumstances, Dr. Hassanein will be entitled to receive (i) an amount equal to the sum of his highest annual base salary during the preceding three years and his highest annual bonus during the preceding three years, payable in 12 monthly installments; (ii) Company-provided benefits for up to 12 months; (iii) an additional 12 months of service credit for purposes of eligibility for any retiree benefits; and (iv) any accrued but unpaid compensation and benefits, including a prorated annual bonus for the year in which his employment terminates, based on Dr. Hassanein's annual bonus for the preceding year, subject, in each case, to his execution of a release of claims and compliance with the material provisions of any employment, consulting, advisory, nondisclosure, non-competition or similar agreement with us. If his employment terminates in such circumstances either in connection with or in anticipation of, or within 24 months following, a change in control, then, in lieu of the payments and benefits described above, Dr. Hassanein will be entitled to receive (A) an amount equal to one and one-half times (1.5x) the sum of his highest annual base salary during the preceding three years and his highest annual bonus during the preceding three years, payable in a lump sum; (B) Company-provided benefits for up to 18 months; (C) an additional 18 months of service credit for purposes of eligibility for any retiree benefits; (D) accelerated vesting of all of his then-outstanding and unvested stock options, restricted stock, and other equity-based awards; and (E) any accrued but unpaid compensation and benefits, including a prorated annual bonus for the year in which his employment terminates, based on Dr. Hassanein's annual bonus for the preceding year.

Dr. Khayal. Pursuant to his retention agreement, Dr. Khayal is entitled to severance benefits in the event we terminate his employment other than for cause or due to his death or disability or if Dr. Khayal resigns for good

reason. If his employment terminates in such circumstances, Dr. Khayal will be entitled to receive (i) an amount equal to three-fourths times (.75x) the sum of his highest annual base salary during the preceding three years and his highest annual bonus during the preceding three years, payable in nine monthly installments; (ii) Company-provided benefits for up to nine months; (iii) an additional nine months of service credit for purposes of eligibility for any retiree benefits; and (iv) any accrued but unpaid compensation and benefits, including a prorated annual bonus for the year in which his employment terminates, based on Dr. Khayal's annual bonus for the preceding year, subject, in each case, to his execution of a release of claims and compliance with the material provisions of any employment, consulting, advisory, nondisclosure, non-competition or similar agreement with us. If his employment terminates in such circumstances either in connection with or in anticipation of, or within 24 months following, a change in control, then, in lieu of the payments and benefits described above, Dr. Khayal will be entitled to receive (A) an amount equal to the sum of his highest annual base salary during the preceding three years and his highest annual bonus during the preceding three years, payable in a lump sum; (B) Company-provided benefits for up to 12 months; (C) an additional 12 months of service credit for purposes of eligibility for any retiree benefits; (D) accelerated vesting of all of his then-outstanding and unvested stock options, restricted stock, and other equity-based awards; and (E) any accrued but unpaid compensation and benefits, including a prorated annual bonus for the year in which his employment terminates, based on Dr. Khayal's annual bonus for the preceding year.

Mr. Gordon. Pursuant to his retention agreement, Mr. Gordon is entitled to severance benefits in the event we terminate his employment other than for cause or due to his death or disability or if Mr. Gordon resigns for good reason. If his employment terminates in such circumstances, Mr. Gordon will be entitled to receive (i) an amount equal to three-fourths times (.75x) the sum of his highest annual base salary during the preceding three years and his highest annual bonus during the preceding three years, payable in nine monthly installments; (ii) Company-provided group health insurance benefits for up to nine months; and (iii) any accrued but unpaid compensation and benefits, including a prorated annual bonus for the year in which his employment terminates, based on Mr. Gordon's annual bonus for the preceding year. If his employment terminates in such circumstances either in connection with or in anticipation of, or within 24 months following, a change in control, then, in lieu of the payments and benefits described above, Mr. Gordon will be entitled to receive (A) an amount equal to the sum of his highest annual base salary during the preceding three years and his highest annual bonus during the preceding three years, payable in a lump sum; (B) Company-provided group health insurance benefits for up to 12 months; (C) accelerated vesting of all of his then-outstanding and unvested stock options, restricted stock, and other equity-based awards; and (D) any accrued but unpaid compensation and benefits, including a prorated annual bonus for the year in which his employment terminates, based on Mr. Gordon's annual bonus for the preceding year. The foregoing severance payments and benefits are conditioned upon Mr. Gordon's execution of a release of claims and his compliance with the material provisions of any employment, consulting, advisory, nondisclosure, non-competition, or similar agreement with us.

Restrictive Covenants. Each of our named executive officers has entered into an invention and non-disclosure disclosure agreement and a non-competition and non-solicitation agreement with us that contains covenants relating to the disclosure of proprietary and confidential information and the assignment of inventions, and non-competition, no-hire and employee and customer non-solicitation covenants that apply for one year following the termination of the named executive officer's employment with us.

Severance and Change in Control Payments and Benefits

Each of our named executive officers is entitled to severance payments and benefits under his retention agreement upon a termination of employment in certain circumstances, including in connection with a change in control. These severance payments and benefits are described under "Agreements with our Named Executive Officers" above. Each of the retention agreements provides that we will not be obligated to provide any payments or benefits to the named executive officer that would constitute "excess parachute payments" within the meaning of Section 280G of the Code, unless such payments and benefits would result in a greater after-tax amount to the named executive officer.

Employee Benefits

We currently provide health and welfare benefits, including health, dental, vision, life and accidental death and dismemberment, and short- and long-term disability insurance, that are available to all of our full-time employees, including our named executive officers. In addition, we maintain a 401(k) retirement plan for the benefit of our full-time employees. We did not make any employer contributions to our 401(k) retirement plan for fiscal 2017. Our named executive officers are eligible to participate in these plans on the same basis as our other full-time employees.

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information about the equity awards held by our named executive officers as of December 30, 2017.

	Option Awards				
Name	Vesting Commencement Date	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price ($)	Option expiration date
Waleed Hassanein, M.D.	06/30/2010	16,986(1)	—	16.50	06/30/2020
	09/27/2011	781,949(2)	—	0.11	09/27/2021
	05/28/2013	900,799(2)	—	0.08	05/29/2023
	06/22/2017	99,786(3)	698,501(3)	0.63	06/22/2027
Tamer Khayal, M.D.	06/30/2010	3,088(1)	—	16.50	06/30/2020
	09/27/2011	68,421(2)	—	0.11	09/27/2021
	05/28/2013	206,250(2)	—	0.08	05/29/2023
	06/22/2017	21,383(3)	149,678(2)	0.63	06/22/2027
Stephen Gordon	03/23/2015	206,250(4)	93,750(4)	0.19	04/01/2025
	06/22/2017	17,819(3)	124,732(3)	0.63	06/22/2027

(1) Represents options to purchase shares of our common stock that were granted on June 30, 2010 and were fully vested as of December 30, 2017.

(2) Represents options to purchase shares of our common stock that were granted ten years prior to the applicable expiration date listed in the table above and were fully vested as of December 30, 2017.

(3) Represents options to purchase shares of our common stock that were granted to our named executive officers on June 22, 2017. These options vest on a monthly basis over four years from the vesting commencement date set forth in the table above, generally subject to the named executive officer's continued employment. Under their retention agreements, as described under "Agreements with Named Executive Officers" above, these options will vest in full if the named executive officer's employment is terminated by us other than for cause or due to the named executive officer's death or disability or if the named executive officer resigns for good reason, in either case, in connection with or within 24 months following a change in control.

(4) Represents an option to purchase shares of our common stock that was granted to Mr. Gordon on April 1, 2015. The option vested as to 25% of the shares subject to the option on the first anniversary of the vesting commencement date set forth in the table above and vests as to the remainder of the shares on a monthly basis for three years thereafter, generally subject to Mr. Gordon's continued employment. Under his retention agreement, this option will vest in full if Mr. Gordon's employment is terminated by us other than for cause or due to his death or disability or if Mr. Gordon resigns for good reason, in either case, in connection with or within 24 months following a change in control.

Equity Plans

2004 Plan

Our 2004 Stock Incentive Plan, as amended and restated, or our 2004 Plan, provides for the grant of incentive stock options, non-statutory stock options, restricted stock and other stock-based awards to our employees, officers, directors, consultants and advisors. Our 2004 Plan is administered by our board of directors, which has the discretionary authority to, among other things, adopt, amend and repeal such administrative rules, guidelines and practices relating to the plan as it deems advisable.

As of , options to purchase shares of our common stock were outstanding under our 2004 Plan and there are no shares available for future issuance under the plan. Awards under our 2004 Plan may not be sold, assigned, transferred, pledged or otherwise encumbered other than by will or the laws of descent and distribution or (other than incentive stock options) pursuant to a qualified domestic relations order, except as otherwise determined by our board of directors.

In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution other than an ordinary cash dividend, the number and class of securities available under the plan, the number and class of securities and the exercise price of outstanding options, the number of shares subject to outstanding restricted stock awards, and the terms of other outstanding awards shall be equitably adjusted in a manner determined by our board of directors. In the event of a reorganization event (generally, a merger or consolidation, exchange of all of our stock or a liquidation or dissolution of the Company), our board of directors shall provide that all outstanding options shall be assumed or substituted for, or, if not assumed or substituted for, or in the event of our liquidation or dissolution, our board of directors may provide for the termination of unexercised options (upon prior written notice), the accelerated vesting of options and/or the cash out of options. Further, in the event of a change of control event (generally, a change in beneficial ownership of 50% or more of our common stock or our voting power or the turnover of a majority of our board of directors), outstanding options that are assumed or substituted for will vest in full if a participant's employment is terminated without cause within 18 months following the change in control.

Our board of directors may amend, modify or terminate any outstanding award, subject to a participant's consent if such action materially and adversely affects the participant. Our board of directors may at any time amend, suspend or terminate our 2004 Plan or any portion thereof at any time.

2014 Plan

Our 2014 Stock Incentive Plan, as amended and restated, or our 2014 Plan, provides for the grant of incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards to our employees, officers, directors, consultants and advisors. Our 2014 Plan is administered by our board of directors, or, at the discretion of our board of directors, by a committee of our board of directors, which has the discretionary authority to, among other things, grant awards and adopt, amend and repeal such administrative rules, guidelines and practices relating to the plan as it deems advisable.

As of , options to purchase shares of our common stock were outstanding under our 2014 Plan and shares of our common stock remained available for future issuance under the plan. Shares of common stock that are subject to awards under our 2004 Plan or our 2014 Plan that expire, terminate or are otherwise surrendered, cancelled or forfeited without the issuance of stock will become available again for grant under our 2014 Plan. Awards under our 2014 Plan may not be sold, assigned or transferred, except that awards may be transferred to family members through gifts or (other than incentive stock options) domestic relations orders or to an executor or guardian upon death or disability.

In the event of a stock split, reverse stock split, stock dividend, recapitalization, reclassification of shares, spin-off or similar change in capitalization or event, or dividend or distribution other than an ordinary cash

dividend, the number and class of securities available under the plan or subject to outstanding awards and the exercise price, measurement price, purchase price or repurchase price, as the case may be, of outstanding awards, shall be equitably adjusted. In the event of a reorganization event (generally, a merger or consolidation, transfer or disposition of all of our stock or a dissolution or liquidation of the Company), our board of directors may provide for the assumption or substitution of awards, the termination of unexercised awards (upon prior written notice), the accelerated vesting of awards, the cash out of awards and/or, if applicable, the conversion of awards into the right to receive liquidation proceeds.

Our board of directors may at any time amend, modify or terminate any outstanding award, subject to a participant's consent if such action materially and adversely affects the participant's rights under the plan. Our board of directors may amend, suspend or terminate our 2014 Plan at any time.

Anticipated Compensation Plans

Prior to the completion of this offering, our board of directors intends to adopt an equity incentive plan, an employee stock purchase plan and a cash incentive plan, all of which are expected to become effective upon the completion of this offering.

Director Compensation

None of our directors was paid any fees, granted any equity awards, or otherwise compensated for their service as a director during fiscal 2017. The compensation received by Dr. Hassanein for his services as an employee in fiscal 2017 is included in the "Summary Compensation Table" above and described in the accompanying narrative description. Messrs. Basile and Gunderson, were each granted an option to purchase 67,500 shares of our common stock in connection with joining our board of directors in fiscal 2016. These stock options were granted under our 2014 Plan, described above, and vest on a monthly basis over three years, generally subject to the director's continued service through the applicable vesting date. These stock options were outstanding as of December 30, 2017.

Prior to the completion of this offering, our board of directors intends to adopt a non-employee director compensation policy covering non-employee directors who are not affiliated with the Flagship Funds, as referred to in "Principal Stockholders," which policy is expected to become effective upon the completion of this offering. Non-employee directors who are affiliated with the Flagship Funds are not expected to be eligible to receive any compensation in respect of their service to our board of directors. The following summary describes what we anticipate to be the material terms of our non-employee director compensation policy.

Each non-employee director who is not affiliated with the Flagship Funds will receive an annual cash retainer for service to our board of directors and an additional annual cash retainer for service on any committee of our board of directors or for serving as the chair of our board of directors or any of its committees, in each case, pro-rated for partial years of service, as follows:

	Board or Committee Member	Board or Committee Chair
Annual cash retainer	$ 40,000	$ 75,000
Additional annual cash retainer for compensation committee	$ 7,500	$ 15,000
Additional annual cash retainer for governance committee	$ 5,000	$ 10,000
Additional annual cash retainer for audit committee	$ 10,000	$ 20,000

In connection with this offering, each non-employee director who is not affiliated with the Flagship Funds and who has not previously been granted an option to purchase shares of our common stock will be granted an option to purchase shares of our common stock having a grant date value of approximately $176,100, such option to vest as to one-third of the shares subject to the option on the first anniversary of the vesting commencement

date and as to the remainder of the shares subject to the option in equal monthly installments over two years thereafter, generally subject to the non-employee director's continued service through the applicable vesting date.

Each non-employee director who is not affiliated with the Flagship Funds and is first elected to our board of directors following the completion of this offering will be granted an option to purchase shares of our common stock having a grant date value of approximately $176,100, such option to vest as to one-third of the shares subject to the option on the first anniversary of the vesting commencement date and as to the remainder of the shares subject to the option in equal monthly installments over two years thereafter, generally subject to the non-employee director's continued service through the applicable vesting date.

Commencing in 2019, each non-employee director who is not affiliated with the Flagship Funds will annually be granted an option to purchase shares of our common stock having a grant date value of approximately $111,200, such option to vest in full on the first anniversary of the vesting commencement date, generally subject to the non-employee director's continued service through the applicable vesting date.

All options granted to our non-employee directors will have a per share exercise price equal to the fair market value of a share of our common stock on the date of grant and will expire not later than ten years after the date of grant. All cash retainers will be paid quarterly, in arrears, or upon the earlier resignation or removal of the non-employee director.

CORPORATE REORGANIZATION

TransMedics Group, Inc., a recently formed Massachusetts corporation, is currently a direct, wholly-owned subsidiary of TransMedics, Inc., a Delaware corporation. Immediately prior to or concurrently with the closing of this initial public offering, TMDX, Inc., a direct, wholly-owned subsidiary of TransMedics Group, will merge with and into TransMedics, Inc. with TransMedics, Inc. as the surviving corporation.

As a result of the merger, pursuant to the terms of the Agreement and Plan of Merger and Reorganization filed as an exhibit to the Registration Statement of which this prospectus forms a part:

- each outstanding share of Series A-1 preferred stock of TransMedics, Inc. will be converted into shares of common stock of TransMedics Group;
- each outstanding share of Series B and Series B-1 preferred stock of TransMedics, Inc. will be converted into shares of common stock of TransMedics Group;
- each outstanding share of Series C, Series D, Series E and Series F preferred stock of TransMedics, Inc. will be converted into shares of common stock of TransMedics Group;
- each outstanding share of common stock of TransMedics, Inc. will be converted into shares of common stock of TransMedics Group;
- each outstanding option to purchase shares of common stock of TransMedics, Inc. will be converted into an outstanding option to purchase the same number of shares of common stock of TransMedics Group divided by , with a corresponding adjustment to multiply the exercise price by ; and
- each outstanding warrant to purchase shares of preferred stock of TransMedics, Inc. will be converted into a warrant to purchase the same number of shares of common stock of TransMedics Group divided by , with a corresponding adjustment to multiply the exercise price by .

Immediately following the Corporate Reorganization, (1) TransMedics Group will be a holding company with no material assets other than 100% of the equity interests in TransMedics, Inc., (2) the holders of capital stock in TransMedics, Inc. will become shareholders of TransMedics Group and (3) the historical consolidated financial statements of TransMedics, Inc. will become the historical consolidated financial statements of TransMedics Group because the Corporate Reorganization will be accounted for as a reorganization of entities under common control. Prior to the Corporate Reorganization, TransMedics Group has not conducted any activities other than in connection with its formation and in preparation for this offering and has no material assets other than 100% of the equity interests in TMDX, Inc.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Other than compensation arrangements for our executive officers and directors that are described elsewhere in this prospectus, below we describe transactions since December 28, 2014 to which we were or will be a participant and in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest

Series F Preferred Stock Financing

In May 2015, we issued and sold an aggregate of 4,008,934 shares of our Series F preferred stock at a price per share of $4.99, for an aggregate purchase price of $20.0 million. In May 2016, we issued and sold an aggregate of 10,266,480 shares our Series F preferred stock at a price per share of $4.99, for an aggregate purchase price of $51.2 million. The following table sets forth the number of shares of our Series F preferred stock purchased by our directors, executive officers and 5% stockholders and their respective affiliates and the aggregate purchase price paid for such shares in each of the initial closing in May 2015 and the extension closing in May 2016.

Name(1)	Number of Shares of Series F Preferred Stock Purchased in Initial Closing	Aggregate Purchase Price of Series F Preferred Stock Purchased in Initial Closing	Number of Shares of Series F Preferred Stock Purchased in Extension Closing	Aggregate Purchase Price of Series F Preferred Stock Purchased in Extension Closing
Lung Biotechnology PBC (successor-in-interest to Lung LLC)	845,099	$ 4,217,044	1,529,010	$ 7,629,760
Abrams Capital Partners II, L.P.(2)	764,581	3,815,259	465,014	2,320,420
Abrams Capital Partners I, L.P.(2)	56,770	283,282	34,527	172,290
Great Hollow International, L.P.(2)	56,221	280,543	34,193	170,623
Riva Capital Partners III, L.P.(2)	686,461	3,425,440	417,502	2,083,335
Whitecrest Partners, L.P.(2)	83,474	416,535	50,768	253,332
Flagship Ventures Fund 2007, L.P.(3)	250,558	1,250,284	200,400	999,996
Flagship Ventures IV, L.P.(3)	551,229	2,750,633	440,881	2,199,996
OneLiberty Ventures 2000, L.P.(4)	200,447	1,000,231	300,601	1,499,999
KPCB Holdings, Inc., as nominee	372,434	1,858,446	200,400	999,996
James R. Tobin 2012 Trust(5)	141,660	706,883	80,160	399,998
Fayerweather Fund 1, L.P.	—	—	2,505,010	12,500,000
Edward Basile(6)	—	—	50,100	249,999
Total	4,008,934	$ 20,004,580	6,308,566	$ 31,479,744

(1) See “Principal Shareholders” for more information about shares held by these entities.
(2) David Abrams, who previously served on our board of directors until , 2018, is a Managing Partner of Abrams Capital Management, LLC, which is the general partner to Abrams Capital Management, LP., which manages Abrams Capital Partners II, L.P., Abrams Capital Partners I, L.P., Great Hollow International, L.P., Riva Capital Partners III, L.P. and Whitecrest Partners, L.P.
(3) Mr. Kania, who serves on our board of directors, is a manager of each of Flagship 2007 LLC, which manages Flagship Ventures Fund 2007, L.P., and Flagship Fund IV GP, which manages Flagship Ventures IV, L.P.
(4) Mr. Kania, who serves on our board of directors, is a manager of OneLiberty Partners 2000, LLC, which manages OneLiberty Ventures 2000, L.P.
(5) James Tobin is the chairman of our board of directors.
(6) Edward Basile is a member of our board of directors.

In addition, in June 2016, we issued and sold an aggregate of 2,505,010 shares of our Series F preferred stock to Fayerweather Fund 1, L.P. at a price per share of $4.99, for an aggregate purchase price of $12.5 million.

Investor Rights Agreement

We are a party to an amended and restated investor rights agreement, dated as of June 14, 2013, as amended on May 29, 2015 and May 12, 2016, or the Investor Rights Agreement, with holders of our preferred stock, including some of our directors and 5% stockholders and their affiliates and entities affiliated with our officers and directors, which will be further amended and restated upon consummation of the Corporate Reorganization. The Investor Rights Agreement provides these holders the right, following the completion of this offering, to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. In addition, under the Investor Rights Agreement, certain holders of warrants to purchase shares of our preferred stock following exercise of the warrants will have, with respect to the shares acquired on exercise of the warrants, the same rights to require us to register those shares as the other investor parties to the Investor Rights Agreement. See “Description of Capital Stock—Registration Rights” for additional information regarding these registration rights.

Stockholders’ Agreement

We are party to an amended and restated stockholders’ agreement, dated as of June 14, 2013, as amended on May 29, 2015, February 17, 2016 and May 12, 2016, or the Stockholders’ Agreement, with certain of our stockholders, pursuant to which the following directors were elected to serve as members on our board of directors and, as of the date of this prospectus, continue to so serve: Dr. Hassanein, Mr. Tobin, Mr. Basile, Mr. Gilbert and Mr. Kania.

The Stockholders’ Agreement will terminate upon consummation of the Corporate Reorganization and the closing of this offering, and members previously elected to our board of directors pursuant to this agreement will continue to serve as directors until they resign, are removed or their successors are duly elected by the holders of our common stock. The composition of our board of directors after this offering is described in more detail under “Management—Composition of the Board of Directors.”

Board Observer

In connection with this offering, the Abrams Capital Funds, as referred to in “Principal Shareholders”, will have the right to appoint to observe and attend meetings of the board of directors in a non-voting capacity provided that the Abrams Capital Funds collectively retain at least % of the shares it owns at the time of the closing of the offering.

Employment Arrangements

See the “Executive Compensation—Agreements with Our Named Executive Officers” section of this prospectus for a further discussion of these arrangements.

Dr. Amira Hassanein, the sister of Dr. Waleed Hassanein, our President and Chief Executive Officer, is employed by us as Product Director for OCS Lung Program and reports to our Chief Commercial Officer. Her compensation, including salary and bonus, earned in fiscal 2015 was $171,734, in fiscal 2016 was $180,000, in fiscal 2017 was $221,303 and for the fiscal six months ended June 30, 2018 was $87,548, consistent with other employees at her level and responsibility. She also participated and currently participates in company benefit plans generally available to similarly situated employees.

Indemnification Agreements

Our restated articles of organization provides that we will indemnify our directors and officers to the fullest extent permitted by Massachusetts law. In addition, we have entered into indemnification agreements with our directors and officers.

Related Person Transactions

Our board of directors has adopted a written related person transaction policy, to be effective upon the effectiveness of the registration statement of which this prospectus forms a part, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act of 1933, as amended, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds $120,000 in any fiscal year and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our capital stock, as of , 2018, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and
- all of our executive officers and directors as a group.

The number of shares beneficially owned by each shareholder is determined under rules of the SEC and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, warrants or other rights held by such person that are currently exercisable or will become exercisable within 60 days after , 2018 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

We have based our calculation of the percentage of beneficial ownership prior to this offering on shares of common stock outstanding as of , 2018 (assuming the completion of the Corporate Reorganization). We have based our calculation of the percentage of beneficial ownership after this offering on shares of common stock (assuming the completion of the Corporation Reorganization and the closing of this offering) outstanding immediately after the completion of this offering, assuming that the underwriters do not exercise their option to purchase up to an additional shares of our common stock from us.

Unless otherwise indicated, the address of all listed shareholders is c/o TransMedics Group, Inc., 200 Minuteman Road, Andover, MA 01810. Each of the shareholders listed has sole voting and investment power with respect to the shares beneficially owned by the shareholder unless noted otherwise, subject to community property laws where applicable.

	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
Name and Address of Beneficial Owner	Number	Percentage	Number	Percentage
5% Shareholders:				
Abrams Capital Partners and affiliated entities(1)		%		%
Flagship Pioneering and affiliated entities(2)		%		%
Lung Biotechnology(3)		%		%
Fayerweather Fund I, L.P.(4)		%		%
OneLiberty Funds(5)		%		%
KPCB Holdings, Inc.(6)		%		%
Directors and Named Executive Officers:				
Waleed H. Hassanein, M.D.(7)		%		%
James Tobin(8)		%		%
Edward M. Basile(9)		%		%
James Gilbert		%		%
Thomas Gunderson(10)		%		%
Edwin M. Kania, Jr.(11)		%		%
Stephen Gordon(12)		%		%
Tamer Khayal, M.D.(13)		%		%
All executive officers and directors as a group (11 persons)(14)		%		%

* Less than 1%.

(1) Consists of (i) shares of our common stock held by Abrams Capital Partners I, L.P. (“Abrams Capital I”), (ii) shares of our common stock held by Abram Capital Partners II, L.P. (“Abrams Capital II”), (iii) shares of common stock held by Great Hollow International, L.P. (“Great Hollow”), (iv) shares of our common stock held by Riva Capital Partners III, L.P. (“Riva Capital”) and (v) shares of common stock held by Whitecrest Partners, L.P. (“Whitecrest Partners” and, together with Abrams Capital I, Abrams Capital II, Great Hollow and Riva Capital, the “Abrams Capital Funds”). David Abrams, who previously served on our board of directors until 2018, is the Managing Member of Abrams Capital Management, LLC, which is the general partner to Abrams Capital Management, LP., the investment manager of the Abrams Capital Funds, and may be deemed to share voting and investment power with respect to all shares held by those entities. The address for the Abrams Capital Funds is 222 Berkeley Street, 22nd Floor, Boston, Massachusetts 02116.

(2) Consists of (i) shares of common stock held by Flagship Ventures Fund 2007, L.P. (“Flagship Fund 2007”), and (ii) shares of common stock held by Flagship Ventures Fund IV, L.P. (“Flagship Fund IV” and together with Flagship Fund 2007, the “Flagship Funds”). The general partner of Flagship Fund 2007 is Flagship Ventures 2007 General Partner, LLC (“Flagship 2007 LLC”), and the general partner of Flagship Fund IV is Flagship Ventures Fund IV General Partner LLC (“Flagship Fund IV GP” and together with Flagship 2007 LLC, the “Flagship General Partners”). Edwin M. Kania, Jr. serves on our board of directors and is a member of the Flagship General Partners. Edwin M. Kania, Jr. and Noubar B. Afeyan, Ph.D. are the managers of the Flagship General Partners, and each of these individuals may be deemed to share voting and investment power with respect to all shares held by the Flagship Funds. None of the Flagship General Partners, Edwin M Kania, Jr., or Noubar B. Afeyan, Ph.D. directly own any of the shares held by the Flagship Funds, and each of the Flagship General Partners, Edwin M. Kania Jr. and Noubar B. Afeyan disclaim beneficial ownership of such shares except to the extent of its or his pecuniary interest therein. The mailing address of the Flagship Funds is 55 Cambridge Parkway, Suite 800E, Cambridge, Massachusetts 02142.

(3) Lung Biotechnology PBC is deemed to have sole voting and investment power with respect to all shares held by Lung Biotechnology PBC. The address for Lung Biotechnology PBC is 1040 Spring Street, Silver Spring, MD 20910.

(4) The general partner of Fayerweather Fund 1, L.P. is Fayerweather Management, LLC. The managing members of Fayerweather Management, LLC are Andrew Stevenson and Howard Stevenson. Each of these individuals exercises shared voting and investment power over the shares held of record by Fayerweather Fund 1, L.P. The address for Fayerweather Fund 1, L.P. is 138 Mt. Auburn St., Cambridge, Massachusetts 02138.

(5) Consists of (i) shares of common stock held by OneLiberty Ventures 2000, L.P. ("OneLiberty 2000"), (ii) shares of common stock held by OneLiberty Advisors Fund 2000, L.P. ("OneLiberty Advisors 2000") and (iii) shares of common stock held by OneLiberty Ventures, Inc. ("OneLiberty Ventures" and, together with OneLiberty 2000 and OneLiberty Advisors Fund 2000, the "OneLiberty Entities"). OneLiberty Partners 2000, LLC ("OneLiberty 2000 LLC") is the general partner of OneLiberty 2000 and OneLiberty Advisors 2000. OneLiberty Ventures is the management company for and operates as an affiliate of OneLiberty 2000 LLC and provides services in connection with the investment activities of OneLiberty 2000 and OneLiberty Advisors 2000. Edwin M. Kania, Jr. and Stephen J. Ricci are the managers of OneLiberty 2000 LLC, and each of these individuals may be deemed to share voting and investment power with respect to the shares held by OneLiberty 2000 and OneLiberty Advisors 2000. Neither Mr. Kania nor Mr. Ricci directly own any of the shares held by OneLiberty 2000 or OneLiberty Advisors 2000 and each disclaims beneficial ownership of such shares. Mr. Kania is the principal of OneLiberty Ventures, and Mr. Kania may be deemed to have voting and investment power with respect to the shares held by OneLiberty Ventures. Mr. Kania does not directly own any of the shares held by OneLiberty Ventures and disclaims beneficial ownership of such shares. The mailing address of the OneLiberty Entities is c/o Edwin M. Kania, Jr., 55 Cambridge Parkway, Suite 800E, Cambridge, Massachusetts 02142.

(6) Consists of shares held by Kleiner Perkins Caufield & Byers XIII, LLC. All shares are held for convenience in the name of "KPCB Holdings, Inc., as nominee," for the accounts of such individuals and entities who each exercise their own voting and dispositive power over such shares. KPCB XIII Associates, LLC is the managing member of Kleiner Perkins Caufield & Byers XIII, LLC. The voting and dispositive control over such shares is shared by individual managing directors of KPCB XIII Associates, LLC, none of whom has veto power. Each such managing director disclaims beneficial ownership of such shares. Excludes 233,528 shares in the aggregate beneficially owned by individuals and entities associated with Kleiner Perkins Caufield & Byers XIII, LLC and held for convenience in the name of "KPCB Holdings, Inc. as nominee," for the accounts of such individuals and entities, each of whom exercise their own voting and dispositive control over such shares. The address for KPCB Holdings, Inc. is 2750 Sand Hill Road, Menlo Park, California 94025.

(7) Consists of (i) shares held, and (ii) shares of common stock underlying outstanding stock options exercisable within 60 days of .

(8) Consists of shares of our common stock held by a revocable trust for which Mr. Tobin is the grantor.

(9) Consists of (i) shares held, and (ii) shares of common stock underlying outstanding stock options exercisable within 60 days of .

(10) Consists of shares of common stock underlying outstanding stock options exercisable within 60 days of .

(11) Mr. Kania is a manager of each of the Flagship General Partners and may be considered to have beneficial ownership of the shares held by the Flagship Funds. Mr. Kania expressly disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein. See note 2 above. Mr. Kania is also a manager of OneLiberty 2000 LLC and principal of OneLiberty Ventures and may be considered to have beneficial ownership of the shares held by the OneLiberty Entities. Mr. Kania expressly disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein. See note 5 above.

(12) Consists of shares of common stock underlying outstanding stock options exercisable within 60 days of .

(13) Consists of (i) shares held, and (ii) shares of common stock underlying outstanding stock options exercisable within 60 days of .

(14) Consists of (i) shares held, and (ii) shares of common stock underlying outstanding stock options exercisable within 60 days of .

DESCRIPTION OF CAPITAL STOCK

General

Following the closing of this offering, our authorized capital stock will consist of shares of common stock, no par value per share, and shares of preferred stock, no par value per share, all of which preferred stock will be undesignated. The following description of our capital stock and provisions of our restated articles of organization and amended and restated bylaws are summaries and are qualified by reference to the restated articles of organization of incorporation and amended and restated bylaws that will become effective upon the closing of this offering, and to the applicable provisions of the Massachusetts Business Corporation Act, or the MBCA. The following description of our capital stock reflects changes to our capital structure that will occur upon the closing of this offering.

As of , 2018, assuming the Corporate Reorganization, including the conversion of all outstanding shares of preferred stock of TransMedics, Inc. into an aggregate of shares of common stock of TransMedics Group and the closing of this offering, there were shares of common stock outstanding, held by shareholders of record, and no shares of preferred stock outstanding.

The following summary describes all material provisions of our capital stock. We urge you to read our restated articles of organization and our amended and restated bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part.

Our restated articles of organization and amended and restated bylaws will contain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and which may have the effect of delaying, deferring or preventing a future takeover or change in control of our company unless such takeover or change in control is approved by our board of directors.

Common Stock

Dividend Rights

Subject to preferences that may apply to shares of preferred stock outstanding at the time, holders of outstanding shares of common stock will be entitled to receive dividends out of assets legally available at the times and in the amounts as our board of directors may from time to time determine.

Voting Rights

Holders of common stock are entitled to one vote for each share of common stock held on all matters submitted to a vote of shareholders, unless otherwise provided by our restated articles of organization. An election of directors by our shareholders will be determined by a of the votes cast by the shareholders entitled to vote in the election. Other matters shall be decided by an affirmative vote of our shareholders having a majority in voting power of the votes cast by the shareholders present or represented and voting on such matter, except as otherwise disclosed below.

No Preemptive Rights

Our common stock will not be entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion or Redemption Rights

Our common stock will be neither convertible nor redeemable.

Liquidation Rights

Upon our voluntary or involuntary liquidation, dissolution or winding up, the holders of our common stock will be entitled to receive pro rata our net assets which are legally available for distribution, after payment of all debts and other liabilities and subject to the preferential rights of any holders of preferred stock then outstanding.

Preferred Stock

Our board of directors may, without further action by our shareholders, from time to time, direct the issuance of shares of preferred stock in series and may, at the time of issuance, determine the designations, powers, preferences, privileges, and relative participating, optional or special rights as well as the qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of the common stock. Satisfaction of any dividend preferences of outstanding shares of preferred stock would reduce the amount of funds available for the payment of dividends on shares of our common stock. Holders of shares of preferred stock may be entitled to receive a preference payment in the event of our liquidation before any payment is made to the holders of shares of our common stock. Under certain circumstances, the issuance of shares of preferred stock may render more difficult or tend to discourage a merger, tender offer or proxy contest, the assumption of control by a holder of a large block of our securities or the removal of incumbent management. Upon the affirmative vote of a majority of the total number of directors then in office, our board of directors, without shareholder approval, may issue shares of preferred stock with voting and conversion rights, which could adversely affect the holders of shares of our common stock and the market value of our common stock. Upon consummation of the Corporate Reorganization, there will be no shares of preferred stock outstanding, and we have no present intention to issue any shares of preferred stock.

Stock Options

As of June 30, 2018, options to purchase 5,446,918 shares of common stock were outstanding at a weighted average exercise price of $0.38 per share.

Warrants

As of June 30, 2018, we had the following warrants to purchase capital stock outstanding: warrants to purchase 175,000 shares of our Series D preferred stock, at an exercise price of $2.50 per share; and warrants to purchase 50,544 shares of our Series F preferred stock, at an exercise price of $4.99 per share.

Effective upon the consummation of the Corporate Reorganization and the closing of this offering, the warrants to purchase shares of Series D preferred stock will become exercisable for shares of common stock at an exercise price of $ per share; and the warrants to purchase shares of Series F preferred stock will become exercisable for shares of common stock at an exercise price of $ per share. The holder of these warrants to purchase Series D and F preferred stock has registration rights as described below under the heading “Registration Rights.”

Registration Rights

Pursuant to the Investor Rights Agreement, certain of our shareholders have the right, 180 days following the closing of this offering, to demand that we file a registration statement or request that their shares be included in a registration statement that we file otherwise. We refer to the shares held by holders having rights under this agreement as registrable securities. As of June 30, 2018, the holders of shares of registrable securities, including shares issuable upon the conversion of all outstanding preferred stock upon the consummation of the Corporate Reorganization have registration rights under the Investor Rights Agreement.

Demand Registration Rights

Pursuant to the Investor Rights Agreement, until the fifth anniversary of the consummation of this offering, the holders of at least 50% of the registrable securities then outstanding can demand that we file up to two registration statements on Form S-1 registering their registrable securities, if the aggregate anticipated offering price is at least $5.0 million. Under specified circumstances, we also have the right to defer filing of a requested registration statement for a period of not more than 90 days, which right may not be exercised more than once during any 12-month period. These registration rights are subject to additional conditions and limitations, including the right of the underwriters to limit the number of shares included in any such registration under certain circumstances.

Form S-3 Registration Rights

Pursuant to the Investor Rights Agreement, if we are eligible to file a registration statement on Form S-3, the holders of at least 30% of the registrable securities then outstanding will have the right to demand that we file additional registration statements, including a shelf registration statement, for such holders on Form S-3, if the aggregate anticipated offering price is at least $1.0 million. These holders can demand up to two such registrations in any 12-month period.

Piggyback Registration Rights

Pursuant to the Investor Rights Agreement, if we propose to file a registration statement under the Securities Act (other than with respect to a registration statement on Form S-8 or Form S-4, or their successors, or any other form for a similar limited purpose, or any registration statement covering only securities proposed to be issued in exchange for securities or assets of another corporation), the holders of all registrable securities are entitled to receive notice of the registration and to include their registrable securities in such registration. The underwriters of any underwritten offering will have the right to limit the number of the number of registrable securities that may be included in the registration statement.

Expenses of Registration

We are required to pay all expenses relating to any demand, Form S-3 or piggyback registration, other than the underwriting discount, subject to certain limited exceptions. We will not pay for any expenses of any demand registration if the request is subsequently withdrawn by the holders of a majority of the shares requested to be included in such a registration statement, subject to limited exceptions.

Anti-takeover Effects of Our Restated Articles of Organization and Our Amended and Restated Bylaws

Upon consummation of the Corporate Reorganization and the closing of this offering, our restated articles of organization and amended and restated bylaws will contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors but which may have the effect of delaying, deferring or preventing a future takeover or change in control of us unless such takeover or change in control is approved by our board of directors.

These provisions include:

Action by written consent; special meetings of shareholders. Our amended and restated bylaws will provide that shareholder action can be taken only at an annual or special meeting of shareholders or by the unanimous written consent of all shareholders entitled to vote on the matter in lieu of such a meeting. Our restated articles of organization and amended and restated bylaws will also provide that, except as otherwise required by law, special meetings of the shareholders can only be called pursuant to a resolution adopted by a majority of our board of directors or holders of at least 25% of all the votes entitled to be cast on any issuer to be considered at the proposed special meeting. Except as described above, shareholders will not be permitted to call a special meeting or to require our board of directors to call a special meeting.

Advance notice procedures. Our amended and restated bylaws will establish an advance notice procedure for shareholder proposals to be brought before an annual meeting of our shareholders, including proposed nominations of persons for election to the board of directors. Shareholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a shareholder who was a shareholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given timely written notice, in proper form, of the shareholder's intention to bring that business before the meeting. Although the amended and restated bylaws will not give our board of directors the power to approve or disapprove shareholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the amended and restated bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Number of directors and filling vacancies. Our restated articles of organization will provide that the number of directors will be established by the board of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office. The ability of our board of directors to increase the number of directors and fill any vacancies may make it more difficult for our shareholders to change the composition of our board of directors.

Authorized but unissued shares. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without shareholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Exclusive forum. Our restated articles of organization will require, to the fullest extent permitted by law, that derivative actions brought in the name of TransMedics Group, Inc., actions against directors, officers and employees for breach of a fiduciary duty and other similar actions may be brought only in specified courts in the Commonwealth of Massachusetts. Although we believe this provision benefits us by providing increased consistency in the application of Massachusetts law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. See "Risk Factors—Our restated articles of organization will designate the state and federal courts located within the Commonwealth of Massachusetts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, which could discourage lawsuits against us and our directors and officers."

Anti-Takeover Provisions under Massachusetts Law

Provisions Regarding Business Combinations

Upon consummation of the Corporate Reorganization, we will be subject to the provisions of Chapter 110F of the MBCA. In general, Chapter 110F prohibits a publicly held Massachusetts corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, five percent% or more of the corporation's voting stock.

Under Chapter 110F, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: before the stockholder became interested, our board

of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 90% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or at or after the time the stockholder became interested, the business combination was approved by our board of directors of the corporation and authorized at an annual or special meeting of the shareholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Massachusetts corporation may "opt out" of these provisions with an express provision in its original articles of organization or an express provision in its articles of organization or bylaws resulting from a shareholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Provisions Regarding a Classified Board of Directors

Section 8.06(b) of the MBCA provides that, unless a company opts out of such provision, the terms of directors of a public Massachusetts company shall be staggered by dividing the directors into three groups, as nearly equal in number as possible, with only one group of directors being elected each year. Our board of directors has opted out of this default requirement for a classified board of directors, and following the consummation of the Corporate Reorganization we expect that all of our directors will serve for one-year terms and will be elected annually.

However, pursuant to Section 8.06(c)(2) of the MBCA, our board of directors may unilaterally opt back into default requirements under Section 8.06(b) of the MBCA and become a classified board of directors without the approval of our shareholders. Sections 8.06(d) and (e) of the MBCA provide that when a board of directors is so classified, (i) shareholders may remove directors only for cause, (ii) the number of directors shall be fixed only by the vote of the board of directors, (iii) vacancies and newly created directorships shall be filled solely by the affirmative vote of a majority of the remaining directors, and (iv) a decrease in the number of directors will not shorten the term of any incumbent director. If our board of directors opts into this classified structure in the future, these provisions are likely to increase the time required for shareholders to change the composition of our board of directors. For example, at least two annual meetings would generally be necessary for shareholders to effect a change in a majority of the members of our board of directors. As a result, the ability of our board of directors to adopt a classified structure in the future without the approval of our shareholders could have the effect of discouraging a potential acquirer from making a tender offer for a majority of the outstanding voting interest of our capital stock or otherwise attempting to obtain control of TransMedics Group, Inc.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock will be .

Nasdaq Global Market

We have applied to list our common stock on the Nasdaq Global Market under the symbol "TMDX".

DESCRIPTION OF CERTAIN INDEBTEDNESS

The following is a summary of certain of our indebtedness that is currently outstanding. The following description does not purport to be complete and is qualified in its entirety by reference to the agreements and related documents referred to herein, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part, and may be obtained as described under "Where You Can Find More Information" in this prospectus.

Credit Agreement

On June 22, 2018, TransMedics, Inc., or the Borrower, entered into the Credit Agreement with OrbiMed Royalty Opportunities II, LP, as lender, pursuant to which OrbiMed made certain term loans available to us. The Credit Agreement provides for aggregate maximum borrowings of up to $65.0 million. On the initial closing date of June 22, 2018, or the Closing Date, the Borrower borrowed $35.0 million and used $7.3 million to repay in full outstanding indebtedness and pay related fees and expenses. Under the terms of the Credit Agreement, the remaining $30.0 million is available to be drawn in three tranches, each, a Tranche. The loans drawn under the Credit Agreement mature on June 22, 2023, or the Maturity Date.

Tranches and Conditions to Draw

The first tranche of $5.0 million, or Tranche A, may be drawn by the Borrower at any time but no later than April 30, 2019, the second tranche of $5.0 million, or Tranche B, may also be drawn by the Borrower at any time but no later than April 30, 2019 and the third tranche of $20.0 million, or Tranche C, may be drawn by the Borrower at any time but no later than April 30, 2020, in each case provided that the Borrower satisfies certain conditions described in the Credit Agreement, including:

- in the case of Tranche A, that the Borrower's Revenue Base, as described below, for the period comprising the 12 months preceding the month during which Tranche A is drawn was at least $12.0 million (of which at least $7.0 million was derived from sales in the United States);
- in the case of Tranche B, that the Borrower's Revenue Base for the period comprising the 12 months preceding the month during which Tranche B is drawn was at least $12.0 million (of which at least $9.5 million was derived from sales in the United States); and
- in the case of Tranche C, that (x) the Borrower's Revenue Base for the period comprising the 12 months preceding the month during which Tranche C is drawn was at least $20.0 million and (y) the Borrower has received final FDA approval of the Borrower's PMA for the OCS Heart for preservation of donor hearts in a near physiologic, beating and perfused state for heart transplantation.

Under the terms of the Credit Agreement, the Borrower's Revenue Base is equal to the net sales, distribution income, service payments, license income and other forms of consideration from commercial sales of the Borrower's products (excluding any sales, distribution income, service payments, license income and other forms of consideration received in connection with any clinical trial).

OrbiMed's obligation to fund each Tranche is cancelled (i) in the case of Tranche A or Tranche B, on April 30, 2019, if either such Tranche had not previously been drawn, and (ii) in the case of Tranche C, on the earlier of (A) April 30, 2020, if such Tranche had not previously been drawn, or (B) April 30, 2019, if Tranche A has not been drawn by such date.

Interest Rates and Fees

Borrowings under the Credit Agreement bear interest at an annual rate equal to LIBOR, subject to a minimum of 1.0% and a maximum of 4.0%, plus 8.5%, or the Applicable Margin, subject in the aggregate to a

maximum interest rate of 11.5%. In addition, borrowings under the Credit Agreement bear PIK interest at an annual rate equal to the amount by which LIBOR plus the Applicable Margin exceeds 11.5%, not to exceed 12.5%. The PIK interest is added to the principal amount of the borrowings outstanding at the end of each quarter until the Maturity Date.

Upon the prepayment or repayment of all or any portion of outstanding loans under the Credit Agreement, the Borrower will pay OrbiMed an exit fee equal to 3% of the principal amount of loans being prepaid or repaid, in addition to any repayment premium described below.

Prepayments

Voluntary prepayments of borrowings under the Credit Agreement are permitted at any time, in whole or in part, subject to payment of a repayment premium, which is equal to (i) if prepayment is made prior to the 12-month anniversary of the Closing Date, the Make-Whole Amount as described below, (ii) if prepayment is made following the 12-month anniversary of the Closing Date but prior to the 24-month anniversary of the Closing Date, 9% of the principal amount of loans prepaid, and (iii) if prepayment is made following the 24-month anniversary of the Closing Date but prior to the 36-month anniversary of the Closing Date, 4.5% of the principal amount of loans prepaid. There is no prepayment premium for any amount of loans prepaid after the 36-month anniversary of the Closing Date. Under the Credit Agreement, "Make-Whole Amount" means the amount, if any, by which (x) the present value as of such date of determination of (A) 109% of the principal amount of the loans prepaid plus (B) all interest required to be paid through and including the 12-month anniversary of the Closing Date, in each case computed using a discount rate equal to the three-month U.S. Treasury rate plus 0.50%, exceeds (y) the principal amount of loans prepaid.

Upon the Borrower's receipt of any net asset sale proceeds (except proceeds from certain permitted dispositions) or net casualty proceeds (each as defined in the Credit Agreement), if requested by OrbiMed, the Borrower must make a mandatory prepayment in an amount equal to 100% of such proceeds, or a lesser amount requested by OrbiMed, plus the applicable repayment premium.

Guarantee; Security

All obligations under the Credit Agreement are guaranteed by the Borrower and each of its material subsidiaries. Upon the consummation of this offering, TransMedics Group will also be a guarantor under the Credit Agreement.

All obligations of the Borrower and each guarantor are secured by substantially all of the Borrower's and each guarantor's assets, including their intellectual property, subject to certain exceptions, including, a perfected security interest in substantially all tangible and intangible assets of the Borrower and each guarantor, including the capital stock of the Borrower and the capital stock of each direct material U.S. subsidiary of the Borrower and each guarantor, and 65% of each series of capital stock of any non-U.S. subsidiary held directly by the Borrower or any guarantor

Covenants, Representations and Warranties

The Credit Agreement contains a number of representations and warranties and a number of affirmative and negative covenants. The negative covenants limit the ability of the Borrower to:

- incur additional indebtedness;
- pay dividends, redeem stock or make other distributions;
- repurchase, prepay or redeem subordinated indebtedness;
- make investments;

- create restrictions on the ability of the Borrower's subsidiaries to pay dividends;
- create liens;
- transfer or sell assets;
- liquidate, consolidate, merge, purchase all or substantially all of the assets of any other Person, sell or otherwise dispose of all or substantially all of the Borrower's assets;
- modify organizational documents or any agreement governing permitted subordinated indebtedness;
- enter into a sale-leaseback arrangement;
- enter into any agreement concerning the Organ Care System or any current or future product or service of the Borrower;
- engage in business activities other than those engaged in as of the date of the Credit Agreement and any reasonable extensions or activities reasonably related or incidental thereto; and
- enter into certain transactions with affiliates.

The negative covenants are subject to certain exceptions. In addition, the Borrower must maintain liquidity of no less than $3.0 million at all times. There are no other financial covenants included in the Credit Agreement.

Events of Default

Events of default under the Credit Agreement include, in each case subject to certain thresholds, notice and grace period provisions:

- nonpayment of principal when due, nonpayment of interest or other amounts;
- breach of representations or warranties in any material respect;
- violation of covenants;
- certain defaults under other material debt;
- occurrence of circumstances that has or could reasonably be expected to have a material adverse effect on the Borrower;
- change in control event;
- certain bankruptcy or insolvency events;
- certain material judgments, termination of any key permit or any of the Borrower's material rights or interests thereunder or any amendment to any key permit in a manner adverse to the Borrower in any material respect;
- assertion by the FDA, CMS, European Medicines Agency or other governmental authority by letter or other communication that any of the Borrower's products lacks regulatory authorization and that causes the discontinuance of marketing or withdrawal of any products or causes delay in manufacturing;
- the initiation of a regulatory enforcement action or issuance of a warning letter with respect to the Borrower or any of its products or manufacturing facilities that causes the discontinuance of marketing or withdrawal of any products or causes delay in manufacturing; and
- termination or invalidity of the security interests granted to secure the Credit Agreement.

In addition, an event of default occurs if Waleed Hassanein ceases to be employed by the Borrower full time and actively working as the Borrower's President and Chief Executive Officer, unless within 120 days after his employment ceases, the Borrower hires a replacement reasonably acceptable to OrbiMed.

Upon the occurrence of an event of default and until such event of default is no longer continuing, the Applicable Margin will increase by 4.0% per annum. If an event of default (other than certain events of bankruptcy or insolvency) occurs and is continuing, OrbiMed may declare all or any portion of the outstanding principal amount of the borrowings plus accrued and unpaid interest to be due and payable. Upon the occurrence of certain events of bankruptcy or insolvency, all of the outstanding principal amount of the borrowings plus accrued and unpaid interest will automatically become due and payable.

As of June 30, 2018, the Borrower was in compliance with all of its covenants under the Credit Agreement.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there was no public market for our common stock. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales may occur, could materially and adversely affect the market price of our common stock and could impair our future ability to raise capital through the sale of our equity or equity-related securities at a time and price that we deem appropriate. Although we intend to apply to list our common stock on the Nasdaq Global Market, we cannot assure you that there will be an active public market for our common stock.

Upon completion of this offering, we will have shares of our common stock outstanding (or shares, if the underwriters exercise their option to purchase additional shares in full). Of the outstanding shares, all shares sold in this offering will be freely tradable without further restriction or registration under the Securities Act, except that any shares purchased by our affiliates, as that term is defined in Rule 144 under the Securities Act, may be sold only in compliance with the limitations described below. The remaining outstanding shares of common stock will be deemed "restricted securities" under the Securities Act. Restricted securities may be sold in the public market only if registered or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are described below. of these shares will be subject to lock-up agreements described below.

Taking into account the lock-up agreements described below, and assuming the representatives of the underwriters do not release shareholders from these agreements, the following shares will be eligible for sale in the public market at the following times, subject to the provisions of Rule 144 and Rule 701:

Date Available for Resale	Number of Shares Eligible for Resale	Comment
On the date of this offering (,)		Shares eligible for sale under Rule 144 and Rule 701
180 days after the date of this offering (,)		Lock-up released, shares eligible for sale under Rule 144 (subject, in some instances, to volume limitations) and Rule 701

Rule 144

In general, under Rule 144, beginning 90 days after the date of this prospectus, a person who is not our affiliate and has not been our affiliate at any time during the preceding three months will be entitled to sell any shares of our common stock that such person has beneficially owned for at least six months, including the holding period of any prior owner other than one of our affiliates, without regard to volume limitations. Sales of our common stock by any such person would be subject to the availability of current public information about us if the shares to be sold were beneficially owned by such person for less than one year. In addition, under Rule 144, any person who is not our affiliate and has not been our affiliate at any time during the preceding three months and has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the closing of this offering without regard to whether current public information about us is available.

Approximately shares of our common stock that are not subject to the lock-up agreements described below will be eligible for sale under Rule 144 immediately upon the consummation of this offering.

Beginning 90 days after the date of this prospectus, our affiliates who have beneficially owned shares of our common stock for at least six months, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the total number of then-outstanding shares of the class of security sold, which will equal, immediately after this offering, approximately shares of common stock, assuming an initial

public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus; or

- the average weekly trading volume in the class of security sold on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who purchase shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, in the case of affiliates, without having to comply with the holding period requirements of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, holding period, volume limitation or notice filing requirements of Rule 144.

Lock-Up Agreements

Our officers, directors and other shareholders owning an aggregate of shares of our common stock will be subject to lock-up agreements with Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, as representatives of the underwriters, that will restrict the sale of the shares of our common stock held by them for 180 days, subject to certain exceptions. See “Underwriting” for a description of these lock-up agreements.

Registration Statements on Form S-8

Immediately after the consummation of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of our common stock issued or reserved for future issuance under our equity incentive plans. This registration statement would cover approximately shares. Shares registered under the registration statement will generally be available for sale in the open market after the 180-day lock-up period immediately following the date of this prospectus.

Registration Rights

Upon the closing of this offering, the holders of shares of common stock will be entitled to the registration of these shares under the Securities Act. See “Description of Capital Stock—Registration Rights” for additional information. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration.

MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following discussion is a summary of the material U.S. federal income and estate tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case, in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds; and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our common stock being taken into account in an applicable financial statement.

This discussion does not address the tax treatment of partnerships or other pass-through entities, or persons who hold our common stock through partnerships or other pass-through entities, for U.S. federal income tax purposes. If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying any distributions to holders of our common stock in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Taxable Disposition."

Subject to the discussions below on effectively connected income, FATCA, and backup withholding, dividends paid to a Non-U.S. Holder of our common stock will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate. A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at

a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits attributable to such dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussions below on backup withholding and FATCA, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

If a Non-U.S. Holder is engaged in a trade or business in the United States and gain recognized by the Non-U.S. Holder on a sale or other disposition of our common stock is effectively connected with the conduct of such trade or business, the Non-U.S. Holder generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

We believe we currently are not, and we do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded" (as defined by applicable Treasury Regulations) on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

A nonresident alien who is subject to U.S. federal income tax because such individual was present in the United States for 183 days or more in the taxable year of the taxable disposition of our common stock will be subject to a flat 30% tax on the gain derived from such disposition, which may be offset by U.S. source capital loss. Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the

certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding and Information Reporting Requirements

Sections 1471 through 1474 of the Code and related Treasury Regulations, together with other Treasury Department or IRS guidance issued thereunder, and intergovernmental agreements, legislation, rules and other official guidance adopted pursuant to such intergovernmental agreements (commonly referred to as "FATCA") generally impose a U.S. federal withholding tax of 30% on payments to certain non-U.S. entities (including certain intermediaries), including dividends on our common stock and, on or after January 1, 2019, the gross proceeds from a sale or other disposition of shares of our common stock, unless such persons comply with a complicated U.S. information reporting, disclosure and certification regime or an exemption applies. This regime requires, among other things, a broad class of persons to enter into agreements with the IRS to obtain, disclose and report information about their investors and account holders. An intergovernmental agreement between the U.S. and an applicable foreign country may, however, modify these requirements. Prospective investors should consult their own tax advisors regarding the possible impact of these rules on their investment in our common stock, and the possible impact of these rules on the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax under FATCA.

U.S. Federal Estate Tax

Common stock owned or treated as owned by an individual who is a Non-U.S. Holder at the time of death generally will be included in the individual's gross estate for U.S. federal estate tax purposes and may be subject to U.S. federal estate tax unless an applicable estate or other tax treaty provides otherwise.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Underwriters	Number of Shares
Morgan Stanley & Co. LLC	
J.P. Morgan Securities LLC	
Cowen and Company, LLC	
Canaccord Genuity LLC	
Total	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

	Per Share	Total	
		No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority, or FINRA, for up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We have applied to list our common stock on the Nasdaq Global Market under the trading symbol “TMDX.”

We and all directors and officers and the holders of substantially all of our outstanding stock and stock options have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus, or the restricted period, subject to certain exceptions, dispose of or hedge any of common stock or securities convertible into or exchangeable for shares of common stock.

Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Canada

The shares of our common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument

31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares of our common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Dubai International Finance Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or the DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of common stock which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State other than:

- to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive), per Relevant Member State, subject to obtaining the prior consent of the underwriters; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of common stock shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or a supplemental prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of common stock to the public" in relation to any common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the common stock to be offered so as to enable an investor to decide to purchase or subscribe for the common stock, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Hong Kong

The common stock has not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to common stock which is or is intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan

The common stock has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

People's Republic of China

This prospectus may not be circulated or distributed in the People's Republic of China, or the PRC, and the common stock may not be offered or sold to any person for re-offering or resale directly or indirectly to any resident of the PRC, except pursuant to applicable laws, rules and regulations of the PRC. For the purpose of this paragraph only, the PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the common stock may not be circulated or distributed, nor may the common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the common stock is subscribed or purchased under Section 275 of the SFA by a relevant person which is:

a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

b) where no consideration is or will be given for the transfer;

c) where the transfer is by operation of law;

d) as specified in Section 276(7) of the SFA; or

e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the common stock described herein. The common stock may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the common stock constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this document nor any other offering or marketing material relating to the common stock may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, nor the Company nor the common stock have been or will be filed with or approved by any Swiss regulatory authority. The common stock is not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMAXX, and investors in the common stock will not benefit from protection or supervision by such authority.

United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling with Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The common stock is only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Ropes & Gray LLP. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The financial statements as of December 30, 2017 and December 31, 2016 and for the years then ended included in this prospectus have been so included in reliance on the report (which contains an explanatory paragraph relating to the Company's ability to continue as a going concern as described in Note 1 to the consolidated financial statements) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 (File Number 333-) under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement.

You may read and copy the registration statement for this offering at the SEC's public reference room, which is located at 100 F Street, N.E., Room 1580, Washington, DC 20549. You can request copies of the registration statement by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the SEC's public reference room. In addition, the SEC maintains an internet website, which is located at www.sec.gov, that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. You may access the registration statement for this offering at the SEC's internet website.

We are not currently subject to the informational requirements of the Exchange Act. As a result of this offering, we will become subject to the informational requirements of the Exchange Act and, in accordance therewith, will file reports and other information with the SEC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of TransMedics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of TransMedics, Inc. and its subsidiaries as of December 30, 2017 and December 31, 2016, and the related consolidated statements of operations, of comprehensive loss, of convertible preferred stock and stockholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 30, 2017 and December 31, 2016, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring losses from operations since inception and will require additional financing to fund future operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
October 19, 2018

We have served as the Company's auditor since 2001.

TRANSMEDICS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	December 31, 2016	December 30, 2017	June 30, 2018 (unaudited)	Pro Forma June 30, 2018 (unaudited)
Assets				
Current assets:				
Cash and cash equivalents	$ 9,837	$ 11,936	$ 34,439	$ 34,439
Marketable securities	38,001	12,727	750	750
Accounts receivable	1,379	925	2,748	2,748
Inventory	6,335	7,971	9,005	9,005
Prepaid expenses and other current assets	311	477	535	535
Total current assets	55,863	34,036	47,477	47,477
Property and equipment, net	1,723	2,459	3,151	3,151
Restricted cash	500	500	500	500
Other long-term assets	18	6	6	6
Total assets	$ 58,104	$ 37,001	$ 51,134	$ 51,134
Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)				
Current liabilities:				
Accounts payable	$ 4,250	$ 3,515	$ 2,742	$ 2,742
Accrued expenses and other current liabilities	4,733	5,010	6,019	6,019
Deferred revenue	177	239	202	202
Current portion of long-term debt	—	1,805	—	—
Current portion of deferred rent	311	330	310	310
Total current liabilities	9,471	10,899	9,273	9,273
Preferred stock warrant liability	512	353	593	—
Long-term debt, net of discount and current portion	8,407	6,847	33,445	33,445
Deferred rent, net of current portion	1,437	1,107	963	963
Total liabilities	19,827	19,206	44,274	43,681
Commitments and contingencies (Note 13)				
Convertible preferred stock (Series A-1, B, B-1, C, D, E and F), $0.0001 par value; 50,776,054 shares authorized at December 31, 2016 and December 30, 2017 and June 30, 2018 (unaudited); 50,404,140 shares issued and outstanding at December 31, 2016 and December 30, 2017 and June 30, 2018 (unaudited); aggregate liquidation preference of $223,681 at December 30, 2017 and June 30, 2018 (unaudited); no shares issued or outstanding, pro forma at June 30, 2018 (unaudited)	186,519	186,519	186,519	—
Stockholders' equity (deficit):				
Common stock, $0.0001 par value; 60,000,000 shares authorized at December 31, 2016 and December 30, 2017, 60,000,000 shares authorized at June 30, 2018 (unaudited); 4,641,728 shares and 4,657,483 shares issued and outstanding at December 31, 2016 and December 30, 2017, respectively, 4,756,801 shares issued and 4,755,725 shares outstanding at June 30, 2018 (unaudited); no shares issued or outstanding, pro forma at June 30, 2018 (unaudited)	1	1	1	—
Common stock, no par value; no shares authorized, issued or outstanding at December 31, 2016, December 30, 2017 or June 30, 2018 (unaudited); shares issued and outstanding, pro forma at June 30, 2018 (unaudited)	—	—	—	330,799
Additional paid-in capital	143,531	143,604	143,686	—
Accumulated other comprehensive loss	(417)	(149)	(150)	(150)
Accumulated deficit	(291,357)	(312,180)	(323,196)	(323,196)
Total stockholders' equity (deficit)	(148,242)	(168,724)	(179,659)	7,453
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	$ 58,104	$ 37,001	$ 51,134	$ 51,134

The accompanying notes are an integral part of these consolidated financial statements.

TRANSMEDICS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share amounts)

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
Net revenue	$ 6,209	$ 7,685	$ 3,712	$ 5,434
Cost of revenue	5,443	5,548	2,589	3,331
Gross profit	766	2,137	1,123	2,103
Operating expenses:				
Research, development and clinical trials	15,637	14,957	8,153	6,898
Selling, general and administrative	8,115	7,606	4,161	5,142
Total operating expenses	23,752	22,563	12,314	12,040
Loss from operations	(22,986)	(20,426)	(11,191)	(9,937)
Other income (expense):				
Interest expense	(979)	(1,072)	(534)	(571)
Change in fair value of preferred stock warrant liability	(105)	159	143	(240)
Other income (expense), net	5	548	232	(253)
Total other expense, net	(1,079)	(365)	(159)	(1,064)
Loss before income taxes	(24,065)	(20,791)	(11,350)	(11,001)
Provision for income taxes	—	(32)	(19)	(15)
Net loss	$ (24,065)	$ (20,823)	$ (11,369)	$ (11,016)
Net loss per share attributable to common stockholders, basic and diluted	$ (5.35)	$ (4.48)	$ (2.45)	$ (2.36)
Weighted average common shares outstanding, basic and diluted	4,502,099	4,647,495	4,646,058	4,676,991
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)		$		$
Pro forma weighted average common shares outstanding, basic and diluted (unaudited)				

The accompanying notes are an integral part of these consolidated financial statements.

TRANSMEDICS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
Net loss	$ (24,065)	$ (20,823)	$ (11,369)	$ (11,016)
Other comprehensive income (loss):				
Foreign currency translation adjustment	(5)	269	114	(8)
Unrealized gains (losses) on marketable securities, net of tax of $0	(6)	(1)	(21)	7
Total other comprehensive income (loss)	(11)	268	93	(1)
Comprehensive loss	$ (24,076)	$ (20,555)	$ (11,276)	$ (11,017)

The accompanying notes are an integral part of these consolidated financial statements.

TRANSMEDICS, INC.

CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(In thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehen-sive Loss	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Par Value				
Balances at December 26, 2015	37,632,650	$122,911	4,423,748	$ 1	$ 143,465	$ (406)	$ (267,292)	$ (124,232)
Issuance of Series F convertible preferred stock, net of issuance costs of $122	12,771,490	63,608	—	—	—	—	—	—
Issuance of common stock upon the exercise of common stock options	—	—	217,980	—	21	—	—	21
Stock-based compensation expense	—	—	—	—	45	—	—	45
Foreign currency translation adjustment	—	—	—	—	—	(5)	—	(5)
Unrealized loss on marketable securities	—	—	—	—	—	(6)	—	(6)
Net loss	—	—	—	—	—	—	(24,065)	(24,065)
Balances at December 31, 2016	50,404,140	186,519	4,641,728	1	143,531	(417)	(291,357)	(148,242)
Issuance of common stock upon the exercise of common stock options	—	—	15,755	—	3	—	—	3
Stock-based compensation expense	—	—	—	—	70	—	—	70
Foreign currency translation adjustment	—	—	—	—	—	269	—	269
Unrealized loss on marketable securities	—	—	—	—	—	(1)	—	(1)
Net loss	—	—	—	—	—	—	(20,823)	(20,823)
Balances at December 30, 2017	50,404,140	186,519	4,657,483	1	143,604	(149)	(312,180)	(168,724)
Issuance of common stock upon the exercise of common stock options	—	—	99,318	—	21	—	—	21
Abandonment of shares of common stock by stockholders	—	—	(1,076)	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	61	—	—	61
Foreign currency translation adjustment	—	—	—	—	—	(8)	—	(8)
Unrealized gain on marketable securities	—	—	—	—	—	7	—	7
Net loss	—	—	—	—	—	—	(11,016)	(11,016)
Balances at June 30, 2018 (unaudited)	50,404,140	$186,519	4,755,725	$ 1	$ 143,686	$ (150)	$ (323,196)	$ (179,659)

The accompanying notes are an integral part of these consolidated financial statements.

TRANSMEDICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
Cash flows from operating activities:				
Net loss	$ (24,065)	$ (20,823)	$ (11,369)	$ (11,016)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization expense	426	630	286	337
Stock-based compensation expense	45	70	23	61
Change in fair value of preferred stock warrant liability	105	(159)	(143)	240
Non-cash interest expense	65	93	46	48
Net amortization of premiums on marketable securities	187	151	102	9
Loss on extinguishment of debt	—	—	—	305
Unrealized foreign currency transaction (gains) losses	—	(308)	(97)	10
Changes in operating assets and liabilities:				
Accounts receivable	(758)	454	(1,309)	(1,823)
Inventory	(1,587)	(2,497)	(879)	(2,028)
Prepaid expenses and other current assets	(108)	(166)	85	(58)
Other long-term assets	(5)	12	12	—
Accounts payable	1,062	(735)	(634)	(773)
Accrued expenses and other current liabilities	805	429	1,079	1,089
Deferred revenue	12	62	135	(37)
Deferred rent	(293)	(311)	(154)	(164)
Net cash used in operating activities	(24,109)	(23,098)	(12,817)	(13,800)
Cash flows from investing activities:				
Purchases of property and equipment	(1,478)	(263)	(167)	(40)
Purchases of marketable securities	(46,534)	(19,187)	(15,467)	—
Proceeds from sales and maturities of marketable securities	8,340	44,309	28,116	11,975
Net cash provided by (used in) investing activities	(39,672)	24,859	12,482	11,935
Cash flows from financing activities:				
Proceeds from issuance of convertible preferred stock, net of issuance costs	63,608	—	—	—
Proceeds from issuance of long-term debt, net of issuance costs	—	—	—	33,436
Repayments of long-term debt	—	—	—	(9,076)
Payment of additional debt issuance costs	(85)	—	—	—
Proceeds from issuance of common stock upon exercise of stock options	21	3	1	21
Net cash provided by financing activities	63,544	3	1	24,381
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(6)	335	229	(13)
Net increase (decrease) in cash, cash equivalents and restricted cash	(243)	2,099	(105)	22,503
Cash, cash equivalents and restricted cash, beginning of period	10,580	10,337	10,337	12,436
Cash, cash equivalents and restricted cash, end of period	$ 10,337	$ 12,436	$ 10,232	$ 34,939
Supplemental disclosure of cash flow information:				
Cash paid for interest	$ 825	$ 823	$ 410	$ 472
Supplemental disclosure of non-cash investing and financing activities:				
Transfers of inventory to property and equipment	$ —	$ 1,130	$ 764	$ 994
Issuance of preferred stock warrants in connection with amended loan agreement	$ 82	$ —	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements.

TRANSMEDICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of the Business and Basis of Presentation

TransMedics, Inc. (the "Company") was incorporated in the State of Delaware in August 1998. The Company is a commercial-stage medical technology company transforming organ transplant therapy for end-stage organ failure patients across multiple disease states. The Company developed the Organ Care System ("OCS") to replace a decades-old standard of care. The OCS represents a paradigm shift that transforms organ preservation for transplantation from a static state to a dynamic environment that enables new capabilities, including organ optimization and assessment. The Company's OCS technology replicates many aspects of the organ's natural living and functioning environment outside of the human body.

The Company is subject to risks and uncertainties common to companies in the medical device industry and of similar size, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations, uncertainty of market acceptance of products, and the need to obtain additional financing to fund operations. Products currently under development will require additional research and development efforts, including additional clinical testing and regulatory approval, prior to commercialization. These efforts require additional capital, adequate personnel, infrastructure and extensive compliance-reporting capabilities. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's technology will be obtained, that any products will obtain necessary government regulatory approval or that any approved products will be commercially viable. The Company operates in an environment of rapid change in technology and competition from other medical device companies.

Basis of Presentation

The Company's fiscal year ends on the Saturday nearest December 31, and the Company reports fiscal years using a 52/53-week convention. Under this convention, certain fiscal years contain 53 weeks. Each fiscal year is typically composed of four 13-week fiscal quarters, but in years with 53 weeks, the fourth quarter is a 14-week period. The fiscal year ended December 31, 2016 included 53 weeks, while the fiscal year ended December 30, 2017 included 52 weeks.

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Going Concern

In accordance with Accounting Standards Update ("ASU") No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40)*, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

Since its inception, the Company has funded its operations primarily with proceeds from sales of preferred stock and borrowings under loan agreements. The Company has incurred recurring losses since inception, including net losses of $24.1 million and $20.8 million for the fiscal years ended December 31, 2016 and December 30, 2017, respectively, and $11.0 million for the fiscal six months ended June 30, 2018 (unaudited). In addition, as of December 30, 2017 and June 30, 2018 (unaudited), the Company had an accumulated deficit of $312.2 million and $323.2 million, respectively. The Company expects to continue to generate operating losses for the foreseeable future. As of October 19, 2018, the issuance date of the annual consolidated financial

statements for the fiscal year ended December 30, 2017 and the interim consolidated financial statements for the fiscal six months ended June 30, 2018, the Company expects that its cash, cash equivalents and marketable securities will be sufficient to fund its operating expenses, capital expenditure requirements and debt service payments through September 2019, without considering potential additional borrowings of up to $30.0 million that may be available to the Company under its credit agreement with OrbiMed Royalty Opportunities II, L.P. upon the achievement of specified revenue thresholds and a regulatory milestone (see Note 7). The future viability of the Company beyond that point is dependent on its ability to raise additional capital to finance its operations.

The Company is seeking to complete an initial public offering ("IPO") of the common stock of its wholly-owned subsidiary, TransMedics Group, Inc. ("TransMedics Group"), which will become the direct parent of the Company immediately prior to or concurrently with the closing of the IPO. In the event an IPO of the common stock of TransMedics Group is not completed (see "The Corporate Reorganization" below), the Company expects to seek additional funding through private equity financings, debt financings or strategic alliances. The Company may not be able to obtain financing on acceptable terms, or at all, and the terms of any financing may adversely affect the holdings or the rights of the Company's stockholders.

If the Company is unable to obtain funding, the Company will be required to delay, reduce or eliminate some or all of its research and development programs, product expansion or commercialization efforts, or the Company may be unable to continue operations. Although management continues to pursue these financing plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

Based on its recurring losses from operations incurred since inception, expectation of continuing operating losses for the foreseeable future, and need to raise additional capital to finance its future operations, as of October 19, 2018, the issuance date of the annual consolidated financial statements for the fiscal year ended December 30, 2017 and the interim consolidated financial statements for the fiscal six months ended June 30, 2018, the Company has concluded that there is substantial doubt about its ability to continue as a going concern within one year after the date that these consolidated financial statements are issued.

The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Accordingly, the consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

The Corporate Reorganization

TransMedics Group, a recently formed Massachusetts corporation, is currently a direct, wholly-owned subsidiary of the Company, a Delaware corporation. Immediately prior to or concurrently with the closing of the IPO, TMDX, Inc., a direct, wholly-owned subsidiary of TransMedics Group, will merge with and into the Company with the Company as the surviving corporation. As a result of the merger, each outstanding share of capital stock of the Company will be converted into shares of common stock of TransMedics Group, each outstanding option to purchase shares of common stock of the Company will be converted into an outstanding option to purchase shares of common stock of TransMedics Group, and each outstanding warrant to purchase shares of preferred stock of the Company will be converted into a warrant to purchase shares of common stock of TransMedics Group, pursuant to the terms of an agreement and plan of merger and reorganization. This is referred to as the "Corporate Reorganization."

Immediately following the Corporate Reorganization, (i) TransMedics Group will be a holding company with no material assets other than 100% of the equity interests in the Company, (ii) the holders of capital stock in

the Company will become shareholders of TransMedics Group and (iii) the historical consolidated financial statements of the Company will become the historical consolidated financial statements of TransMedics Group because the Corporate Reorganization will be accounted for as a reorganization of entities under common control. Prior to the Corporate Reorganization, TransMedics Group has not conducted any activities other than in connection with its formation and in preparation for the IPO and has no material assets other than 100% of the equity interests in TMDX, Inc.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, revenue recognition, the valuation of inventory, the valuation of common stock, the valuation of stock-based awards and the valuation of the preferred stock warrant liability. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates as there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ from those estimates or assumptions.

Unaudited Interim Financial Information

The accompanying consolidated balance sheet as of June 30, 2018, the consolidated statements of operations, of comprehensive loss and of cash flows for the fiscal six months ended July 1, 2017 and June 30, 2018, and the consolidated statement of convertible preferred stock and stockholders' deficit for the fiscal six months ended June 30, 2018 are unaudited. The unaudited interim consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of June 30, 2018 and the results of its operations and its cash flows for the fiscal six months ended July 1, 2017 and June 30, 2018. The financial data and other information disclosed in these notes related to the fiscal six months ended July 1, 2017 and June 30, 2018 are also unaudited. The results for the fiscal six months ended June 30, 2018 are not necessarily indicative of results to be expected for the fiscal year ending December 29, 2018, any other interim periods, or any future year or period.

Unaudited Pro Forma Information

The accompanying unaudited pro forma consolidated balance sheet as of June 30, 2018 has been prepared to give effect to the Corporate Reorganization, including (i) the conversion of all outstanding shares of convertible preferred stock of the Company into an aggregate of shares of common stock of TransMedics Group and (ii) the conversion of all outstanding warrants to purchase shares of convertible preferred stock of the Company into warrants to purchase shares of common stock of TransMedics Group as if the Corporate Reorganization had occurred on June 30, 2018.

In the accompanying consolidated statements of operations, the unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the fiscal year ended December 30, 2017 and fiscal six months ended June 30, 2018 have been prepared to give effect to the Corporate Reorganization, including (i) the conversion of all outstanding shares of convertible preferred stock of the Company into shares of common stock

of TransMedics Group and (ii) the conversion of all outstanding warrants to purchase shares of convertible preferred stock of the Company into warrants to purchase shares of common stock of TransMedics Group as if the Corporate Reorganization had occurred on the later of January 1, 2017 or the issuance date of the convertible preferred stock or preferred stock warrants.

Risk of Concentrations of Credit, Significant Customers and Significant Suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities and accounts receivable. As of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited), the Company maintained its cash, cash equivalents and marketable securities with financial institutions that management believes to be of high credit quality. The Company has not experienced any other-than-temporary losses with respect to its cash, cash equivalents and marketable securities and does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. The Company's marketable securities as of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited) consisted of U.S. Treasury securities and U.S. government agency bonds.

Significant customers are those that accounted for 10% or more of the Company's total revenue or accounts receivable (see Note 16).

Certain of the components and subassemblies included in the Company's products are obtained from a sole source, a single source or a limited group of suppliers. Although the Company seeks to reduce dependence on those limited sources of suppliers and manufacturers, the partial or complete loss of certain of these sources could have a material adverse effect on the Company's operating results, financial condition and cash flows and damage its customer relationships.

Deferred Offering Costs

The Company capitalizes certain legal, accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of an equity financing, these costs are recorded in stockholders' equity (deficit) as a reduction of additional paid-in capital generated as a result of the offering. Should the in-process equity financing be abandoned, the deferred offering costs will be expensed immediately as a charge to operating expenses in the consolidated statements of operations. The Company had no deferred offering costs recorded as of December 31, 2016, December 30, 2017 or June 30, 2018 (unaudited).

Deferred Financing Costs

Deferred financing costs related to a recognized debt liability are recorded as a reduction of the carrying amount of the debt liability and amortized to interest expense using the effective interest method over the repayment term of the debt.

Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Restricted Cash

As of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited), the Company maintained two letters of credit totaling $0.5 million for the benefit of the landlord of its leased property. The Company was

required to maintain a separate cash balance of $0.5 million to secure the letters of credit. Related to this separate cash balance, the Company classified $0.5 million as restricted cash (non-current) on its consolidated balance sheets as of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited).

Accounts Receivable

Accounts receivable are presented net of a provision for doubtful accounts, which is an estimate of amounts that may not be collectible. The Company performs ongoing credit evaluations of its customers and, if necessary, provides an allowance for doubtful accounts and expected losses. The Company writes off accounts receivable against the allowance when it determines a balance is uncollectible and no longer actively pursues collection of the receivable. As of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited), the Company had no allowance for doubtful accounts. During the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited), the Company did not record any provisions for doubtful accounts and did not write off any accounts receivable balances.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization expense is recognized using the straight-line method over the estimated useful life of each asset as follows:

	Estimated Useful Life
Manufacturing equipment	5 years
OCS Consoles loaned to customers	5 years
Computer equipment and software	3 years
Laboratory equipment	3 years
Office and trade show equipment	5 years
Leasehold improvements	Shorter of life of lease or 15 years

Costs incurred for OCS Consoles are recorded as inventory unless and until the Company determines that an OCS Console will be loaned to a customer for its use. When an OCS Console is loaned to a customer, the Company reclassifies the cost of the OCS Console from inventory to property and equipment and begins to depreciate the loaned OCS Console over its estimated life. Related depreciation expense for the loaned OCS Console is classified as a cost of revenue. If an OCS Console is returned to the Company, it will continue to be classified as property and equipment and depreciated over its remaining useful life. The Company retains title to all OCS Consoles loaned to customers.

Other than for OCS Consoles loaned to customers, costs for capital assets not yet placed into service are capitalized as construction-in-progress and depreciated once placed into service. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in loss from operations. Expenditures for repairs and maintenance are charged to expense as incurred.

Impairment of Long-Lived Assets

Long-lived assets consist of property and equipment. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant

negative industry or economic trends and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset group for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset group to its carrying value. An impairment loss would be recognized in loss from operations when estimated undiscounted future cash flows expected to result from the use of an asset group are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset group over its fair value, determined based on discounted cash flows. The Company did not record any impairment losses on long-lived assets during the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited).

Software Development Costs

The Company incurs costs to develop computer software that is embedded in the hardware components of the Company's OCS Console and OCS Perfusion Sets. Research and development costs related to this software are expensed as incurred, except for costs of internally developed or externally purchased software that qualify for capitalization. Software development costs incurred subsequent to the establishment of technological feasibility, but prior to the general release of the product, are capitalized and, upon general release, are amortized based upon the pattern in which economic benefits related to such assets are realized. Due to the short time period between achieving technological feasibility and product release and the insignificant amount of costs incurred during such periods, the Company did not capitalize any software development costs during the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited), respectively.

Inventory

Inventory is valued at the lower of cost or market value. Cost is computed using the first-in, first-out method. The Company establishes provisions for excess and obsolete inventories after evaluating historical sales, future demand, market conditions, expected product life cycles, and current inventory levels to reduce such inventories to their estimated net realizable value. Such provisions are made in the normal course of business and charged to cost of revenue in the consolidated statements of operations.

At the end of each reporting period, the Company assesses whether losses should be accrued on long-term manufacturing purchase commitments in accordance with Accounting Standards Codification ("ASC") 330, *Inventory*, which requires that losses that are expected to arise from firm, noncancelable and unhedged commitments for the future purchase of inventory, measured in the same way as inventory losses, should be recognized in the current period in the statement of operations unless they are deemed recoverable through firm sales contacts or when there are other circumstances that reasonably assure continuing sales without price decline. As of the end of each reporting period presented in the accompanying consolidated financial statements, the Company did not identify any potential losses arising from remaining future purchase commitments as compared to estimated future customer sales through the remainder of the term of the manufacturing purchase commitment, and as a result, did not recognize in a current period any loss provision for future-period remaining purchase commitments.

Deferred Rent

The Company's lease agreements include payment escalations, rent holidays and other lease incentives, which are accrued or deferred as appropriate such that rent expense for each lease is recognized on a straight-line basis over the respective lease term. Adjustments for such items, consisting primarily of payment escalations, are recorded as deferred rent and amortized over the respective lease terms.

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Fair Value Measurements

Certain assets and liabilities are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's cash equivalents and marketable securities, consisting of money market funds, U.S. Treasury securities and U.S. government agency bonds, and its preferred stock warrant liability are carried at fair value, determined according to the fair value hierarchy described above (see Note 3). The carrying values of the Company's accounts receivable, accounts payable and accrued expenses approximate their fair values due to the short-term nature of these assets and liabilities. The carrying value of the Company's long-term debt approximates its fair value at each balance sheet date due to its variable interest rate, which approximates a market interest rate.

Marketable Securities

The Company's marketable securities are classified as available-for-sale and are carried at fair value, with the unrealized gains and losses reported as a component of accumulated other comprehensive income (loss) in stockholders' equity (deficit). Realized gains and losses and declines in value determined to be other than temporary are based on the specific identification method and are included as a component of other income (expense), net in the consolidated statements of operations.

The Company evaluates its marketable securities with unrealized losses for other-than-temporary impairment. When assessing marketable securities for other-than-temporary declines in value, the Company considers such factors as, among other things, how significant the decline in value is as a percentage of the original cost, how long the market value of the investment has been less than its original cost, the Company's ability and intent to retain the investment for a period of time sufficient to allow for any anticipated recovery in fair value and market conditions in general. If any adjustment to fair value reflects a decline in the value of the investment that the Company considers to be "other than temporary," the Company reduces the investment to fair value through a charge recorded in the consolidated statements of operations. No such adjustments were necessary during the periods presented.

Classification of Convertible Preferred Stock

The Company's convertible preferred stock is classified outside of stockholders' equity (deficit) on the consolidated balance sheet because the holders of such shares have liquidation rights in the event of a deemed liquidation that, in certain situations, is not solely within the control of the Company.

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Preferred Stock Warrant Liability

The Company classifies warrants for the purchase of shares of its convertible preferred stock (see Notes 3 and 9) as a liability on its consolidated balance sheets as these warrants are freestanding financial instruments that may require the Company to transfer assets upon exercise. The warrant liability is initially recorded at fair value upon the date of issuance of each warrant and is subsequently remeasured to fair value at each reporting date. Changes in the fair value of the warrant liability are recognized as a component of other income (expense) in the consolidated statements of operations. Changes in the fair value of the preferred stock warrant liability will continue to be recognized until the warrants are exercised, expire or qualify for equity classification.

Segment Information

The Company manages its operations as a single segment for the purposes of assessing performance and making operating decisions. The Company is developing and commercializing a proprietary system to preserve human organs for transplant in a near-physiologic condition to address the limitations of cold storage organ preservation. Operating segments are defined as components of an enterprise for which separate financial information is regularly evaluated by the Company's chief operating decision maker, or decision-making group, in deciding how to allocate resources and assess performance. The Company has determined that its chief operating decision maker is its Chief Executive Officer. The Company's chief operating decision maker reviews the Company's financial information on a consolidated basis for purposes of allocating resources and assessing financial performance.

Product Warranties

The Company provides a one-year warranty on its OCS Consoles and disposable sets and replaces or repairs any OCS Console or disposable set that does not function in accordance with the product specifications. OCS Consoles returned to the Company may be refurbished and redeployed. Estimated warranty costs are recorded at the time of shipment of the OCS Console or disposable set. Warranty costs are estimated based on the current expected product replacement or repair cost and expected replacement or repair rates based on historical experience. The Company evaluates its warranty accrual at the end of each reporting period and makes adjustments as necessary. As of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited), the warranty accrual was less than $0.1 million.

Revenue Recognition

The Company generates revenue primarily from sales of its single-use, organ-specific disposable sets (i.e., its organ-specific OCS Perfusion Sets sold together with its organ-specific OCS Solutions) used on its organ-specific OCS Consoles, each being a component of the Company's OCS products. To a lesser extent, the Company also generates revenue from the sale of OCS Consoles to customers and from the implied rental of OCS Consoles loaned to customers at no charge. For each new transplant procedure, customers purchase an additional disposable set for use on the customer's existing organ-specific OCS Console.

The Company recognizes revenue from sales to customers when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred (based on contractual shipping terms), the sales price is fixed or determinable, and collectability is reasonably assured. Revenue is recognized upon delivery to the customer or upon the later receipt of customer acceptance, if such acceptance is required. Because all elements of a customer order are delivered and recognized as revenue at the same time and because revenue allocated to elements other than OCS disposable sets, such as implied rental income and service revenue, is insignificant, all elements of revenue from customer arrangements are classified as a single category of revenue in the Company's consolidated statement of operations.

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The Company's products have both software and non-software (e.g., hardware) components that function together to deliver the products' essential functionality. In addition, the hardware sold cannot be used apart from the embedded software. As a result, all of the Company's product offerings are excluded from the scope of software revenue recognition requirements and instead fall within the scope of ASC Topic 605, *Revenue Recognition*.

Substantially all of the Company's customer arrangements are multiple-element arrangements that contain deliverables consisting of OCS Perfusion Sets and OCS Solutions. In some of those multiple-element arrangements, the deliverables also include an OCS Console, whether sold or loaned to the customer. The Company evaluates each element within a multiple-element arrangement to determine whether it represents a separate unit of accounting. An element constitutes a separate unit of accounting when the delivered item has standalone value to the customer and delivery of any undelivered element is probable and within the Company's control.

When a customer order includes an OCS Console, whether sold or loaned, the Company has determined that customer training and the equipment set-up of the OCS Console, each performed by the Company, lack standalone value to the customer because they are not sold on a standalone basis and can only be performed by the Company in conjunction with a sale or loan of its OCS Console. As a result, the Company has concluded that training, OCS Console equipment set-up and the OCS Console itself represent a single unit of accounting. Consequently, the Company does not recognize any revenue from any element of a customer order that includes an OCS Console, whether sold or loaned, until the OCS Console has been delivered and the training and equipment set-up have been completed by the Company. Further, the Company deems that "delivery" of an OCS Console occurs only after the console has been delivered and the training and equipment set-up have been completed by the Company.

Some of the Company's revenue has been generated from products sold in conjunction with the clinical trials conducted for the Company's OCS products, under arrangements referred to as customer clinical trial agreements. Under most of these customer clinical trial agreements, the Company places an organ-specific OCS Console at the customer site for its use free of charge for the duration of the clinical trial, and the customer separately purchases from the Company the OCS disposable sets used in each transplant during the clinical trial. When the Company loans the OCS Console to the customer, it retains title to the console at all times and does not require minimum purchase commitments from the customer related to any OCS products. In such cases, the Company invoices the customer for OCS disposable sets based on customer orders received for each new transplant procedure and the prices set forth in the customer agreement. Over time, the Company typically recovers the cost of the loaned OCS Console through the customer's continued purchasing and use of additional disposable sets. For these reasons, the Company has determined that part of the arrangement consideration for the disposable set is an implied rental payment for use of the OCS Console.

When the Company's customer arrangements are multiple-element arrangements that contain a loan of an OCS Console for the customer's use at its customer site as well as OCS disposable sets that are delivered simultaneously, the Company allocates the arrangement consideration between the lease deliverables (i.e., the OCS Console) and non-lease deliverables (i.e., the disposable sets) based on the relative selling price of each deliverable, determined using the selling price hierarchy. To date, the amounts allocated to lease deliverables have been insignificant.

In any multiple-element arrangement, the Company limits the amount of the arrangement fee allocated to deliverables to the amount that is not contingent on the future delivery of products or future performance obligations and the amount that is not subject to customer-specific return or refund privileges.

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Other Revenue Recognition Policies

Under all of the Company's customer arrangements that include a customer clinical trial agreement, the Company receives payments from sales to the customer of its OCS products and also makes payments to that customer for reimbursements of clinical trial materials and for specified clinical documentation related to the customer's use of its OCS products. If the clinical trial includes a patient arm that uses existing standard-of-care protocols for organ transplants (and does not use the Company's OCS products), then the Company makes additional payments to that customer to obtain clinical documentation related to existing standard-of-care protocols (i.e., unrelated to its OCS products).

In these cases, the Company has determined that the payments made to the customer for clinical trial materials and its costs incurred to execute specific clinical trial protocols related to its OCS products do not provide the Company with a separately identifiable benefit, and therefore, such payments are recorded as a reduction of revenue from the customer in the Company's consolidated statements of operations. Reductions of revenue related to such payments made to customers for reimbursements are recognized when the Company recognizes the revenue for the sale of its OCS disposable sets. For the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited), the Company recorded as a reduction of revenue $0.9 million, $0.7 million, $0.4 million and $0.6 million, respectively, of reimbursable clinical trial costs.

In these same cases, the Company has also determined that payments made to the customer to obtain clinical documentation related to existing standard-of-care protocols (i.e., unrelated to its OCS products) do meet the criteria to be classified as a cost because the Company receives an identifiable benefit separate from the customer's purchase of its OCS products and the consideration paid represents the fair value of the benefit received by the Company. As a result, payments made by the Company to customers for standard-of-care protocols are recorded as research, development and clinical trials expenses. For the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited), the Company recorded as research, development and clinical trials expenses $0.3 million, $0.2 million, $0.1 million and $0.1 million, respectively, related to payments made to customers at clinical trial sites for documentation related to existing standard-of-care protocols.

Billings to customers for shipping costs and reimbursement of out-of-pocket expenses, including travel, lodging and meals, are recorded as revenue, and the associated costs incurred by the Company for those items are recorded as cost of revenue.

The Company excludes any taxes assessed by a governmental authority that are directly imposed on a revenue-producing transaction (e.g., sales, use and value added taxes) from its revenue and costs.

Distributors

The Company markets and sells its products primarily through its direct sales force, which sells its products to end customers globally. A small portion of the Company's revenue is generated by sales to a limited number of distributors in Europe and Asia-Pacific. When the Company transacts with a distributor, its contractual arrangement is with the distributor and not with the end customer. Whether the Company transacts business with and receives the order from a distributor or directly from an end customer, its revenue recognition policy and resulting pattern of revenue recognition for the order are the same.

In its business with distributors, the Company enters into a distributor agreement under which the distributor places orders to the Company for its products in connection with the distributor's own sales to identified end

customers, and the Company confirms the identification of the end customer prior to accepting each order. The Company's distributors do not stock OCS Consoles purchased from the Company and stock only minimal quantities of OCS disposable sets. Under these contractual arrangements, the Company invoices the distributor for the arrangement fee (which reflects a distributor discount relative to typical end customer pricing) and payment to the Company from the distributor is not contingent upon the distributor's collection from the end customer. The Company records revenue based on the amount of the discounted arrangement fee.

When a sale to a distributor includes an OCS Console, the Company performs the training and OCS Console equipment set-up for the end customer. The Company recognizes no revenue from a distributor order that includes an OCS Console until the OCS Console has been delivered and the training and equipment set-up have been completed by the Company.

Deferred Revenue

Deferred revenue consists of amounts that have been invoiced but that have not been recognized as revenue. Deferred revenue that is expected to be recognized as revenue during the succeeding 12 months is recorded as current, and the remaining deferred revenue is recorded as non-current on the consolidated balance sheets.

Research, Development and Clinical Trials Costs

Research, development and clinical trials expenses consist of costs incurred for research activities, product development, hardware and software engineering and clinical trial activities, including salaries and bonuses, stock-based compensation, employee benefits, facilities costs, laboratory supplies, depreciation, testing, regulatory, data management and consulting costs.

Research, development and clinical trials costs are expensed as incurred. Advance payments for goods or services to be received in the future for use in research, development and clinical trials activities are recorded as prepaid expenses. Such prepaid expenses are recognized as an expense when the related goods have been delivered or the related services have been performed, or when it is no longer expected that the goods will be delivered or the services rendered.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses.

Foreign Currency Translation

The functional currency of each of the Company's foreign subsidiaries is the currency of the local country. Assets and liabilities of the Company's foreign subsidiaries are translated into U.S. dollars using the period-end exchange rates, and income and expense items are translated into U.S. dollars using average exchange rates in effect during each period. The effects of these foreign currency translation adjustments are included in accumulated other comprehensive loss, a separate component of stockholders' equity (deficit).

The Company also incurs transaction gains and losses resulting from intercompany transactions of a short-term nature as well as transactions with customers or vendors denominated in currencies other than the functional currency of the legal entity in which the transaction is recorded. Foreign currency transaction gains (losses) are included in the consolidated statements of operations as a component of other income (expense) and totaled

$(0.1) million and $0.3 million for the fiscal years ended December 31, 2016 and December 30, 2017, respectively, and $0.1 million and less than $(0.1) million for the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited), respectively.

Stock-Based Compensation

The Company measures stock-based option awards granted to employees and directors based on their fair value on the date of grant using the Black-Scholes option-pricing model. Compensation expense for those awards is recognized over the requisite service period, which is generally the vesting period of the respective award. Generally, the Company issues awards with only service-based vesting conditions and records the expense for these awards using the straight-line method.

For stock-based option awards granted to non-employee consultants, compensation expense is recognized over the period during which services are rendered by such consultants until completed. At the end of each financial reporting period prior to completion of the service, the fair value of these awards is remeasured using the then-current fair value of the Company's common stock and updated assumption inputs in the Black-Scholes option-pricing model.

The Company classifies stock-based compensation expense in its consolidated statements of operations in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

Comprehensive Loss and Accumulated Other Comprehensive Loss

Comprehensive loss includes net loss as well as other changes in stockholders' equity (deficit) that result from transactions and economic events other than those with stockholders. The Company's only elements of other comprehensive loss are foreign currency translation adjustments and unrealized gains (losses) on marketable securities.

Accumulated other comprehensive loss on the consolidated balance sheets consists primarily of foreign currency translation adjustments. Accumulated other comprehensive loss attributable to unrealized losses on marketable securities was not significant.

Net Income (Loss) per Share

The Company follows the two-class method when computing net income (loss) per share, as the Company has issued shares that meet the definition of participating securities. The two-class method determines net income (loss) per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Basic net income (loss) per share attributable to common stockholders is computed by dividing the net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net income (loss) attributable to common stockholders is computed by adjusting net income (loss) attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per share attributable to common stockholders is computed by dividing the diluted net income (loss) attributable to common stockholders by the weighted average number of common shares outstanding for the period, including potential dilutive common shares assuming the dilutive effect of common stock equivalents.

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The Company's convertible preferred stock contractually entitles the holders of such shares to participate in dividends but does not contractually require the holders of such shares to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss, such losses are not allocated to such participating securities. In periods in which the Company reports a net loss attributable to common stockholders, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. The Company reported a net loss attributable to common stockholders for the fiscal years ended December 31, 2016 and December 30, 2017 and for the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited).

Income Taxes

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in the Company's tax returns. Deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established through a charge to income tax expense. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected and considering prudent and feasible tax planning strategies.

The Company accounts for uncertainty in income taxes recognized in the consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the consolidated financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties.

Recently Adopted Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). ASU 2016-09 involves several aspects of the accounting for share-based transactions, including the income tax consequences, classification of awards as either equity or liabilities, an option to recognize gross share compensation expense with actual forfeitures recognized as they occur and certain classifications on the statement of cash flows. Certain of these changes are required to be applied retrospectively, while other changes are required to be applied prospectively. For public entities, this guidance was effective for annual reporting periods beginning after December 15, 2016 and for interim periods within those fiscal years. For nonpublic entities, this guidance was effective for annual periods beginning after December 15, 2017 and for interim periods within those fiscal years. As early adoption was permitted, the Company adopted ASU 2016-09 as of January 1, 2017 and has elected to account for forfeitures as they occur rather than apply an estimated forfeiture rate to stock-based compensation expense. The adoption of this guidance had no impact on the Company's financial position, results of operations or cash flows.

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In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"), to address diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. For public entities, this standard was effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. For nonpublic entities, the standard is effective for annual periods beginning after December 15, 2018. As early adoption was permitted, the Company adopted ASU 2016-15 as of January 1, 2017. The adoption of this guidance had no impact on the Company's financial position, results of operations or cash flows.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18"). ASU 2016-18 requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. For public entities, this guidance was effective for annual reporting periods beginning after December 15, 2017 and interim periods within those fiscal years. For nonpublic entities, this guidance is effective for annual reporting periods beginning after December 15, 2018 and interim periods within those fiscal years. As early adoption was permitted, the Company adopted this standard retrospectively as of January 1, 2017. Restricted cash is now included as a component of cash, cash equivalents and restricted cash on the Company's consolidated statement of cash flows. Upon the adoption of ASU 2016-18, the amount of cash and cash equivalents previously presented in the consolidated statements of cash flows for the fiscal year ended December 31, 2016 increased by $0.5 million as of beginning and end of the fiscal year to reflect the inclusion of restricted cash in the amount reported for changes in cash, cash equivalents and restricted cash.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting* ("ASU 2017-09"). The amendments in ASU 2017-09 clarify that modification accounting is required only if the fair value, the vesting conditions, or the classification of the awards (as equity or liability) changes as a result of the changes in terms or conditions. This guidance is effective for all entities for annual reporting periods beginning after December 15, 2017 and interim periods within those fiscal years. As early adoption was permitted, the Company adopted this standard as of January 1, 2017. The adoption of this guidance had no impact on the Company's financial position, results of operations or cash flows.

In March 2018, the FASB issued ASU No. 2018-05, *Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118* ("ASU 2018-05"). This standard amends ASC 740, *Income Taxes*, to provide guidance on accounting for the tax effects of the Tax Cuts and Jobs Act (the "TCJA") pursuant to Staff Accounting Bulletin No. 118. ASU 2018-05 applies to both public and nonpublic entities. ASU 2018-05 allows a company to record a provisional amount when it does not have the necessary information available, prepared or analyzed in reasonable detail to complete the accounting for certain income tax effects of the TCJA. The Company adopted ASU 2018-05 in the fourth quarter of 2017, and when the Company has been able to make reasonable estimates of the effects related to the TCJA, the Company has recorded provisional amounts. Provisional amounts will be finalized no later than the fourth quarter of 2018, which is one year from when the TCJA was signed into law. The Company is still in the process of analyzing the impact to the Company of the TCJA and its analysis is not yet complete. The impact of the changes in U.S. tax law may be refined as further guidance, interpretations or information becomes available or upon completion by the Company of its evaluation of the impact of the changes in U.S. tax law. The ultimate impact to the Company's consolidated financial statements of the TCJA may differ from the provisional amounts.

Recently Issued Accounting Pronouncements

The Company qualifies as "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has elected not to "opt out" of the extended transition related to complying with new or revised

accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company will adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and will do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* ("ASU 2014-09") and has since issued several additional amendments thereto, collectively referred to herein as ASC 606. ASC 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry specific guidance. The new standards require entities to apportion consideration from contracts to performance obligations on a relative standalone selling price basis, based on a five-step model. Under ASC 606, revenue is recognized when a customer obtains control of a promised good or service and is recognized in an amount that reflects the consideration that the entity expects to receive in exchange for the good or service. In addition, ASC 606 provides guidance on accounting for certain revenue related costs, including costs associated with obtaining and fulfilling a contract. ASC 606 may be applied using either a full retrospective approach, under which all years included in the financial statements will be presented under the revised guidance, or a modified retrospective approach, under which financial statements will be prepared under the revised guidance for the year of adoption, but not for prior years. Under the latter method, entities will recognize a cumulative catch-up adjustment to the opening balance of retained earnings at the effective date for contracts that still require performance by the entity at the date of adoption. For public entities, the guidance was effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. For nonpublic entities, the guidance is effective for annual periods beginning after December 15, 2018. The Company will adopt ASC 606 in its fiscal year 2019, which begins on December 30, 2018, in accordance with the nonpublic company requirements. The Company is currently evaluating the method of adoption and the potential impact that the adoption of ASC 606 will have on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"). This new standard amends certain aspects of accounting and disclosure requirements for financial instruments, including the requirement that equity investments with readily determinable fair values are to be measured at fair value with any changes in fair value recognized in a company's earnings. This new standard does not apply to investments accounted for under the equity method of accounting or those investments that result in consolidation of the investee. Equity investments that do not have readily determinable fair values may be measured at fair value or at cost minus impairment adjusted for changes in observable prices. A financial liability that is measured at fair value in accordance with the fair value option is required to be presented separately in other comprehensive income for the portion of the total change in the fair value resulting from change in the instrument-specific credit risk. In addition, a valuation allowance should be evaluated on deferred tax assets related to available-for-sale debt securities in combination with other deferred tax assets. For public entities, this guidance is effective for annual reporting periods beginning after December 15, 2017 and interim periods within those fiscal years. For nonpublic entities, the guidance is effective for annual reporting periods beginning after December 15, 2018 and for interim periods within fiscal years beginning after December 15, 2019. The Company is currently evaluating the impact that the adoption of ASU 2016-01 will have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed

purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less may be accounted for similar to existing guidance for operating leases today. For public entities, the guidance is effective for annual reporting periods beginning after December 15, 2018 and for interim periods within those fiscal years. For nonpublic entities, the guidance is effective for annual reporting periods beginning after December 15, 2019 and for interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities. ASU 2016-02 initially required adoption using a modified retrospective approach, under which all years presented in the financial statements would be prepared under the revised guidance. In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842)*, which added an optional transition method under which financial statements may be prepared under the revised guidance for the year of adoption, but not for prior years. Under the latter method, entities will recognize a cumulative catch-up adjustment to the opening balance of retained earnings in the period of adoption. The Company is currently evaluating whether to early adopt ASU 2016-02, the method of adoption of this guidance and the impact that the adoption of ASU 2016-02 will have on its consolidated financial statements.

In July 2017, the FASB issued ASU No. 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815) I. Accounting for Certain Financial Instruments with Down Round Features II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception* ("ASU 2017-11"). Part I applies to entities that issue financial instruments such as warrants, convertible debt or convertible preferred stock that contain down-round features. Part II replaces the indefinite deferral for certain mandatorily redeemable noncontrolling interests and mandatorily redeemable financial instruments of nonpublic entities contained within ASC Topic 480 with a scope exception and does not impact the accounting for these mandatorily redeemable instruments. For public entities, this guidance is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. For nonpublic entities, this guidance is effective for annual periods beginning after December 15, 2019 and for interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company is currently evaluating whether to early adopt ASU 2017-11 and evaluating the impact that the adoption of ASU 2017-11 will have on its consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation—Stock Compensation (Topic 718), Improvements to Nonemployee Share-Based Payment Accounting* ("ASU 2018-07"). This ASU is intended to simplify aspects of share-based compensation issued to non-employees by making the guidance consistent with the accounting for employee share-based compensation. For public entities, this guidance is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. For nonpublic entities, this guidance is effective for annual periods beginning after December 15, 2019. Early adoption is permitted for all entities as of a period no earlier than the Company's adoption of ASU 2014-09. The Company is currently evaluating the impact that the adoption of ASU 2018-07 will have on its consolidated financial statements.

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3. Marketable Securities and Fair Value Measurements

Marketable securities by security type consisted of the following (in thousands):

	December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities (due within one year)	$ 21,554	$ —	$ (2)	$ 21,552
U.S. government agency bonds (due within one year)	16,453	—	(4)	16,449
	$ 38,007	$ —	$ (6)	$ 38,001

	December 30, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities (due within one year)	$ 5,763	$ —	$ (3)	$ 5,760
U.S. government agency bonds (due within one year)	6,971	—	(4)	6,967
	$ 12,734	$ —	$ (7)	$ 12,727

	June 30, 2018 (unaudited)			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury securities (due within one year)	$ 750	$ —	$ —	$ 750
	$ 750	$ —	$ —	$ 750

The following tables present the Company's fair value hierarchy for its assets and liabilities that are measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements at December 31, 2016 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 7,468	$ —	$ —	$ 7,468
Marketable securities:				
U.S. Treasury securities	—	21,552	—	21,552
U.S. government agency bonds	—	16,449	—	16,449
	$ 7,468	$ 38,001	$ —	$ 45,469
Liabilities:				
Preferred stock warrant liability	$ —	$ —	$ 512	$ 512

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	Fair Value Measurements at December 30, 2017 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 5,568	$ —	$ —	$ 5,568
U.S. government agency bonds	—	1,497	—	1,497
Marketable securities:				
U.S. Treasury securities	—	5,760	—	5,760
U.S. government agency bonds	—	6,967	—	6,967
	$ 5,568	$ 14,224	$ —	$ 19,792
Liabilities:				
Preferred stock warrant liability	$ —	$ —	$ 353	$ 353

	Fair Value Measurements at June 30, 2018 (unaudited) Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	$ 4,167	$ —	$ —	$ 4,167
Marketable securities:				
U.S. Treasury securities	—	750	—	750
	$ 4,167	$ 750	$ —	$ 4,917
Liabilities:				
Preferred stock warrant liability	$ —	$ —	$ 593	$ 593

Money market funds were valued by the Company based on quoted market prices, which represent a Level 1 measurement within the fair value hierarchy. U.S. Treasury securities and U.S. government agency bonds were valued by the Company using quoted prices in active markets for similar securities, which represent a Level 2 measurement within the fair value hierarchy. There were no transfers between Level 1, Level 2 and Level 3 during the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited).

The preferred stock warrant liability in the table above consisted of the fair value of warrants to purchase Series B, Series D and Series F convertible preferred stock (see Note 9) and was based on significant inputs not observable in the market, which represent a Level 3 measurement within the fair value hierarchy. The Company's valuation of the preferred stock warrants utilized the Black-Scholes option-pricing model, which incorporates assumptions and estimates to value the preferred stock warrants. The Company assesses these assumptions and estimates on a quarterly basis as additional information impacting the assumptions is obtained. Changes in the fair value of the preferred stock warrants are recognized as other income (expense) in the consolidated statements of operations.

The quantitative elements associated with the Company's Level 3 inputs impacting the fair value measurement of the preferred stock warrant liability include the fair value per share of the underlying Series B, Series D and Series F convertible preferred stock, the remaining contractual term of the warrants, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying preferred stock. The most significant assumption in the Black-Scholes option-pricing model impacting the fair value of the preferred stock warrants is the fair value of the Company's convertible preferred stock as of each remeasurement date. The

Company determines the fair value per share of the underlying preferred stock by taking into consideration the most recent sales of its convertible preferred stock, results obtained from third-party valuations and additional factors that the Company deems relevant. As of December 31, 2016, the fair value of each share of Series B, Series D and Series F convertible preferred stock was $0.98 per share, $3.76 per share and $4.99 per share, respectively. As of December 30, 2017, the fair value of each share of Series B, Series D and Series F convertible preferred stock was $0.75 per share, $2.99 per share and $4.83 per share, respectively. As of June 30, 2018 (unaudited), the fair value of each share of Series D and Series F convertible preferred stock was $4.43 per share and $5.00 per share, respectively. The Company historically has been a private company and lacks company-specific historical and implied volatility information of its stock. Therefore, it estimates its expected stock volatility based on the historical volatility of publicly traded peer companies for a term equal to the remaining contractual term of the warrants. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining contractual term of the warrants. The Company has estimated a 0% dividend yield based on the expected dividend yield and the fact that the Company has never paid or declared dividends.

The following table provides a roll-forward of the aggregate fair values of the Company's preferred stock warrants for which fair value is determined by Level 3 inputs (in thousands):

	Preferred Stock Warrant Liability
Fair value at December 26, 2015	$ 325
Issuance of warrants to purchase shares of Series F convertible preferred stock	82
Change in fair value	105
Fair value at December 31, 2016	512
Change in fair value	(159)
Fair value at December 30, 2017	353
Expiration of warrants to purchase shares of Series B convertible preferred stock	—
Change in fair value	240
Fair value at June 30, 2018 (unaudited)	$ 593

4. Inventory

Inventory consisted of the following (in thousands):

	December 31, 2016	December 30, 2017	June 30, 2018 (unaudited)
Raw materials	$ 2,608	$ 3,127	$ 4,005
Work-in-process	599	720	697
Finished goods	3,128	4,124	4,303
	$ 6,335	$ 7,971	$ 9,005

During the fiscal years ended December 31, 2016 and December 30, 2017, the Company made non-cash transfers of OCS Consoles from inventory to property and equipment (OCS Consoles loaned to customers) of $1.2 million and $1.1 million, respectively. During the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited), the Company made non-cash transfers of OCS Consoles from inventory to property and equipment (OCS Consoles loaned to customers) of $0.8 million and $1.0 million, respectively.

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5. Property and Equipment, Net

Property and equipment, net consisted of the following (in thousands):

	December 31, 2016	December 30, 2017	June 30, 2018 (unaudited)
Manufacturing equipment	$ 1,365	$ 1,533	$ 1,560
OCS Consoles loaned to customers	1,380	2,549	3,517
Computer equipment and software	744	763	795
Laboratory equipment	475	512	514
Office and trade show equipment	173	173	173
Leasehold improvements	1,319	1,319	1,319
	5,456	6,849	7,878
Less: Accumulated depreciation and amortization	(3,733)	(4,390)	(4,727)
	$ 1,723	$ 2,459	$ 3,151

During the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited), total depreciation and amortization expense was $0.4 million, $0.6 million, $0.3 million and $0.3 million, respectively. Of those amounts, $0.2 million, $0.4 million, $0.2 million and $0.3 million, respectively, was recorded as expense in cost of revenue related to the depreciation of OCS Consoles loaned to customers. The Company retains title to OCS Consoles loaned to customers.

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31, 2016	December 30, 2017	June 30, 2018 (unaudited)
Accrued research, development and clinical trials expenses	$ 1,171	$ 1,394	$ 1,541
Accrued payroll and related expenses	1,162	1,136	2,082
Accrued financing fees (Note 13)	1,466	1,466	1,466
Accrued premium for manufacturing contract (Note 13)	—	—	244
Accrued other	934	1,014	686
	$ 4,733	$ 5,010	$ 6,019

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7. Long-Term Debt

As of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited), long-term debt consisted of the following (in thousands):

	December 31, 2016	December 30, 2017	June 30, 2018 (unaudited)
Principal amount of long-term debt	$ 8,500	$ 8,500	$ 35,000
Less: Current portion of long-term debt	—	(1,805)	—
Long-term debt, net of current portion	8,500	6,695	35,000
Debt discount, net of accretion	(193)	(100)	(1,559)
Accrued end-of-term payments	100	252	4
Long-term debt, net of discount and current portion	$ 8,407	$ 6,847	$ 33,445

Hercules Loan and Security Agreement

The Company had a loan agreement, entered into in 2015, (the "2015 Loan Agreement") with Hercules Technology Growth Capital, Inc. ("Hercules"). The 2015 Loan Agreement provided for borrowings of $8.5 million under a term loan, all of which was borrowed by the Company prior to 2016. Borrowings under the 2015 Loan Agreement bore interest at an annual rate equal to the greater of (i) 9.55% plus *The Wall Street Journal* prime rate minus 4.25% or (ii) 9.55%. Borrowings under the 2015 Loan Agreement were repayable in monthly interest-only payments through September 2016 and in equal monthly payments of principal and accrued interest from October 2016 until the maturity date in March 2019. The Company was also required to make an end-of-term payment of $0.1 million upon the earlier of the payment of all obligations under the 2015 Loan Agreement or the maturity date in March 2019.

In August 2016, the Company entered into an amendment to the 2015 Loan Agreement (the "Amended Loan Agreement") to extend the interest-only period to December 2017, to extend the maturity date to February 2020 and to add an additional end-of-term payment of $0.4 million, payable upon the earlier of the payment of all obligations under the Amended Loan Agreement or the maturity date in February 2020. The amendment to the 2015 Loan Agreement was accounted for as a debt modification, rather than a debt extinguishment, based on a comparison of the present value of the cash flows under the terms of the debt immediately before and after the amendment, which resulted in a change of less than 10%. As a result, issuance costs paid to the lender of $0.1 million in connection with the amendment were recorded as a reduction of the carrying amount of the debt. Unamortized debt issuance costs as of the date of the amendment were amortized to interest expense using the effective interest method over the revised repayment term. Issuance costs paid to third parties were recorded as expense and were not significant.

As of December 31, 2016 and December 30, 2017, the interest rate applicable to borrowings under the Amended Loan Agreement was 9.55% and 9.80%, respectively. During the fiscal years ended December 31, 2016 and December 30, 2017, the weighted average effective interest rate on outstanding borrowings under the Amended Loan Agreement was approximately 13.1% and 13.1%, respectively.

In August 2016, in connection with entering into the Amended Loan Agreement, the Company issued to Hercules a warrant to purchase (i) 34,068 shares of Series F convertible preferred stock, at an exercise price of $4.99 per share, or (ii) if there is a subsequent preferred stock financing of at least $10.0 million and the price per share of preferred stock in such financing is lower than $4.99, that number of shares of series of stock offered in

such financing equal to $0.2 million divided by the price per share in such financing, at an exercise price per share equal to the price per share in such financing (see Note 9). In each case, such exercise prices are subject to adjustment upon specified dilutive issuances. The warrant was immediately exercisable upon issuance and expires on the later of (i) August 4, 2023 or (ii) the fifth anniversary of the effective date of the Company's registration statement for its completed initial public offering (see Note 9). The fair value of the warrant on the issuance date of $0.1 million was recorded as a debt discount and as a component of the preferred stock warrant liability.

In June 2018, the Company repaid all amounts due under the Amended Loan Agreement, including $6.7 million of principal repayments, and the Amended Loan Agreement was terminated. Upon prepayment of the outstanding amounts, the Company recorded a loss on extinguishment of debt of $0.3 million, which was classified as other expense in the consolidated statement of operations.

In accordance with the applicable accounting standards, a short-term debt obligation should be excluded from current liabilities if the entity has both the intent and ability to refinance the obligation on a long-term basis. The intent and ability can be demonstrated by the issuance of a long-term obligation to refinance the short-term obligation on a long-term basis after the date of an entity's balance sheet but before that balance sheet is issued. Accordingly, as of December 30, 2017, the Company reclassified to long-term debt the $1.9 million aggregate principal amount payable within 12 months that had not been paid prior to the June 2018 repayment of all borrowings under the Amended Loan Agreement because the Company refinanced its obligations under the Amended Loan Agreement with long-term borrowings under a credit agreement with OrbiMed Royalty Opportunities II, L.P.

As part of the original 2015 Loan Agreement, the Company granted to Hercules the right, in its discretion, to participate in any subsequent preferred stock financing resulting in aggregate proceeds to the Company of at least $10.0 million in an amount of up to $1.0 million on the same terms, conditions and pricing afforded to others participating in such subsequent financing. As of December 30, 2017 and June 30, 2018 (unaudited), Hercules' right to participate in any subsequent financing remained unexercised.

OrbiMed Credit Agreement

In June 2018, the Company entered into a credit agreement (the "Credit Agreement") with OrbiMed Royalty Opportunities II, L.P. ("OrbiMed") pursuant to which OrbiMed made certain term loans available to the Company. The Credit Agreement provides for aggregate maximum borrowings of up to $65.0 million, consisting of (i) $35.0 million upon entering into the Credit Agreement, which was borrowed by the Company in June 2018, and (ii) potential additional borrowings of up to $30.0 million that may be available upon the Company's achievement of specified revenue thresholds and a regulatory milestone by determinable dates. As of June 30, 2018 (unaudited), the Company had not yet met the conditions for additional borrowings.

Borrowings under the Credit Agreement bear interest at an annual rate equal to the London Interbank Offered Rate ("LIBOR"), subject to a minimum of 1.0% and a maximum of 4.0%, plus 8.5% (the "Applicable Margin"), subject in the aggregate to a maximum interest rate of 11.5%. In addition, borrowings under the Credit Agreement bear paid-in-kind ("PIK") interest at an annual rate equal to the amount by which LIBOR plus the Applicable Margin exceeds 11.5%, but not to exceed 12.5%. The PIK interest is added to the principal amount of the borrowings outstanding at the end of each quarter until the maturity date of the Credit Agreement in June 2023. Borrowings under the Credit Agreement are repayable in quarterly interest-only payments until the maturity date, at which time all principal and accrued interest is due and payable. At its option, the Company may prepay outstanding borrowings under the Credit Agreement, subject to a prepayment premium of 9.0% of the principal amount of any prepayment within the first three years, which percentage decreases annually until it

reaches zero at the end of three years. The Company is also required to make a final payment in an amount equal to 3.0% of the principal amount of any prepayment or repayment. The final payment is being accreted to interest expense over the term of the Credit Agreement using the effective interest method.

In connection with entering into the Credit Agreement, the Company paid OrbiMed an upfront fee of $0.9 million and paid other costs to OrbiMed and third parties of $0.7 million, both of which were recorded by the Company as a debt discount. The debt discount is reflected as a reduction of the carrying value of long-term debt on the Company's consolidated balance sheet and is being accreted to interest expense over the term of the Credit Agreement using the effective interest method.

All obligations under the Credit Agreement are guaranteed by the Company and each of its material subsidiaries. All obligations of the Company and each guarantor are secured by substantially all of the Company's and each guarantor's assets, including their intellectual property, subject to certain exceptions, including a perfected security interest in substantially all tangible and intangible assets of the Company and each guarantor. Under the Credit Agreement, the Company has agreed to certain affirmative and negative covenants to which it will remain subject until maturity. The negative covenants include maintaining a minimum liquidity amount of $3.0 million and restrictions on the Company's activities, including limitations on dispositions, mergers or acquisitions; encumbering its intellectual property; incurring indebtedness or liens; paying dividends; making certain investments; and engaging in certain other business transactions. The obligations under the Credit Agreement are subject to acceleration upon the occurrence of specified events of default, including payment default, change in control, bankruptcy, insolvency, certain defaults under other material debt, certain events with respect to governmental approvals (if such events could cause a material adverse change in the Company's business) and a material adverse change in the Company's business, operations or other financial condition.

Upon the occurrence of an event of default and until such event of default is no longer continuing, the Applicable Margin will increase by 4.0% per annum. If an event of default (other than certain events of bankruptcy or insolvency) occurs and is continuing, OrbiMed may declare all or any portion of the outstanding principal amount of the borrowings plus accrued and unpaid interest to be due and payable. Upon the occurrence of certain events of bankruptcy or insolvency, all of the outstanding principal amount of the borrowings plus accrued and unpaid interest will automatically become due and payable. In addition, the Company may be required to prepay outstanding borrowings, subject to certain exceptions, with portions of net cash proceeds of certain asset sales and certain casualty and condemnation events.

The Company assessed all terms and features of the Credit Agreement in order to identify any potential embedded features that would require bifurcation. As part of this analysis, the Company assessed the economic characteristics and risks of the debt. The Company determined that all features of the Credit Agreement are either clearly and closely associated with a debt host or have a *de minimis* fair value and, as such, do not require separate accounting as a derivative liability.

As of June 30, 2018 (unaudited), the interest rate applicable to borrowings under the Credit Agreement was 10.875%. During the fiscal six months ended June 30, 2018 (unaudited), the weighted average effective interest rate on outstanding borrowings under the Credit Agreement was approximately 12.6%.

8. Convertible Preferred Stock

The Company has issued Series A-1 convertible preferred stock (the "Series A-1 Preferred Stock"), Series B convertible preferred stock (the "Series B Preferred Stock"), Series B-1 convertible preferred stock (the "Series B-1 Preferred Stock"), Series C convertible preferred stock (the "Series C Preferred Stock"), Series D convertible preferred stock (the "Series D Preferred Stock"), Series E convertible preferred stock (the "Series E Preferred

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Stock") and Series F convertible preferred stock (the "Series F Preferred Stock"). The Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock are collectively referred to as the "Preferred Stock". The Series A-1 Preferred Stock, Series B Preferred Stock, Series B-1 Preferred Stock and Series C Preferred Stock are collectively referred to as the "Junior Preferred Stock", a subset of the Preferred Stock.

In May and June 2016, the Company issued and sold 12,771,490 shares of Series F Preferred Stock to new and existing investors at a price of $4.99 per share for gross proceeds of $63.7 million. The Company incurred issuance costs in connection with this transaction of $0.1 million.

Upon issuance of each class of Preferred Stock, the Company assessed the embedded conversion and liquidation features of the securities and determined that such features did not require the Company to separately account for these features. The Company also concluded that no beneficial conversion feature existed on the issuance date of each class of Preferred Stock.

As of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited), Preferred Stock consisted of the following (in thousands, except share amounts):

	Preferred Stock Authorized	Preferred Stock Issued and Outstanding	Carrying Value	Liquidation Preference	Common Stock Issuable Upon Conversion
Series A-1 Preferred Stock	13,332	13,332	$ 3,333	$ 33	3,440
Series B Preferred Stock	3,771,020	3,624,650	10,691	12,382	1,001,356
Series B-1 Preferred Stock	2,560,245	2,560,245	8,746	8,746	707,301
Series C Preferred Stock	6,198,057	6,198,057	14,970	15,495	6,198,057
Series D Preferred Stock	14,740,000	14,565,000	34,868	72,825	14,565,000
Series E Preferred Stock	6,562,232	6,562,232	29,865	29,966	6,562,232
Series F Preferred Stock	16,931,168	16,880,624	84,046	84,234	16,880,624
	50,776,054	50,404,140	$ 186,519	$ 223,681	45,918,010

The holders of Preferred Stock have the following rights and preferences:

Voting

The holders of the Preferred Stock are entitled to vote, together with the holders of common stock as a single class, on all matters submitted to stockholders for a vote. Each holder of Preferred Stock is entitled to the number of votes equal to the number of shares of common stock into which each share of Preferred Stock is convertible as of the record date for determining stockholders entitled to vote on such matter.

The holders of Series E Preferred Stock, voting exclusively and as a separate class, are entitled to elect one director of the Company, and the holders of Series D Preferred Stock, voting exclusively and as a separate class, are entitled to elect two directors of the Company. The holders of Preferred Stock, voting exclusively and as a separate class, are entitled to elect two directors of the Company.

Conversion

Each share of Preferred Stock is convertible into shares of common stock at the option of the holder at any time after the date of issuance. Each share of Preferred Stock will be automatically converted into shares of

common stock, at the applicable conversion ratio then in effect, upon either (i) the closing of a firm commitment public offering with at least $30.0 million of gross proceeds to the Company and at a price of at least $9.98 per share, subject to appropriate adjustment in the event of any stock split, stock dividend, combination or other similar recapitalization, or (ii) the vote or written consent of the holders of at least 55% of the then-outstanding shares of Preferred Stock. Additionally, in the event a holder of Preferred Stock does not participate in a transaction that involves the issuance or sale of additional shares of common stock at a price per share that would result in a reduction to the Series F Preferred Stock conversion price (a "Qualified Financing"), then all shares of Preferred Stock held by such holder will automatically convert into shares of common stock at the applicable conversion ratio then in effect, unless the holders of at least 55% of the then-outstanding shares of Preferred Stock, elect that the transaction does not qualify as a Qualified Financing.

The conversion ratio of each series of Preferred Stock is determined by dividing the Original Issue Price of each series by the Conversion Price of each series. The Original Issue Price per share is $2.50 for Series A-1 Preferred Stock, $3.416 for Series B Preferred Stock, $3.416 for Series B-1 Preferred Stock, $2.50 for Series C Preferred Stock, $2.50 for Series D Preferred Stock, $4.5664 for Series E Preferred Stock and $4.99 for Series F Preferred Stock. The Conversion Price per share is $9.68 for Series A-1 Preferred Stock, $12.365 for Series B Preferred Stock, $12.365 for Series B-1 Preferred Stock, $2.50 for Series C Preferred Stock, $2.50 for Series D Preferred Stock, $4.5664 for Series E Preferred Stock and $4.99 for Series F Preferred Stock, each subject to appropriate adjustment in the event of any stock split, stock dividend, combination or other similar recapitalization and other adjustments as set forth in the Company's certificate of incorporation, as amended and restated.

Dividends

The holders of the Series B Preferred Stock, Series B-1 Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock shall be entitled to receive, when, as and if declared by the board of directors, noncumulative cash dividends at the rate of 8% per annum of the respective Original Issue Price on each outstanding share of that series of Preferred Stock. The dividends on the Series F Preferred Stock are payable in preference and priority to any payment of any dividends on Series E Preferred Stock, Series D Preferred Stock, Junior Preferred Stock and common stock. The dividends on Series E Preferred Stock are payable in preference and priority to any payment of any dividend on Series D Preferred Stock, Junior Preferred Stock and common stock. The dividends on Series D Preferred Stock are payable in preference and priority to any payment of any dividend on Junior Preferred Stock and common stock. The dividends on Series C Preferred Stock are payable in preference and priority to any payment of any dividend on Series B-1 Preferred Stock, Series B Preferred Stock, Series A-1 Preferred Stock and common stock. The dividends on Series B-1 Preferred Stock are payable in preference and priority to any payment of any dividend on Series B Preferred Stock, Series A-1 Preferred Stock and common stock. The dividends on Series B Preferred Stock are payable in preference and priority to any payment of any dividend on Series A-1 Preferred Stock and common stock.

Subject to the provisions above, with respect to the declaration, payment and setting aside of dividends on the Series A-1 Preferred Stock or common stock, (i) the holders of Series F Preferred Stock, Series E Preferred Stock, Series D Preferred Stock, Series C Preferred Stock, Series B-1 Preferred Stock and Series B Preferred Stock shall be entitled to participate with the Series A-1 Preferred Stock and common stock and receive, *pari passu*, before any dividends shall be declared, paid or set aside for the Series A-1 Preferred Stock or the common stock, the same dividends as are proposed to be distributed to the holders of Series A-1 Preferred Stock or the common stock and (ii) the holders of Series A-1 Preferred Stock shall be entitled to participate with the common stock and receive, before any dividends shall be declared, paid or set aside for the common stock, the same dividends as are proposed to be distributed to the holders of common stock. Each share of Preferred Stock shall

be treated as being equal to the number of shares of common stock into which such share could then be converted.

Through December 30, 2017 and June 30, 2018 (unaudited), no dividends have been declared on any series or class of shares.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company or Deemed Liquidation Event (as described below), the holders of Preferred Stock then outstanding will be entitled to receive, in preference to any distribution to the holders of common stock, an amount per share equal to the Original Issue Price per share of each respective series of Preferred Stock (except for Series D Preferred Stock, which shall be entitled to an amount equal to two times the Series D Original Issue Price) plus any dividends declared but unpaid thereon. In the event that the assets available for distribution to the stockholders are insufficient to pay the holders of Preferred Stock the full amount to which they are entitled, then the holders of Series F Preferred Stock will be paid in full, prior to payments to the holders of Series E Preferred Stock, Series D Preferred Stock and Junior Preferred Stock. The holders of Series E Preferred Stock will be paid in full, prior to payments to the holders of Series D Preferred Stock and Junior Preferred Stock. The holders of Series D Preferred Stock will be paid in full, prior to payments to the holders of Junior Preferred Stock. The holders of Series C Preferred Stock will be paid in full, prior to payments to the holders of Series B-1 Preferred Stock, Series B Preferred Stock, and Series A-1 Preferred Stock. The holders of Series B-1 Preferred Stock will be paid in full, prior to payments to the holders of Series B Preferred Stock and Series A-1 Preferred Stock. The holders of Series B Preferred Stock will be paid in full, prior to payments to the holders of Series A-1 Preferred Stock. After payment of all preferential amounts to the holders of Preferred Stock, the remaining assets available for distribution to the Company's stockholders shall be distributed among the holders of Series D Preferred Stock and common stock, pro rata based on the number of shares held by each holder, treating for this purpose all such securities as if they had been converted to common stock immediately prior to such dissolution, liquidation, winding up of the Company or Deemed Liquidation Event. If the aggregate amount per share that the holders of Series D Preferred Stock are entitled to receive exceeds $7.50 per share (subject to adjustment in the event of a stock split, stock dividend, combination, reclassification or similar event affecting the Series D Preferred Stock), then each holder of Series D Preferred Stock will be entitled to receive a variable amount per share based upon a specified formula contained in the Company's certificate of incorporation, as amended and restated.

Unless the holders of at least 55% of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis, elect otherwise, a Deemed Liquidation Event shall include a merger or consolidation (other than one in which the stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) or a sale, lease, transfer, exclusive license or other disposition of all or substantially all the assets of the Company.

9. Warrants to Purchase Preferred Stock

In connection with its debt agreements and amendments to such agreements, the Company issued to Hercules warrants to purchase shares of Series B Preferred Stock, Series D Preferred Stock and Series F Preferred Stock. In August 2016, in connection with entering into the Amended Loan Agreement (see Note 7), the Company issued to Hercules a warrant to purchase (i) 34,068 shares of Series F Preferred Stock, at an exercise price of $4.99 per share, or (ii) if there is subsequent preferred stock financing of at least $10.0 million and the price per share of preferred stock in such financing is lower than $4.99, that number of shares of series of stock offered in such financing equal to $0.2 million divided by the price per share in such financing, at an

exercise price per share equal to the price per share in such financing. In each case, such exercise prices are subject to adjustment upon specified dilutive issuances. The warrant was immediately exercisable upon issuance and expires on the later of (i) August 4, 2023 or (ii) the fifth anniversary of the effective date of the Company's registration statement for its completed initial public offering. The fair value of the warrant on the issuance date of $0.1 million was recorded as a debt discount and as a component of the preferred stock warrant liability.

The Company classifies all of its preferred stock warrants as a liability on its consolidated balance sheet because the warrants are freestanding financial instruments that may require the Company to transfer assets upon exercise. The liability associated with each of these warrants was initially recorded at fair value upon the issuance date of each warrant and is subsequently remeasured to fair value at each reporting date. Fair value of these warrants was determined using the Black-Scholes option-pricing model (see Note 3), and the resulting change in fair value of the warrant liability was recorded in other income (expense) in the Company's consolidated statements of operations (see Note 3). Changes in the fair value of each warrant comprising the preferred stock warrant liability will continue to be recognized until each respective warrant is exercised, expires or qualifies for equity classification.

During the fiscal six months ended June 30, 2018 (unaudited), outstanding warrants to purchase 146,370 shares of Series B Preferred Stock expired unexercised. As of December 30, 2017 and at the time of expiration, the Company determined the fair value of such warrants was $0.

As of each balance sheet date, the Company's outstanding preferred stock warrants consisted of the following (in thousands, except share and per share amounts):

	December 31, 2016				
Issuance Date	Contractual Term (in Years)	Series of Preferred Stock	Number of Preferred Shares Issuable under Warrant	Exercise Price	Warrant Fair Value
May 15, 2008	10	Series B	146,370	$3.416	$ 1
November 7, 2012	10	Series D	175,000	$2.50	378
September 11, 2015	10(1)	Series F(2)	16,476	$4.99	52
August 4, 2016	7(1)	Series F(2)	34,068	$4.99	81
			371,914		$ 512

	December 30, 2017				
Issuance Date	Contractual Term (in Years)	Series of Preferred Stock	Number of Preferred Shares Issuable under Warrant	Exercise Price	Warrant Fair Value
May 15, 2008	10	Series B	146,370	$3.416	$ —
November 7, 2012	10	Series D	175,000	$2.50	243
September 11, 2015	10(1)	Series F(2)	16,476	$4.99	40
August 4, 2016	7(1)	Series F(2)	34,068	$4.99	70
			371,914		$ 353

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Issuance Date	Contractual Term (in Years)	Series of Preferred Stock	Number of Preferred Shares Issuable under Warrant	Exercise Price	Warrant Fair Value
November 7, 2012	10	Series D	175,000	$2.50	$ 468
September 11, 2015	10(1)	Series F(2)	16,476	$4.99	45
August 4, 2016	7(1)	Series F(2)	34,068	$4.99	80
			225,544		$ 593

(1) Upon the closing of an initial underwritten public offering of the Company's common stock, the warrants will expire on the fifth anniversary of the effective date of the Company's registration statement for its initial public offering, rather than expiring at the end of the contractual term.

(2) If there is a subsequent preferred stock financing of at least $10.0 million and the price per share of preferred stock in such financing is lower than $4.99, the warrants will be exercisable, at an exercise price per share equal to the price per share in such financing, for the number of shares of series of stock offered in such financing equal to $0.1 million divided by the price per share in such financing (with respect to the preferred stock warrants issued in September 2015) and equal to $0.2 million divided by the price per share in such financing (with respect to the preferred stock warrants issued in August 2016).

10. Common Stock

Each share of common stock is entitled to one vote on all matters submitted to a vote of the Company's stockholders. The holders of common stock, voting exclusively and as a separate class, are entitled to elect two directors of the Company. The holders of common stock are entitled to receive dividends, if any, as may be declared by the board of directors, subject to the preferential dividend rights of the holders of all Preferred Stock, as described above. Through December 30, 2017 and June 30, 2018 (unaudited), no dividends had been declared or paid.

11. Stock-Based Compensation

2014 Stock Incentive Plan

The Company's 2014 Stock Incentive Plan (the "2014 Plan") provides for the Company to sell or issue incentive stock options or nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards to employees, directors and non-employee consultants of the Company. The 2014 Plan is administered by the board of directors or, at the discretion of the board of directors, by a committee of the board of directors. The exercise prices, vesting and other restrictions are determined at the discretion of the board of directors, or its committee if so delegated.

Stock options granted under the 2014 Plan with service-based vesting conditions typically vest over three or four years and expire after ten years. The total number of shares of common stock that may be issued under the 2014 Plan was 7,419,876 as of December 30, 2017 and June 30, 2018 (unaudited), of which 830,298 shares and 632,798 shares remained available for future issuance as of December 30, 2017 and June 30, 2018 (unaudited), respectively. Shares that are expired, terminated, surrendered or canceled without having been fully exercised will be available for future grant under the 2014 Plan. Additionally, shares that are expired, terminated, surrendered or canceled without having been fully exercised under the previously outstanding 2004 Stock Incentive Plan will be available for future grant under the 2014 Plan.

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The exercise price for stock options granted is not less than the fair value of common shares as determined by the board of directors as of the date of grant. The Company's board of directors values the Company's common stock, taking into consideration its most recently available valuation of common stock performed by third parties as well as additional factors which may have changed since the date of the most recent contemporaneous valuation through the date of grant.

Stock Option Valuation

The fair value of stock option grants is estimated using the Black-Scholes option-pricing model. The Company historically has been a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical volatility of a publicly traded set of peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. For options with service-based vesting conditions, the expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The following table presents, on a weighted average basis, the assumptions used in the Black-Scholes option-pricing model to determine the grant-date fair value of stock options granted to employees and directors:

	Fiscal Years Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
Risk-free interest rate	1.7%	1.89%	1.89%	2.7%
Expected term (in years)	5.97	6.08	6.08	6.08
Expected volatility	46%	45%	45%	50%
Expected dividend yield	0%	0%	0%	0%

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The following table summarizes the Company's option activity since December 31, 2016:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2016	4,433,873	$ 0.25		
Granted	1,427,959	0.63		
Exercised	(15,755)	0.19		
Forfeited	(497,341)	0.32		
Outstanding as of December 30, 2017	5,348,736	$ 0.35	6.40	$ 1,433
Granted	245,000	0.92		
Exercised	(99,318)	0.21		
Forfeited	(47,500)	0.63		
Outstanding as of June 30, 2018 (unaudited)	5,446,918	$ 0.38	6.13	$ 2,904
Vested and expected to vest as of December 30, 2017	5,348,736	$ 0.35		
Vested and expected to vest as of June 30, 2018 (unaudited)	5,446,918	$ 0.38		
Options exercisable as of December 30, 2017	3,790,376	$ 0.26		
Options exercisable as of June 30, 2018 (unaudited)	3,981,761	$ 0.28		

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the Company's common stock. The aggregate intrinsic value of stock options exercised during the fiscal years ended December 31, 2016 and December 30, 2017 was $0.1 million and less than $0.1 million, respectively. The aggregate intrinsic value of stock options exercised during the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited) was less than $0.1 million and $0.1 million, respectively.

The weighted average grant-date fair value of stock options granted during the fiscal years ended December 31, 2016 and December 30, 2017 was $0.26 per share and $0.20 per share, respectively. The weighted average grant-date fair value of stock options granted during the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited) was $0.20 per share and $0.47 per share, respectively.

The Company has not granted to employees any stock-based awards with performance-based vesting conditions.

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Stock-Based Compensation

The Company recorded stock-based compensation expense in the following expense categories of its consolidated statements of operations (in thousands):

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
Cost of revenue	$ 2	$ 3	$ 1	$ 3
Research, development and clinical trials expenses	13	17	7	19
Selling, general and administrative expenses	30	50	15	39
	$ 45	$ 70	$ 23	$ 61

As of December 30, 2017, total unrecognized compensation cost related to unvested employee and director stock-based awards was $0.6 million, which is expected to be recognized over a weighted average period of 3.0 years. As of June 30, 2018 (unaudited), total unrecognized compensation cost related to unvested employee and director stock-based awards was $0.4 million, which is expected to be recognized over a weighted average period of 2.6 years.

As of December 30, 2017, there were no outstanding unvested service-based stock options held by non-employees. As of June 30, 2018 (unaudited), there were outstanding unvested service-based stock options held by non-employees for the purchase of 20,000 shares of common stock. Amounts expensed during the remaining vesting periods of the stock options held by non-employees will be determined based on the fair value of the awards at time of their vesting.

12. Income Taxes

2017 U.S. Tax Reform

On December 22, 2017, the TCJA was signed into United States law. The TCJA includes a number of changes to existing tax law, including, among other things, a permanent reduction in the federal corporate income tax rate from a top marginal tax rate of 35% to a flat rate of 21%, effective as of January 1, 2018, as well as limitation of the deduction for net operating losses to 80% of annual taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such net operating losses may be carried forward indefinitely). The TCJA also transitions international taxation from a worldwide system to a modified territorial system and includes base erosion prevention measures on non-U.S. earnings. These changes are effective January 1, 2018. The TCJA also includes a one-time mandatory deemed repatriation tax on accumulated foreign subsidiaries' previously untaxed foreign earnings, referred to as the Transition Toll Tax.

The FASB issued ASU 2018-05 to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the TCJA. The Company is still in the process of analyzing the impact to the Company of the TCJA and its analysis is not yet complete. Where the Company has been able to make reasonable estimates of the effects related to the TCJA, the Company has recorded provisional amounts.

In connection with the initial analysis of the impact of the TCJA, the Company remeasured its deferred tax assets based on the rates at which they are expected to reverse in the future, which is generally 21% for federal

tax purposes. The remeasurement of the Company's deferred tax assets was offset by a change in the valuation allowance. As a result, no income tax expense or benefit was recognized as of the enactment date of the TCJA. All of the Company's recorded income tax benefits and provisions related to the TCJA are provisional. The provisional amounts recorded by the Company are based on guidance, interpretations and other information available as of October 19, 2018. The impact of the changes in U.S. tax law may be refined as further guidance, interpretations or information becomes available or upon completion by the Company of its evaluation of the impact of the changes in U.S. tax law. Provisional amounts will be finalized no later than the fourth quarter of 2018, which is one year from when the TCJA was signed into law. The ultimate impact to the Company's consolidated financial statements of the TCJA may differ from the provisional amounts. During the fiscal six months ended June 30, 2018 (unaudited), the Company did not make any adjustments to the provisional amounts recorded as a result of the TCJA.

Income Taxes

During the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited), the Company recorded no income tax benefits for the net operating losses incurred or for the research and development tax credits generated in each year in the United States, due to its uncertainty of realizing a benefit from those items. The Company generated income in the Netherlands for the fiscal year ended December 30, 2017 and the fiscal six months ended June 30, 2018 (unaudited) and, accordingly, recorded a foreign income tax provision of less than $0.1 million for each of the fiscal year ended December 30, 2017 and the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited).

Income (loss) before income taxes consisted of the following (in thousands):

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
United States	$ (24,124)	$ (20,952)	$ (11,446)	(11,093)
Foreign	59	161	96	92
	$ (24,065)	$ (20,791)	$ (11,350)	$ (11,001)

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate is as follows:

	Fiscal Year Ended	
	December 31, 2016	December 30, 2017
Federal statutory income tax rate	(34.0)%	(34.0)%
State taxes, net of federal benefit	(5.1)	(5.2)
Federal and state research and development tax credits	(2.5)	(4.1)
Remeasurement of deferred taxes due to the Tax Cuts and Jobs Act	—	156.1
Nondeductible items	0.5	1.5
Other	0.8	0.1
Change in deferred tax asset valuation allowance	40.3	(114.2)
Effective income tax rate	0.0%	0.2%

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Net deferred tax assets consisted of the following (in thousands):

	December 31, 2016	December 30, 2017
Deferred tax assets:		
Net operating loss carryforwards	$ 69,022	$ 54,577
Capitalized research and development expense	23,174	13,387
Research and development tax credit carryforwards	7,749	9,119
Accrued expenses	1,487	1,002
Stock-based compensation expense	368	258
Deferred rent	506	292
Other	80	15
Total deferred tax assets	102,386	78,650
Valuation allowance	(102,386)	(78,650)
Net deferred tax assets	$ —	$ —

As of December 30, 2017, the Company had U.S. federal and state net operating loss carryforwards of $215.2 million and $148.5 million, respectively, which may be available to offset future taxable income and begin to expire in 2018 and 2030, respectively. As of December 30, 2017, the Company also had U.S. federal and state research and development tax credit carryforwards of $6.0 million and $4.0 million, respectively, which may be available to offset future tax liabilities and begin to expire in 2020 and 2024, respectively. During the fiscal six months ended June 30, 2018 (unaudited), gross deferred tax assets, before valuation allowance, increased by approximately $2.9 million due to the operating loss incurred by the Company during that period.

Utilization of the U.S. federal and state net operating loss carryforwards and research and development tax credit carryforwards may be subject to a substantial annual limitation under Sections 382 and 383 of the Internal Revenue Code of 1986, and corresponding provisions of state law, due to ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income or tax liabilities. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company has not conducted a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception due to the significant complexity and cost associated with such a study. If the Company has experienced a change of control, as defined by Section 382, at any time since inception, utilization of the net operating loss carryforwards or research and development tax credit carryforwards would be subject to an annual limitation under Section 382, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the net operating loss carryforwards or research and development tax credit carryforwards before utilization. Further, until a study is completed by the Company and any limitation is known, no amounts are being presented as an uncertain tax position.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company's history of cumulative net losses incurred since inception and has concluded that it is more likely than not that the Company will not realize the benefits of the deferred tax assets. Accordingly, a full valuation allowance has been established against the net deferred tax assets as of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited). Management reevaluates the positive and negative evidence at each reporting period.

TRANSMEDICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Changes in the valuation allowance for deferred tax assets during the fiscal years ended December 31, 2016 and December 30, 2017 related primarily to the increase in net operating loss carryforwards and research and development tax credit carryforwards in 2016 and 2017, partially offset in 2017 by a decrease in deferred tax assets resulting from the decreased federal corporate tax rate impact of the TCJA, and were as follows (in thousands):

	December 31, 2016	December 30, 2017
Valuation allowance as of beginning of year	$ (92,676)	$ (102,386)
Decreases recorded as benefit to income tax provision	—	32,463
Increases recorded to income tax provision	(9,710)	(8,727)
Valuation allowance as of end of year	$ (102,386)	$ (78,650)

As of December 31, 2016 and December 30, 2017 and June 30, 2018 (unaudited), the Company had not recorded any amounts for unrecognized tax benefits. The Company's policy is to record interest and penalties related to income taxes as part of its income tax provision. As of December 31, 2016 and December 30, 2017 and June 30, 2018 (unaudited), the Company had no accrued interest or penalties related to uncertain tax positions and no amounts had been recognized in the Company's consolidated statements of operations. The Company files income tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable. There are currently no pending tax examinations. The Company is open to future tax examination under statute from 2015 to the present; however, carryforward attributes that were generated prior to December 28, 2014 may still be adjusted upon examination by federal, state or local tax authorities if they either have been or will be used in a future period.

13. Commitments and Contingencies

Operating Leases

The Company leases its office, laboratory and manufacturing space under two noncancelable operating leases that expire in December 2021. The lease agreements include payment escalations, rent holidays and other lease incentives, which are accrued or deferred as appropriate such that rent expense for each lease is recognized on a straight-line basis over the respective lease terms, recording deferred rent for rent expense incurred but not yet paid (see Note 2). Rent expense for the fiscal years ended December 31, 2016 and December 30, 2017 was $1.2 million and $1.2 million, respectively. Rent expense for the fiscal six months ended July 1, 2017 and June 30, 2018 (unaudited) was $0.6 million and $0.6 million, respectively.

Future minimum lease payments under operating leases as of December 30, 2017 are as follows (in thousands):

Fiscal Year Ending:	
December 29, 2018	$ 1,530
December 28, 2019	1,549
December 26, 2020	1,570
December 25, 2021	1,589
	$ 6,238

TRANSMEDICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

License Agreement with the Department of Veterans Affairs

In 2002, the Company entered into a license agreement with the Department of Veterans Affairs (the "VA"), under which the Company was granted an exclusive, worldwide license under specified patents to make, use, sell and import certain technology used in the Company's products and a non-exclusive, worldwide license to make, use, sell and import solutions for use in or with those products. The rights under the license agreement continue until the expiration of the last to expire of the licensed patents. The majority of the licensed U.S. patents expired in 2017, and the foreign patents expired in September 2018. However, the Company has requested a patent term extension for one U.S. patent covered by the VA license agreement, U.S. Patent No. 6,100,082. The Company has been granted an interim patent term extension for this patent. As of October 19, 2018, the issuance date of the consolidated financial statements as of December 30, 2017 and for the fiscal year then ended and of the interim consolidated financial statements as of June 30, 2018 and for the fiscal six months then ended, the Company had not received final approval of the patent extension beyond the interim patent term extension already granted. The maximum extension granted would be through May 2022; however, the length of the patent term extension will be determined by the United States Patent and Trademark Office. The license includes the right to grant sublicenses, subject to approval by the VA and other restrictions, and is subject to the U.S. government's right to practice the licensed patents on its own behalf without payment of a royalty and obligation to grant certain sublicenses as necessary to fulfill public health, welfare and safety needs. The license agreement also requires the Company to make its products covered by the licensed patents available to the public on reasonable terms and to provide the U.S. government such products at the lowest price.

As consideration for the licenses granted by the VA, the Company is obligated to pay tiered royalties ranging from a low single-digit to a mid single-digit percentage on net sales of each product covered by a licensed patent (subject to a minimum aggregate royalty payment of less than $0.1 million per year during each of the first five years after the first commercial sale, after which no minimum is required). Royalties will be paid by the Company on a licensed product-by-licensed product and country-by-country basis, beginning on the first commercial sale of such licensed product in such country until expiration of the last valid patent claim covering such licensed product in such country. The Company is also responsible for all costs related to the amendment, prosecution and maintenance of the licensed patent rights.

The Company paid the VA royalties of $0.1 million during each of the fiscal years ended December 31, 2016 and December 30, 2017. The Company paid the VA royalties of $0.2 million during the fiscal six months ended June 30, 2018 (unaudited).

The VA license agreement can be terminated by the Company or the VA only if the other party fails to cure its material breach within a specified period after receiving notice of such breach.

Minimum Purchase Commitments

The Company entered into an agreement with Fresenius Kabi Austria GmbH ("Fresenius") under which Fresenius develops, manufactures and supplies the Company with its OCS Lung Solution used in connection with its OCS Perfusion Sets. In accordance with the agreement, as amended, the Company is obligated to purchase minimum quantities annually through 2018. If the Company does not meet the minimum annual purchase requirements, it is required to pay a premium calculated as the minimum committed order quantity less the actual ordered quantity during the respective year, multiplied by the applicable price as specified in the agreement.

The Company capitalizes any estimated premium it expects to pay at the end of the year as an adjustment to its cost of the OCS Lung Solution (i.e., inventory) purchased during each year. Inventory cost in each interim

period includes an appropriate portion of the annual estimated premium by the use of accruals. During the fiscal years ended December 31, 2016 and December 30, 2017, the Company incurred premiums of $0.6 million and $1.1 million, respectively, which the Company recorded in accounts payable at December 31, 2016 and December 30, 2017, respectively. During the fiscal six months ended June 30, 2018 (unaudited), the Company capitalized as an adjustment to its cost of the OCS Lung Solution an estimated premium of $0.2 million for a proportion of the annual estimated premium for 2018, calculated as the difference between the minimum order quantity and its actual and estimated purchases for fiscal 2018, and recorded that same $0.2 million amount in accrued expenses (see Note 6) at June 30, 2018 (unaudited).

As of December 30, 2017, the Company's future minimum purchase commitment, which represents the amount the Company would pay as a premium if it placed no orders in 2018, was $1.4 million. As of June 30, 2018 (unaudited), the Company's future minimum purchase commitment, which represents the amount the Company would pay as a premium if it placed no further orders after June 30, 2018, was $1.3 million.

Accrued Financing Fees

In periods prior to 2016, the Company incurred financing fees of $1.5 million for amounts due to its former financial advisors related to the issuance of its Series B Preferred Stock and Series D Preferred Stock. These financing fees are contingently payable in cash only upon an IPO or certain alternative transactions, including a sale of the Company. The Company recorded an accrual of $1.5 million as of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited) related to such contingently payable fees (see Note 6).

401(k) Savings Plan

The Company has a defined-contribution savings plan under Section 401(k) of the Internal Revenue Code. This plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the board of directors. As of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited), the Company had not made any contributions to the plan.

Indemnification Agreements

In the ordinary course of business, the Company has agreed to defend and indemnify its customers against third-party claims asserting infringement of certain intellectual property rights, which may include patents, copyrights, trademarks or trade secrets. The Company's exposure under these indemnification provisions is generally limited to the total amount paid by the end-customer under the agreement. However, certain agreements include indemnification provisions that could potentially expose the Company to losses in excess of the amount received under the agreement. In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or services as directors or officers.

The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not currently aware of any indemnification claims and had not accrued any liabilities related to such obligations in its consolidated financial statements as of December 31, 2016, December 30, 2017 or June 30, 2018 (unaudited).

TRANSMEDICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Legal Proceedings

The Company is not currently party to any material legal proceedings. At each reporting date, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expense as incurred the costs related to such legal proceedings.

Inspection of Manufacturing Facilities by Regulatory Agencies

The Company is subject to periodic inspection of its manufacturing facilities by regulatory agencies, both in the United States and abroad. Any adverse regulatory action, depending on its magnitude, may restrict the Company from manufacturing, marketing or selling its products and could have a material adverse effect on its business, financial condition or results of operations. In July 2018 (unaudited), the Company was inspected by European regulatory authorities, which resulted in observations. The Company has implemented corrective and preventive actions to address these observations, but the matters will not be officially closed out until the next inspection. As of December 31, 2016, December 30, 2017 and June 30, 2018 (unaudited), the Company was not aware of any regulatory action that could have a material impact on its consolidated financial statements.

14. Net Loss per Share and Unaudited Pro Forma Net Loss per Share

Net Loss per Share

Basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
Numerator:				
Net loss attributable to common stockholders	$ (24,065)	$ (20,823)	$ (11,369)	$ (11,016)
Denominator:				
Weighted average common shares outstanding, basic and diluted	4,502,099	4,647,495	4,646,058	4,676,991
Net loss per share attributable to common stockholders, basic and diluted	$ (5.35)	$ (4.48)	$ (2.45)	$ (2.36)

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The Company's potential dilutive securities have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
Convertible preferred stock (as converted to common stock)	45,918,010	45,918,010	45,918,010	45,918,010
Warrants to purchase convertible preferred stock (as converted to common stock)	265,981	265,981	265,981	225,544
Options to purchase common stock	4,433,873	5,348,736	5,401,549	5,446,918
	50,617,864	51,532,727	51,585,540	51,590,472

Unaudited Pro Forma Net Loss per Share

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the fiscal year ended December 30, 2017 and the fiscal six months ended June 30, 2018 have been prepared to give effect to adjustments arising from the Corporate Reorganization (see Note 1). The unaudited pro forma net loss attributable to common stockholders used in the calculation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders does not include the change in the fair value of the preferred stock warrant liability because the calculation gives effect to the Corporate Reorganization, including the conversion of all warrants to purchase shares of convertible preferred stock of the Company into warrants to purchase shares of common stock of TransMedics Group, as if the Corporate Reorganization had occurred on the later of January 1, 2017 or the issuance date of the preferred stock warrants.

Unaudited pro forma basic and diluted weighted average common shares outstanding used in the calculation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the fiscal year ended December 30, 2017 and the fiscal six months ended June 30, 2018 have been prepared to give effect to the Corporate Reorganization, including the conversion of all outstanding shares of convertible preferred stock of the Company into shares of common stock of TransMedics Group, as if the Corporate Reorganization had occurred on the later of January 1, 2017 or the issuance date of the convertible preferred stock.

TRANSMEDICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders was calculated as follows (in thousands, except share and per share amounts):

	Fiscal Year Ended December 30, 2017	Fiscal Six Months Ended June 30, 2018
		(unaudited)
Numerator:		
Net loss attributable to common stockholders	$ (20,823)	$ (11,016)
Change in fair value of convertible preferred stock warrant liability	(159)	240
Pro forma net loss attributable to common stockholders	$ (20,982)	$ (10,776)
Denominator:		
Weighted average common shares outstanding, basic and diluted	4,647,495	4,676,991
Pro forma adjustment to reflect conversion of convertible preferred stock upon the Corporate Reorganization		
Pro forma weighted average common stock outstanding, basic and diluted		
Pro forma net loss per share attributable to common stockholders, basic and diluted	$	$

15. Segment Reporting and Geographic Data

The Company has determined that it operates in one segment (see Note 2). Financial data by geographical area is summarized as follows (in thousands):

	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018
			(unaudited)	
Net revenue(1):				
United States	$ 3,468	$ 2,744	$ 1,442	$ 2,147
United Kingdom	1,352	2,354	774	1,112
Germany	*	*	*	846
Australia	*	*	*	820
Kazakhstan	*	*	480	*
All other countries	1,389	2,587	1,016	509
Total net revenue	$ 6,209	$ 7,685	$ 3,712	$ 5,434

* Less than 10% of total

TRANSMEDICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2016	December 30, 2017	June 30, 2018 (unaudited)
Long-lived assets(2):			
United States	$ 1,476	$ 1,649	$ 2,193
All other countries	247	810	958
Total long-lived assets	$ 1,723	$ 2,459	$ 3,151

(1) Net revenue is categorized based on the location of the end customer.

(2) The Company's only long-lived assets consist of property and equipment, net of depreciation, which are categorized based on their location of domicile.

16. Significant Customer Concentrations

Significant customers are those that accounted for 10% or more of the Company's net revenue or accounts receivable, as set forth in the following tables for the periods presented:

	Net Revenue			
	Fiscal Year Ended		Fiscal Six Months Ended	
	December 31, 2016	December 30, 2017	July 1, 2017	June 30, 2018 (unaudited)
Company A	12%	16%	15%	15%
Company B	*	*	13%	*
Company C	14%	*	*	13%
Company D	11%	*	*	*

* Less than 10% of total

Net revenue derived from Company E through Company K accounted for less than 10% of the Company's net revenue in each of the periods presented.

	Accounts Receivable		
	December 31, 2016	December 30, 2017	June 30, 2018 (unaudited)
Company A	*	*	*
Company B	*	*	*
Company C	13%	14%	26%
Company D	17%	*	*
Company E	*	23%	*
Company F	16%	*	*
Company G	*	*	11%
Company H	16%	14%	*
Company I	*	*	11%
Company J	*	14%	*
Company K	10%	*	*

* Less than 10% of total

TRANSMEDICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. Related Party Transactions

Employment of Dr. Amira Hassanein

Dr. Amira Hassanein, who serves as Product Director for the Company's OCS Lung program, is the sister of Dr. Waleed Hassanein, the Company's President, Chief Executive Officer and a member of the Company's board of directors. The Company paid Dr. Amira Hassanein $0.2 million, $0.2 million and $0.1 million in total compensation in the fiscal years ended December 31, 2016 and December 30, 2017 and the fiscal six months ended June 30, 2018 (unaudited), respectively, for her services as an employee.

18. Subsequent Events

For its consolidated financial statements as of December 30, 2017 and for the fiscal year then ended and for its interim consolidated financial statements as of June 30, 2018 and for the fiscal six months then ended, the Company evaluated subsequent events through October 19, 2018, the date on which those financial statements were issued.

OrbiMed Credit Agreement

In June 2018, the Company entered into the Credit Agreement with OrbiMed (see Note 7) pursuant to which OrbiMed made certain term loans available to the Company. The Credit Agreement provides for aggregate maximum borrowings of up to $65.0 million, consisting of (i) $35.0 million upon entering into the Credit Agreement, which was borrowed by the Company in June 2018, and (ii) potential additional borrowings of up to $30.0 million that may be available upon the Company's achievement of specified revenue thresholds and a regulatory milestone by determinable dates. Borrowings under the Credit Agreement are repayable in quarterly interest-only payments until the maturity date in June 2023, at which time all principal and accrued interest is due and payable (see Note 7).

Repayment of Borrowings under Hercules Amended Loan Agreement

In June 2018, the Company repaid all amounts due under the Amended Loan Agreement, including $6.7 million of principal repayments, and the Amended Loan Agreement was terminated. Upon prepayment of the outstanding amounts, the Company recorded a loss on extinguishment of debt of $0.3 million, which was classified as other expense in the consolidated statement of operations (see Note 7).

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Prospectus

Morgan Stanley
J.P. Morgan
Cowen
Canaccord Genuity

, 2018

Until , 2018 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the estimated expenses payable by us in connection with the sale and distribution of the securities registered hereby, other than underwriting discounts and commissions. All amounts are estimates, except the SEC registration fee and the Financial Industry Regulatory Authority, or FINRA, filing fee.

	Amount
SEC registration fee	$ *
FINRA filing fee	15,500
Nasdaq Global Market listing fee	*
Legal fees and expenses	*
Accountants' fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers.

Section 2.02 of the Massachusetts Business Corporation Act, or the MBCA, under which the registrant is governed, provides that the articles of organization of a corporation may contain a provision eliminating or limiting the personal liability of a director to the corporation for monetary damages for breach of a fiduciary duty as a director notwithstanding any provision of law imposing such liability; provided, however, that such provision shall not eliminate or limit the liability of a director (1) for any breach of the director's duty of loyalty to the corporation or its shareholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) for improper distributions under Sections 6.40 of the MBCA or (4) for any transaction from which the director derived an improper personal benefit. Article VI.C of the registrant's restated articles of organization provides that a director shall not be liable to the registrant or its shareholders for damages for any breach of fiduciary duty, except to the extent that the elimination or limitations of liability is not permitted under law.

Section 8.51 of the MBCA provides that a corporation may indemnify a director who is a party to a proceeding because he or she is a director against liability incurred in the proceeding if he or she conducted himself or herself in good faith and he or she reasonably believed that his or her conduct was in the best interests of the corporation or that his or her conduct was at least not opposed to the best interests of the corporation, and, in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Section 8.52 of the MBCA requires corporations to indemnify any director who was wholly successful in the defense of any proceeding to which he or she was a party because he or she was a director of the corporation against reasonable expenses incurred by him or her in connection with the proceeding.

Section 8.53 of the MBCA provides that, before the final disposition of a proceeding, a corporation may advance funds to pay for or reimburse the reasonable expenses incurred by a director who is party to such proceeding because he or she is a director if he or she delivers to the corporation (a) a written affirmation of his or her good faith belief that he or she has met the relevant standard of good faith described in Section 8.51 of the MBCA or that the proceeding involves conduct for which liability has been eliminated pursuant to Section 2.02 of the MBCA and (b) a written undertaking with an unlimited general obligation of the director to repay any funds advanced if he or she is not entitled to mandatory indemnification under Section 8.52 and it is ultimately determined, under Section 8.54 or Section 8.55 that he or she does not meet the relevant standard of conduct described in Section 8.51.

Section 8.56 of the MBCA provides that a corporation may indemnify and advance expenses to an officer of the corporation who is a party to a proceeding because he or she is an officer of the corporation to the same extent as a director, and, if he or she is an officer but not a director, to such further extent as may be provided by the articles of organization, the bylaws, a resolution of the board of directors or contract, except for liability arising out of acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law. Section 8.56 also provides that an officer of the corporation who is not a director is entitled to mandatory indemnification under Section 8.52, and that the officer may apply to a court for indemnification or an advance for expenses, in each case to the same extent to which a director may be entitled to indemnification or advance under those provisions.

Article VI of the registrant's amended and restated bylaws provide that the registrant will indemnify, and advance funds to and reimburse expenses of, its directors and its officers that have been appointed by the board of directors to the fullest extent permitted by law, and may indemnify, and advance funds to and reimburse expenses of, such other officers and employees as determined by the board of directors, in each case including those circumstances in which indemnification would otherwise be discretionary. We intend to enter into indemnification agreements with our directors and officers. These agreements will provide broader indemnity rights than those provided under the MBCA and our articles of organization. The indemnification agreements are not intended to deny or otherwise limit third-party or derivative suits against us or our directors or officers, but to the extent a director or officer were entitled to indemnity or contribution under the indemnification agreement, the financial burden of a third-party suit would be borne by us, and we would not benefit from derivative recoveries against the director or officer. Such recoveries would accrue to our benefit but would be offset by our obligations to the director or officer under the indemnification agreement.

The underwriting agreement provides that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities, including liabilities under the Securities Act. Reference is made to the form of underwriting agreement filed as Exhibit 1.1 hereto.

Section 8.57 of the MBCA also contains provisions authorizing a corporation to obtain insurance on behalf of any director or officer of the corporation against liabilities asserted against or incurred by him or her in that capacity or arising from his or her status as an officer or officer, whether or not the corporation would have the power to indemnify against such liabilities. We maintain directors' and officers' liability insurance for the benefit of our directors and officers.

Item 15. Recent Sales of Unregistered Securities.

The Registrant is a recently formed Massachusetts corporation formed for the purpose of this offering and has not conducted any activities other than in connection with its formation and the preparation for this offering.

The following list sets forth information regarding all unregistered securities sold by us since October 1, 2015. No underwriters were involved in the sales and the certificates representing the securities sold and issued contain legends restricting transfer of the securities without registration under the Securities Act or an applicable exemption from registration. The issuances of the securities in the transactions described below were issued without registration in reliance on the exemptions afforded by Section 4(a)(2) of the Securities Act and Rules 506 and 701 promulgated thereunder. The below share numbers do not reflect the Corporate Reorganization.

1. In May 2016, we issued and sold 10,266,480 shares of Series F preferred stock at a purchase price of $4.99 per share or aggregate gross consideration of $51.2 million.
2. In June 2016, we sold an additional 2,505,010 shares of Series F preferred stock at a purchase price of $4.99 per share or aggregate gross consideration of $12.5 million.
3. In August 2016, in connection with entering into an amendment to a loan agreement with Hercules Technology Growth Capital, Inc., we issued to Hercules Technology Growth Capital, Inc. a warrant to purchase (A) 16,476 shares of Series F preferred stock, at an exercise price of $4.99 per share, or (B) if

there is subsequent preferred stock financing of at least $10.0 million and the price per share of preferred stock in such financing is lower than $4.99, that number of shares of series of stock offered in such financing equal to $82,219 divided by the price per share in such financing, at an exercise price per share equal to the price per share in such financing. In each case, such exercise prices are subject to adjustment upon specified dilutive issuances. No consideration was received for such warrants.

4. Since October 1, 2015, we have issued options to purchase an aggregate of 2,626,959 shares of common stock with exercise prices ranging from $0.20 to $2.47 per share. Since October 1, 2015, 654,616 shares of our common stock have been issued upon the exercise of stock options pursuant to the 2004 Plan and the 2014 Plan.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Some of the agreements included as exhibits to the registration statement of which this prospectus forms a part contain representations and warranties by the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (1) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (2) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement; (3) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (4) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

The Registrant acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding contractual provisions are required to make the statements in the registration statement of which this prospectus forms a part not misleading.

Exhibit	Description
1.1*	Form of Underwriting Agreement
2.1*	Form of Agreement and Plan of Merger and Reorganization
3.1	Articles of Organization of the Registrant
3.2	Bylaws of the Registrant
3.3*	Form of Restated Articles of Organization of the Registrant (to be effective upon the closing of this offering)
3.4*	Form of Amended and Restated Bylaws of the Registrant (to be effective upon the closing of this offering)
4.1*	Specimen stock certificate evidencing shares of common stock
4.2	Warrant Agreement to Purchase Preferred Stock, dated as of November 7, 2012, between the Registrant and Hercules Technology Growth Capital, Inc.
4.3	Warrant Agreement to Purchase Preferred Stock, dated as of September 11, 2015, between the Registrant and Hercules Technology Growth Capital, Inc.
4.4	Warrant Agreement to Purchase Preferred Stock, dated as of August 4, 2016, between the Registrant and Hercules Technology Growth Capital, Inc.
5.1*	Opinion of Ropes & Gray LLP

Exhibit	Description
10.1*	Form of Ninth Amended and Restated Investors' Rights Agreement
10.2*	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers
10.3#	Amended and Restated 2004 Stock Incentive Plan
10.4#	Form of Incentive Stock Option Agreement under 2004 Stock Incentive Plan
10.5#	Amended and Restated 2014 Stock Incentive Plan
10.6#	Form of Incentive Stock Option Agreement under 2014 Stock Incentive Plan
10.7#	Form of Non-Qualified Stock Option Agreement under 2014 Stock Incentive Plan
10.8	Lease Agreement, dated as of June 25, 2004, between the Registrant and 200 Minuteman Limited Partnership
10.9	First Amendment to Lease, dated as of September 28, 2004, between the Registrant and 200 Minuteman Limited Partnership
10.10	Second Amendment to Lease, dated as of November 29, 2005, between the Registrant and 200 Minuteman Limited Partnership
10.11	Third Amendment to Lease, dated as of June 12, 2006, between the Registrant and 200 Minuteman Limited Partnership
10.12	Fourth Amendment to Lease, dated as of February 1, 2007, between the Registrant and 200 Minuteman Limited Partnership
10.13	Fifth Amendment to Lease, dated as of April 30, 2010, between the Registrant and 200 Minuteman Limited Partnership
10.14	Lease Agreement, dated as of June 25, 2004, between the Registrant and 30 Minuteman Limited Partnership
10.15	Second Amendment to Lease, dated as of November 29, 2005, between the Registrant and 30 Minuteman Limited Partnership
10.16	Third Amendment to Lease, dated as of April 30, 2010, between the Registrant and 30 Minuteman Limited Partnership
10.17	Credit Agreement, dated as of June 22, 2018, by and between the Registrant and OrbiMed Royalty Opportunities II, L.P.
10.18	Pledge and Security Agreement, dated as of June 22, 2018, by and between the Registrant and OrbiMed Royalty Opportunities II, L.P.
10.19	Guarantee, dated as of June 22, 2018, made by TransMedics B.V. in favor of OrbiMed Royalty Opportunities II, L.P.
10.20†	License Agreement dated as of August 27, 2002 by and between the Registrant and The Department of Veterans Affairs
10.21†	Development and Supply Agreement dated as of May 24, 2005 by and between the Registrant and Fresenius Kabi AB

Exhibit	Description
10.22†	Contract Manufacturing Agreement dated as of April 1, 2015 by and between the Registrant and Fresenius Kabi Austria GmbH
21.1*	List of Subsidiaries of the Registrant
23.1*	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm
23.2*	Consent of Ropes & Gray LLP (included in Exhibit 5.1)
24.1	Powers of Attorney (included on signature page)

* To be filed by amendment.
† Confidential treatment requested as to certain portions, which portions have been filed separately with the Securities and Exchange Commission.
# Indicates a management contract or compensatory plan, contract or arrangement.

(b) Financial Statement Schedules.

No financial statement schedules have been submitted because they are not required or are not applicable or because the information required is included in the financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person of the registrant in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of the registration statement of which this prospectus forms a part in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of the registration statement of which this prospectus forms a part as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Andover, Commonwealth of Massachusetts, on this day of , 2018.

TRANSMEDICS GROUP, INC.

By: _____
Waleed H. Hassanein
President and Chief Executive Officer

POWER OF ATTORNEY

Each individual whose signature appears below constitutes and appoints Waleed H. Hassanein and Stephen Gordon, and each of them, his or her true and lawful attorney-in-fact and agent, acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments to this Registration Statement, including post-effective amendments and registration statements filed pursuant to Rule 462(b) and otherwise, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the U.S. Securities and Exchange Commission, granting unto said attorney-in-fact full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as such person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
Waleed H. Hassanein	President, Chief Executive Officer and Director (Principal Executive Officer)	
Stephen Gordon	Chief Financial Officer (Principal Financial Office and Principal Accounting Officer)	
James R. Tobin	Director, Chairman of the Board of Directors	
Edward M. Basile	Director	
James Gilbert	Director	
Thomas J. Gunderson	Director	
Edwin M. Kania, Jr.	Director	

D

The Commonwealth of Massachusetts

William Francis Galvin
Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512

FORM MUST BE TYPED **Articles of Organization** FORM MUST BE TYPED

(General Laws Chapter 156D, Section 2.02; 950 CMR 113.16)

ARTICLE I

The exact name of the corporation is:

TransMedics Group, Inc.

ARTICLE II

Unless the articles of organization otherwise provide, all corporations formed pursuant to G.L. Chapter 156D have the purpose of engaging in any lawful business. Please specify if you want a more limited purpose:

To engage in any lawful activity permitted of a corporation governed by the Massachusetts Business Corporation Act or any successor thereto.

ARTICLE III

State the total number of shares and par value, * if any, of each class of stock that the corporation is authorized to issue. All corporations must authorize stock. If only one class or series is authorized, it is not necessary to specify any particular designation.

WITHOUT PAR VALUE		WITH PAR VALUE		
TYPE	NUMBER OF SHARES	TYPE	NUMBER OF SHARES	PAR VALUE
Common	1,000			

"G.L Chapter 156D eliminates the concept of par value, however a corporation may specify par value in Article III. See G.L Chapter 156D, Section 6.21. and the comments relative thereto.

P.C.

ARTICLE IV

Prior to the issuance of shares of any class or series, the articles of organization must set forth the preferences, limitations and relative rights of that class or series. The articles may also limit the type or specify the minimum amount of consideration for which shares of any class or series may be issued. Please set forth the preferences, limitations and relative rights of each class or series and, if desired, the requited type and minimum amount of consideration to be received.

ARTICLE V

The restrictions, if any, imposed by the articles of organization upon the transfer of shares of any class or series of stock are:

N/A

ARTICLE VI

Other lawful provisions, and if there are no such provisions, this article may be left blank.

1. The Board of Directors may make, amend, or repeal the bylaws in whole or in part, except with respect to any provision thereof which by law or these Articles of Organization requires action by the shareholders. To the extent permitted by law, the bylaws, including a provision adopted solely through action of the Board of Directors, may provide for a different quorum or voting requirement than is provided for in Chapter 156D of the Massachusetts General Laws or any successor statute.

2. A director shall not be liable to the Corporation or its shareholders for damages for any breach of fiduciary duty, except to the extent that the elimination or limitations of liability is not permitted under law, No amendment or repeal of this provision shall deprive a director of the benefits hereof with respect to any act or omission occurring prior to such amendment or repeal.

3. Unless the Board of Directors of the Corporation consents in writing to the selection of an alternative forum, a state or federal court located within the Commonwealth of Massachusetts shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's shareholders, (c) any action asserting a claim arising pursuant to any provision of the Massachusetts Business Corporation Act, or (d) any action asserting a claim governed by the internal affairs doctrine, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to this Article VI.

Note: The preceding six (6) articles are considered to be permanent and may be changed only by filing appropriate articles of amendmens.

ARTICLE VII

The effective date of organization of the corporation is the date and time the articles were received for filing if the articles are not rejected within the time prescribed by law. If a later effective date is desired, specify such date, which may not be later than the 90th day after the articles are received for filing;

ARTICLE VIII

The information contained in this article is not a permanent part of the articles of organization.

a. The street address of the initial registered office of the corporation in the commonwealth;
84 State Street, Boston, MA 02109

b. The name of its initial registered agent at its registered office:
Corporation Service Company

c. The names and street addresses of the individuals who will serve as the initial directors, president, treasurer and secretary of the corporation (an address need not be specified if the business address of the officer or director is the same as the principal office location):

President: **Waleed Hassanein, M.D.**

Treasurer: **Stephen Gordon**

Secretary: **Stephen Gordon**

Director(s): **Waleed H. Hassanein, M.D. and Stephen Gordon**

d. The fiscal year end of the corporation:
December 29, except from time to time otherwise designated by the Board of Directors

e. A brief description of the type of business in which the corporation intends to engage:
To develop, manufacture, market and sell medical devices and healthcare technology.

f. The street address of the principal office of the corporation:
200 Minuteman Road, Andover, MA 01810

g. The street address where the records of the corporation required to be kept in the commonwealth are located is:

200 Minuteman Road, Andover, MA 01810, which is
(number, street, city or town, State, zip code)

☑ its principal office;

☐ an office of its transfer agent;

☐ an office of its secretary/assistant secretary;

☐ its registered office.

Signed this 10th day of October, 2018 by the incorporator(s):

Signature: /s/ Lauren Foy

Name: Lauren Foy

Address: c/o. Ropes & Gray LLP, 800 Boylston Street, Boston, MA 02199

THE COMMONWEALTH OF MASSACHUSETTS

I hereby certify that, upon examination of this document, duly submitted to me, it appears that the provisions of the General Laws relative to corporations have been complied with, and I hereby approve said articles; and the filing fee having been paid, said articles are deemed to have been filed with me on:

October 11, 2018 01:06 PM

/s/ Willam Francis Galvin

WILLIAM FRANCIS GALVIN

Secretary of the Commonwealth

Exhibit 3.2

BYLAWS

of

TRANSMEDICS GROUP, INC.

Section 1. ARTICLES OF ORGANIZATION

The name and purposes of the corporation shall be as set forth in the Articles of Organization. These Bylaws, the powers of the corporation and of its directors and shareholders, or of any class of shareholders if the corporation has more than one class of stock, and all matters concerning the conduct and regulation of the business and affairs of the corporation shall be subject to such provisions in regard thereto, if any, as are set forth in the Articles of Organization as from time to time in effect.

Section 2. SHAREHOLDERS

2.1. Annual Meeting. The annual meeting of shareholders shall be held on the date and time as shall be determined from time to time by the board of directors. Purposes for which an annual meeting is to be held, in addition to those prescribed by law, by the Articles of Organization or by these Bylaws, may be specified by the president or by the directors.

2.2. Special Meetings. A special meeting of the shareholders may be called at any time by the president or by the directors. Each call of a meeting shall state the place, date, hour and purposes of the meeting.

2.3. Place of Meetings. All meetings of the shareholders shall be held at the principal office of the corporation in Massachusetts or, to the extent permitted by the Articles of Organization, at such other place within the United States as shall be fixed by the president or the directors. Any adjourned session of any meeting of the shareholders shall be held at the same city or town as the initial session, or such other location within the United States, in either case at the place designated in the vote of adjournment.

2.4. Notice of Meetings. A written notice of each meeting of shareholders, stating the place, date and hour and the purposes of the meeting, shall be given at least seven days before the meeting to each shareholder entitled to vote at such meeting and to each shareholder who, by law, by the Articles of Organization or by these Bylaws, is entitled to notice, by leaving such notice with such shareholder or at such shareholder’s residence or usual place of business, or by mailing it, postage prepaid, addressed to such shareholder at such shareholder’s address as it appears in the records of the corporation. Such notice shall be given by the secretary or an assistant secretary or by an officer designated by the directors. Whenever notice of a meeting is required to be given to a shareholder under any provision of the Business Corporation Law of the Commonwealth of Massachusetts or of the Articles of Organization or these Bylaws, a written waiver thereof, executed before or after the meeting by such shareholder or such shareholder’s attorney thereunto authorized and filed with the records of the meeting, shall be deemed equivalent to such notice.

2.5. Quorum of Shareholders. At any meeting of the shareholders, a quorum as to any matter shall consist of a majority of the votes entitled to be cast on the matter, except when a larger quorum is required by law, by the Articles of Organization or by these Bylaws. Stock owned directly or indirectly by the corporation, if any, shall not be deemed outstanding for this purpose. Any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

2.6. Action by Vote. When a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office, and a majority of the votes properly cast upon any question other than an election to an office shall decide the question, except when a larger vote is required by law, by the Articles of Organization or by these Bylaws. No ballot shall be required for any election unless requested by a shareholder present or represented at the meeting and entitled to vote in the election.

2.7. Voting. Shareholders entitled to vote shall have one vote for each share of stock entitled to vote held by them of record according to the records of the corporation, unless otherwise provided by the Articles of Organization. The corporation shall not, directly or indirectly, vote any share of its own stock.

2.8. Action by Writing. Any action required or permitted to be taken at any meeting of the shareholders may be taken without a meeting if all shareholders entitled to vote on the matter consent to the action in writing and the written consents are filed with the records of the meetings of shareholders. Such consents shall be treated for all purposes as a vote at a meeting.

2.9. Proxies. To the extent permitted by law, shareholders entitled to vote may vote either in person or by proxy. Except to the extent permitted by law, No proxy which is dated more than eleven months before the meeting named therein shall be accepted, and no proxy shall be valid after the final adjournment of such meeting. Unless otherwise specifically limited by their terms, such proxies shall entitle the holders of the proxies to vote at any adjournment of such meeting but shall not be valid after the final adjournment of such meeting.

Section 3. BOARD OF DIRECTORS

3.1. Number. The corporation shall have not less than one director, the number of directors to be fixed from time to time by vote of a majority of the directors then in office; provided, however, that the number of directors shall be fixed at not less than three whenever the corporation shall have more than one shareholder, except that whenever there shall be only two shareholders, the number of directors shall not be less than two. Except in connection with the election of directors at the annual meeting of shareholders, the number of directors may be decreased only to eliminate vacancies existing by reason of the death, resignation, removal or disqualification of one or more directors. No director need be a shareholder.

3.2. Tenure. Except as otherwise provided by law, by the Articles of Organization or by these Bylaws, each director shall hold office until the next annual meeting of the shareholders and until such director’s successor is duly elected and qualified, or until such director sooner dies, resigns, is removed or becomes disqualified.

3.3. Powers. Except as reserved to the shareholders by law, by the Articles of Organization or by these Bylaws, the business of the corporation shall be managed by the directors, who shall have and may exercise all the powers of the corporation. In particular, and without limiting the generality of the foregoing, the directors may at any time issue all or from time to time any part of the unissued capital stock of the corporation authorized under the Articles of Organization and may determine, subject to any requirements of law, the consideration for which stock is to be issued and the manner of allocating such consideration between capital and surplus.

3.4. Committees. The directors may, by vote of a majority of the directors then in office, elect from their number an executive committee and other committees and delegate to any such committee or committees some or all of the powers of the directors except those which by law, by the Articles of Organization or by these Bylaws they are prohibited from delegating. Except as the directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the directors or such rules, its business shall be conducted in substantially the same manner as is provided by these Bylaws for the conduct of business by the directors.

3.5. Regular Meetings. Regular meetings of the directors may be held without call or notice at such places and at such times as the directors may from time to time determine, provided that reasonable notice of the first regular meeting following any such determination shall be given to absent directors. A regular meeting of the directors may be held without call or notice immediately after and at the same place as the annual meeting of the shareholders.

3.6. Special Meetings. Special meetings of the directors may be held at any time and at any place designated in the call of the meeting, when called by the chairman of the board, if any, the president or by two or more directors, reasonable notice thereof being given to each director by the secretary or an assistant secretary, or, if the corporation then has no secretary or assistant secretary, by the officer or one of the directors calling the meeting.

3.7. Notice. Notice to a director shall be sufficient if sent to such director by mail at least forty-eight hours or by telegram, telecopy or electronic transmission at least twenty-four hours before the meeting at such director's usual or last known business or residence address, or if given to such director in person or by telephone at least twenty-four hours before the meeting. Notice of a meeting need not be given to any director if a written waiver of notice, executed by such director before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting the lack of notice prior to the meeting or at its commencement. Neither notice of a meeting nor a waiver of a notice need specify the purposes of the meeting.

3.8. Quorum. At any meeting of the directors a majority of the directors then in office shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

3.9. Action by Vote. When a quorum is present at any meeting, a majority of the directors present may take any action, except when a larger vote is required by law, by the Articles of Organization or by these Bylaws.

3.10. Action by Writing. Unless the Articles of Organization otherwise provide, any action required or permitted to be taken at any meeting of the directors may be taken without a meeting if all the directors consent to the action, in writing, signed by each director or delivered to the corporation by electronic transmission, and such consents are filed with the records of the meetings of the directors. Such consents shall be treated for all purposes as votes taken at a meeting.

3.11. Presence through Communications Equipment. Unless otherwise provided by law or the Articles of Organization, members of the board of directors may participate in a meeting of such board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 4. OFFICERS AND AGENTS

4.1. Enumeration; Qualification. The officers of the corporation shall be a president, a treasurer, a secretary and such other officers, if any, as the incorporators at their initial meeting, or the directors from time to time, may in their discretion elect or appoint. The corporation may also have such agents, if any, as the incorporators at their initial meeting, or the directors from time to time, may in their discretion appoint. Any officer may be, but none need be, a director or shareholder. The secretary shall be a resident of Massachusetts unless the corporation has a resident agent appointed for the purpose of service of process. Any two or more offices may be held by the same person. Any officer may be required by the directors to give bond for the faithful performance of such officer's duties to the corporation in such amount and with such sureties as the directors may determine.

4.2. Powers. Subject to law, to the Articles of Organization and to the other provisions of these Bylaws, each officer shall have, in addition to the duties and powers herein set forth, such duties and powers as are commonly incident to such officer's office and such duties and powers as the directors may from time to time designate.

4.3. Election. The president, the treasurer and the secretary shall be elected annually by the directors at their first meeting following the annual meeting of the shareholders. Other officers, if any, may be elected or appointed by the board of directors at such meeting or at any other time.

4.4. Tenure. Except as otherwise provided by law or by the Articles of Organization or by these Bylaws, the president, the treasurer and the secretary shall hold office until the first meeting of the directors following the next annual meeting of the shareholders and until their respective successors are chosen and qualified, and each other officer shall hold office until the first meeting of the directors following the next annual meeting of the shareholders unless a shorter period shall have been specified by the terms of such officer's election or appointment, or in each case until such officer sooner dies, resigns, is removed or becomes disqualified.

4.5. Chief Executive Officer. The chief executive officer of the corporation shall be the president or such other officer as is designated by the directors and shall, subject to the control of the directors, have general charge and supervision of the business of the corporation. Unless the board of directors otherwise specifies, if the corporation does not have a chairman of the board, the chief executive officer shall preside, or designate the person who shall preside, at all meetings of the shareholders and of the board of directors.

4.6. Chairman of the Board. The chairman of the board, if any, shall have the duties and powers specified in these Bylaws and shall have such other duties and powers as may be determined by the directors. Unless the board of directors otherwise specifies, the chairman of the board shall preside, or designate the person who shall preside, at all meetings of the shareholders and of the board of directors.

4.7. President and Vice Presidents. The president shall have the duties and powers specified in these Bylaws and shall have such other duties and powers as may be determined by the directors.

Any vice presidents shall have such duties and powers as shall be designated from time to time by the directors.

4.8. Treasurer and Assistant Treasurers. Except as the directors shall otherwise determine, the treasurer shall be in charge of its funds and valuable papers, books of account and accounting records, and shall have such other duties and powers as may be designated from time to time by the directors.

Any assistant treasurers shall have such duties and powers as shall be designated from time to time by the directors.

4.9. Secretary and Assistant Secretaries. The secretary shall record all proceedings of the shareholders in a book or series of books to be kept therefor, which books shall be kept at the principal office of the corporation or at the office of its transfer agent or of its secretary. In the absence of the secretary from any meeting of shareholders, an assistant secretary, or in the absence of an assistant secretary, a temporary secretary chosen at the meeting, shall record the proceedings thereof in the aforesaid book. Unless a transfer agent has been appointed, the secretary shall keep or cause to be kept the stock and transfer records of the corporation, which shall contain the names and record addresses of all shareholders and the amount of stock held by each. The secretary shall keep a true record of the proceedings of all meetings of the directors and, in the secretary's absence from any such meeting, an assistant secretary, or in the absence of an assistant secretary, a temporary secretary chosen at the meeting, shall record the proceedings thereof.

Any assistant secretaries shall have such other duties and powers as shall be designated from time to time by the directors.

Section 5. RESIGNATIONS AND REMOVALS

Any director or officer may resign at any time by delivering a resignation in writing to the chairman of the board, if any, the president or the secretary or to a meeting of the directors. Such

resignation shall be effective upon receipt unless specified to be effective at some later time. A director (including persons elected by directors to fill vacancies in the board) may be removed from office (a) with or without cause by the vote of the holders of a majority of the shares issued and outstanding and entitled to vote in the election of such director or (b) with cause by the vote of a majority of the directors then in office. The directors may remove any officer elected by them with or without cause by the vote of a majority of the directors then in office. A director or officer may be removed for cause only after reasonable notice and opportunity to be heard before the body proposing removal.

Section 6. VACANCIES

Any vacancy in the board of directors, including a vacancy resulting from the enlargement of the board, may be filled by vote of the shareholders or, in the absence of shareholder action, by the directors by vote of a majority of the directors then in office. The directors shall elect a successor if the office of the president, treasurer or secretary becomes vacant and may elect a successor if any other office becomes vacant. Each such successor shall hold office for the unexpired term and, in the case of the president, treasurer and secretary, until such officer's successor is chosen and qualified, or in each case until such officer sooner dies, resigns, is removed or becomes disqualified. The directors may exercise all their powers notwithstanding the existence of one or more vacancies in their number.

Section 7. CAPITAL STOCK

7.1. Number and Par Value. The total number of shares and the par value, if any, of each class of stock which the corporation is authorized to issue shall be as stated in the Articles of Organization.

7.2. Shares Represented by Certificates and Uncertificated Shares. The board of directors may provide by resolution that some or all of any or all classes and series of shares shall be uncertificated shares. Unless such a resolution has been adopted, a shareholder shall be entitled to a certificate stating the number and the class and the designation of the series, if any, of the shares held by such shareholder, in such form as shall, in conformity to law, be prescribed from time to time by the directors. Such certificate shall be signed by the chairman of the board, if any, the president or a vice president and by the treasurer or an assistant treasurer. Such signatures may be facsimiles if the certificate is signed by a transfer agent, or by a registrar, other than a director, officer or employee of the corporation. In case any officer who has signed or whose facsimile signature has been placed on such certificate shall have ceased to hold such office before such certificate is issued, it may be issued by the corporation with the same effect as if such officer still held such office at the time of its issue.

7.3. Loss of Certificates. In the case of the alleged loss, destruction or mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof, upon such conditions as the directors may prescribe.

Section 8. TRANSFER OF SHARES OF STOCK

8.1. Transfer on Books. Subject to the restrictions, if any, stated or noted on the stock certificates or as imposed from time to time by the directors, shares of stock may be transferred

on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with necessary transfer stamps affixed, and with such proof of the authenticity of signature as the directors or the transfer agent of the corporation may reasonably require. Except as may be otherwise required by law, by the Articles of Organization or by these Bylaws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to receive notice and to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the corporation in accordance with the requirements of these Bylaws.

Each shareholder shall have the duty to notify the corporation of such shareholder's post office address.

8.2. Record Date and Closing Transfer Books. The directors may fix in advance a time, which shall be not more than sixty days before the date of any meeting of shareholders or the date for the payment of any dividend or making of any distribution to shareholders or the last day on which the consent or dissent of shareholders may be effectively expressed for any purpose, as the record date for determining the shareholders having the right to notice of and to vote at such meeting and any adjournment thereof or the right to receive such dividend or distribution or the right to give such consent or dissent, and in such case only shareholders of record on such record date shall have such right, notwithstanding any transfer of stock on the books of the corporation after the record date. Without fixing such record date the directors may for any of such purposes close the transfer books for all or any part of such period. If no record date is fixed and the transfer books are not closed:

(1) The record date for determining shareholders having the right to notice of or to vote at a meeting of shareholders shall be at the close of business on the date immediately preceding the day on which notice is given.

(2) The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board of directors acts with respect thereto.

Section 9. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The corporation shall indemnify and hold harmless each person, now or hereafter a director or officer of the corporation from and against any and all claims and liabilities to which he or she may be or become subject by reason of his or her being or having been a director or officer appointed by the board of directors of the corporation, or by reason of his or her alleged acts or omissions as a director or officer of the corporation, and shall indemnify and reimburse each such officer and director against and for any and all legal and other expenses reasonably incurred by him or her in connection with any such claim and liabilities, whether or not at or prior to the time which so indemnified, held harmless and reimbursed he or she has ceased to be an officer or director of the corporation, except with respect to any matter as to which such officer or director of the corporation shall have been adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the corporation; provided, however, that prior to such final adjudication the corporation may

compromise and settle any such claims and liabilities and pay such expenses, if such settlement or payment or both appears, in the judgment of a majority of those members of the board of directors who are not involved in such matters, to be for the best interests of the corporation as evidenced by a resolution to that effect.

Such indemnification may include payment by the corporation of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated not to be entitled to indemnification under this section.

The corporation shall similarly indemnify and hold harmless persons who serve at its express written request as directors or officers of another organization in which the corporation owns shares or of which it is a creditor, if such entity fails, pursuant to an indemnity or advancement obligation or insurance, to cover such costs and expenses; notwithstanding the foregoing, if such person may be entitled to be indemnified by such other organization or is insured by an insurer providing insurance coverage under an insurance policy issued to such other organization for any liabilities, expenses or other losses as to which such person also would be entitled to be indemnified by the corporation pursuant to the foregoing provisions of this Section 9, then it is intended, as between the corporation and such other organization and/or its insurer, that such other organization and its insurer will be the full indemnitor or insurer of first resort for any such liabilities, expenses or other losses, and that only thereafter may the corporation be required to pay indemnification or advancement of any such liabilities, expenses, or other losses.

The right of indemnification herein provided shall be in addition to and not exclusive of any other rights to which any officer or director of the corporation, or any such persons who serve at its request as aforesaid, may otherwise be lawfully entitled. As used in this Section, the terms “officer” and “director” include their respective heirs, executors and administrators.

Section 10. MASSACHUSETTS CONTROL SHARE ACQUISITIONS ACT

The provisions of Chapter 110D of the Massachusetts General Laws shall not apply to control share acquisitions of the corporation.

Section 11. CORPORATE SEAL

The seal of the corporation shall, subject to alteration by the directors, consist of a flat-faced circular die with the word “Massachusetts,” together with the name of the corporation and the year of its organization, cut or engraved thereon.

Section 12. EXECUTION OF PAPERS

Except as the directors may generally or in particular cases authorize the execution thereof in some other manner, all deeds, leases, transfers, contracts, bonds, notes, checks, drafts and other obligations made, accepted or endorsed by the corporation shall be signed by the chairman of the board, if any, the president, a vice president or the treasurer.

Section 13. FISCAL YEAR

The fiscal year of the corporation shall be as fixed by the board of directors.

Section 14. AMENDMENTS

These Bylaws may be altered, amended or repealed at any annual or special meeting of the shareholders called for the purpose, of which the notice shall specify the subject matter of the proposed alteration, amendment or repeal or the sections to be affected thereby, by vote of the shareholders. These Bylaws may also be altered, amended or repealed by vote of a majority of the directors then in office, except that the directors shall not take any action which provides for indemnification of directors nor any action to amend this Section 14, and except that the directors shall not take any action unless permitted by law.

Any Bylaw so altered, amended or repealed by the directors may be further altered or amended or reinstated by the shareholders in the above manner.

NEITHER THIS WARRANT NOR THE SHARES OF CAPITAL STOCK ISSUED UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR, SUBJECT TO THE PROVISIONS OF SECTION 11 BELOW, AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF THIS WARRANT.

WARRANT AGREEMENT

To Purchase Shares of Series D Preferred Stock of

TRANSMEDICS, INC.

Dated as of November 7, 2012 (the "Effective Date")

WHEREAS, TransMedics, Inc., a Delaware corporation (the "Company"), has entered into an Amended and Restated Loan and Security Agreement of even date herewith (the "Loan Agreement") with Hercules Technology Growth Capital, Inc., a Maryland corporation-(the "Warrantholder");

WHEREAS, the Company desires to grant to Warrantholder, in consideration for, among other things, the financial accommodations provided for in the Loan Agreement, the right to purchase shares of its Preferred Stock (as defined below) pursuant to this Warrant Agreement (the "Warrant" or the "Agreement");

NOW, THEREFORE, in consideration of the Warrantholder executing and delivering the Loan Agreement and providing the financial accommodations contemplated therein, and in consideration of the mutual covenants and agreements contained herein, the Company and Warrantholder agree as follows:

SECTION 1. GRANT OF THE RIGHT TO PURCHASE PREFERRED STOCK.

(a) For value received, the Company hereby grants to the Warrantholder, and the Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase, from the Company, up to 175,000 fully paid and non-assessable shares of the Preferred Stock as set forth below, at a purchase price of $2.50 per share (the "Exercise Price") as set forth below. The number and Exercise Price of such shares are subject to adjustment as provided in Section 8.

(b) As used herein, the following terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended.

"Charter" means the Restated Certificate of Incorporation, as may be amended from time to time.

"Common Stock" means the Company's common stock, $0.0001 par value per share.

"Initial Public Offering" means the initial underwritten public offering of the Company's Common Stock pursuant to a registration statement under the Act, which registration statement has been declared effective by the Securities and Exchange Commission ("SEC");

"Merger Event" means a merger or consolidation involving the Company in which the Company is not the surviving entity, or in which the outstanding shares of the Company's capital stock are otherwise converted into or exchanged for shares of capital stock of another entity.

"Preferred Stock" means the Series D Preferred Stock, $0.0001 par value per share, of the Company and any other stock into or for which such Series D Preferred Stock may be converted or exchanged; provided, that upon and after the occurrence of an event which results in the automatic or voluntary conversion, redemption or retirement of all (but not less than all) of the outstanding shares of such Preferred Stock, including, without limitation, the consummation of an Initial Public Offering of the Common Stock in which such a conversion occurs, then from and after the date upon which such outstanding shares are so converted, redeemed or retired, (i) this Warrant shall be exercisable for such number of shares of Common Stock as is equal to the number of shares of Common Stock that each share of Preferred Stock was converted into, multiplied by the number of shares of Preferred Stock subject to this Warrant immediately prior to such conversion (subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant), (ii) the Purchase Price shall be the Purchase Price in effect immediately prior to such conversion divided by the number shares of Common Stock into which each share of Preferred Stock was converted (subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant), and (iii) all References to this Warrant to "Preferred Stock" shall thereafter be deemed to refer to "Common Stock."

"Purchase Price" means, with respect to any exercise of this Warrant, an amount equal to the Exercise Price as of the relevant time multiplied by the number of shares of Preferred Stock requested to be exercised under this Warrant pursuant to such exercise.

"Rights Agreement" means that certain Seventh Amended and Restated Investor Rights Agreement dated as of November 7, 2012 by and among the Company and certain holders of the Company's capital stock, as it may be amended or restated from time to time.

SECTION 2. TERM OF THE WARRANT.

Except as otherwise provided for herein, the term of this Warrant and the right to purchase Preferred Stock as granted herein shall commence on the Effective Date and shall be exercisable for a period of ten (10) years from the Effective Date.

SECTION 3. EXERCISE OF THE PURCHASE RIGHTS.

(a) Exercise. The purchase rights set forth in this Warrant are exercisable by the Warrantholder, in whole or in part, at any time, or from time to time, prior to the expiration of the term set forth in Section 2, by tendering to the Company at its principal office a notice of exercise in the form attached hereto as Exhibit I (the "Notice of Exercise"), duly completed and executed. Promptly upon receipt of the Notice of Exercise and the payment of the Purchase Price in accordance with the terms set forth below, and in no event later than ten (10) days (three (3) days, if the Company's securities are then publicly traded) thereafter, the Company shall issue to the Warrantholder a certificate for the number of shares of Preferred Stock purchased and shall execute the acknowledgment of exercise in the form attached hereto as Exhibit II (the "Acknowledgment of Exercise") indicating the number of shares which remain subject to future purchases, if any.

The Purchase Price may be paid at the Warrantholder's election either (i) by cash or check, or (ii) by surrender of all or a portion of the Warrant for shares of Preferred Stock to be exercised under this Warrant and, if applicable, a new warrant of like tenor representing the remaining number of shares purchasable hereunder, as determined below ("Net Issuance"). If the Warrantholder elects the Net Issuance method, the Company will issue Preferred Stock in accordance with the following formula:

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

Where: X = the number of shares of Preferred Stock to be issued to the Warrantholder.

Y = the number of shares of Preferred Stock requested to be exercised under this Warrant (including the number of shares to be cancelled in payment of the Purchase Price).

A = the fair market value of one (1) share of Preferred Stock at the time of issuance of such shares of Preferred Stock.

B= the Exercise Price.

For purposes of the above calculation, the fair market value of Preferred Stock shall mean with respect to each share of Preferred Stock:

(i) if the exercise is in connection with an Initial Public Offering, and if the Company's Registration Statement relating to such Initial Public Offering has been declared effective by the SEC, then the fair market value per share shaft be the product of (x) the initial "Price to Public" of the Common Stock specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(ii) if the exercise is after, and not in connection with an Initial Public Offering, and:

(A) if the Common Stock is traded on a securities exchange, the fair market value shall be deemed to be the product of (x) the average of the closing prices over a five (5) day period ending three days before the day the then-current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise; or

(B) if the Common Stock is traded over-the-counter, the fair market value shall be deemed to be the product of (x) the average of the closing bid and asked prices quoted on the NASDAQ system (or similar system) over the five (5) day period ending three days before the day the then-current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(iii) if at any time the Common Stock is not listed on any securities exchange or quoted in the over-the-counter market, the fair market value of Preferred Stock shall be the product of (x) the fair market: value of Common Stock, as determined in good faith by its Board of Directors and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise, provided that in the event that the exercise is in connection with a Merger Event, the fair market value of Preferred Stock shall be deemed to be the per share value received by the holders of the Company's Preferred Stock on a common equivalent basis pursuant to such Merger Event.

Upon partial exercise by either cash or Net Issuance, the Company shall promptly issue a new warrant representing the remaining number of shares purchasable hereunder. All other terms and conditions of such new Warrant shall be identical to those contained herein, including, but not limited to the Effective Date hereof.

(b) Exercise Prior to Expiration. To the extent this Warrant is not previously exercised as to all Preferred Stock subject hereto, and if the fair market value of one share of the Preferred Stock is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised pursuant to Section 3(a) (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Preferred Stock upon such expiration shall be determined pursuant to Section 3(a). To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 3(b), the Company agrees to promptly notify the Warrantholder of the number of shares of Preferred Stock, if any, the Warrantholder is to receive by reason of such automatic exercise.

SECTION 4. RESERVATION OF SHARES.

During the term of this Warrant, the Company will at all times have authorized and reserved a sufficient number of shares of its Preferred Stock to provide for the exercise of the rights to purchase Preferred Stock as provided for herein, and shall have authorized and reserved a sufficient dumber of shares of its Common Stock to provide for the conversion of the Preferred Stock issuable hereunder.

SECTION 5. NO FRACTIONAL SHARES OR SCRIP.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Exercise Price then in effect.

SECTION 6. NO RIGHTS AS SHAREHOLDER/STOCKHOLDER.

This Agreement does not entitle the Warrantholder to any voting rights or other rights as a shareholder/stockholder f the Company prior to the exercise of this Warrant.

SECTION 7. WARRANTHOLDER REGISTRY.

The Company shall maintain a registry showing the name and address of the registered holder of this Warrant. Warrantholder's initial address, for purposes of such registry, is set forth in Section 12(f) below. Warrantholder may change such address by giving written notice of such changed address to the Company.

SECTION 8. ADJUSTMENT RIGHTS.

The Exercise Price and the number of shares of Preferred Stock purchasable hereunder are subject adjustment, as follows:

(a) Merger Event. If at any time there shall be Merger Event, then, as a part of such Merger Event, lawful provision shall be made so that the Warrantholder shall thereafter be entitled to receive, upon exercise of this Warrant, the number of shares of preferred stock or other securities or property of the successor corporation resulting from such Merger Event that would have been issuable if Warrantholder had exercised this Warrant immediately prior to the Merger Event. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Warrantholder after the Merger Event to the end that the provisions of this Warrant (including adjustments of the Exercise. Price and number of shares of Preferred Stock purchasable) shall be applicable in their entirety, and to the greatest extent possible. Without limiting the foregoing, in connection with any Merger Event, upon the closing thereof, the successor or surviving entity shall assume the obligations of this Warrant. In connection with a Merger Event and upon Warrantholder's written election to the Company at least five (5) days prior to the closing thereof, the Company shall cause this Warrant to be exchanged for the consideration that Warrantholder would have received if Warrantholder chose to exercise its right to have shares issued pursuant to the Net Issuance provisions of this Warrant without actually exercising such right, acquiring such shares and exchanging such shares for such consideration

(b) Reclassification of Shares. Except as set forth in Section 8(a), if the Company at any time shall, by combination, reclassification, exchange or subdivision of securities or otherwise, change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the

purchase rights under this Warrant immediately prior to such combination, reclassification, exchange, subdivision or other change.

(c) Subdivision or Combination of Shares. If the Company at any time shall combine or subdivide its Preferred Stock, (i) in the case of a subdivision, the Exercise Price shall be proportionately decreased, and the number of shares of Preferred Stock issuable upon exercise of this .Warrant shall be proportionately increased, or (ii) in the case of a combination, the Exercise Price shall be proportionately increased, and the number of shares of Preferred Stock issuable upon the exercise of this Warrant shall be proportionately decreased. pay a dividend with respect to the Preferred Stock payable in Preferred Stock.

(d) Stock Dividends. If the Company at any time while this Warrant is outstanding and unexpired shall:

(i) pay a dividend with respect to the Preferred Stock payable in Preferred Stock, then the Exercise Price shall be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Preferred Stock outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Preferred Stock outstanding immediately after such dividend or distribution; or

(ii) make any other distribution with respect to Preferred Stock (or stock into which the Preferred Stock is convertible), except any distribution specifically provided for in any other clause of this Section 8, then, in each such case, provision shall be made by the Company such that the Warrantholder shall receive upon exercise of this Warrant a proportionate share of any such distribution as though it were the holder of the Preferred Stock (or other stock for which the Preferred Stock is convertible) as of the record date fixed for the determination of the stockholders of the Company entitled to receive such distribution.

(e) Antidilution Rights. Antidilution rights applicable to the Preferred Stock purchasable hereunder are as set forth in the Charter and shall be applicable with respect to the Preferred Stock issuable hereunder. The Company shall promptly provide the Warrantholder with any restatement, amendment, modification or waiver of the Charter; provided, that no such amendment, modification or waiver shall impair or reduce the antidilution rights applicable to the Preferred Stock as of the date hereof unless such amendment, modification or waiver applies to all then-outstanding shares of Preferred Stock. For the avoidance of doubt, there shall be no duplicate anti-dilution adjustment pursuant to this Section 8(e), the forgoing Section 8(d) and the Charter.

(f) Notice of Adjustments. If: (i) the Company shall declare any dividend or distribution upon outstanding shares of the Preferred Stock, whether in stock, cash, property or other securities; (ii) the Company shall offer for subscription pro rata to the holders of outstanding shares of the Preferred Stock any additional shares of stock of any class or series or other rights (other than pursuant to contractual pre-emptive rights); (iii) there shall be any

Merger Event; (iv) there shall be an Initial Public Offering; (v) the Company shall sell, lease, license or otherwise transfer all or substantially all of its assets; or (vi) there shall be any voluntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Warrantholder: (A) at least fifteen (15) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Preferred Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; (B) in the case of any such Merger Event, sale, lease, license or other transfer of all or substantially all assets, dissolution, liquidation or winding up, at least fifteen (15) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Preferred Stock shall be entitled to exchange their Preferred Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up); and (C) in the case of an Initial Public Offering, the Company shall give the Warrantholder at least fifteen (15) days' written notice prior to the filing of the registration statement in connection therewith.

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the notice, and (ii) if any adjustment is required to be made, (A) the amount of such adjustment, (B) the method by which such adjustment was calculated, (C) the adjusted Exercise Price (if the Exercise Price has been adjusted), and (D) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given in the manner set forth in Section 12(f).

(g) Timely Notice. Failure to timely provide such notice required by Section 8(f) above shall entitle Warrantholder to retain the benefit of the applicable notice period notwithstanding anything to the contrary contained in any insufficient notice received by Warrantholder.

(h) "Pay to Play" Rights. In the event that any "pay to play" terms or conditions (i.e. terms or conditions that require a holder of the Preferred Stock to purchase securities in a future round of equity financing or else lose the benefit of anti-dilution protections applicable to shares of Preferred Stock or have such shares of Preferred Stock automatically convert into common stock or another class or series of capital stock) in the Charter are triggered in connection with any equity financing (a "Trigger Event"), then, in each such event, the purchase rights under this Agreement shall automatically adjust to provide the Warrantholder, upon the later exercise hereof, with the same securities and/or rights that the Warrantholder would have received had the Warrantholder (x) exercised this Warrant prior to such Trigger Event, and (y) participated in such equity financing in an amount sufficient to be deemed to have fully participated for purposes of such "pay to play" provision. For the avoidance of doubt, the foregoing shall not alter the impact of a Trigger Event and any such "pay to play" terms or conditions upon shares of Preferred Stock of the Company held by the WarrantHolder as of the effective date thereof.

SECTION 9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.

The Company makes the following representations and warranties to the Warrantholder as of the Effective Date

(a) Reservation of Preferred Stock. The Preferred Stock issuable upon exercise of the Warrantholder's rights has been duly and validly reserved and, when issued in accordance with the provisions of this Warrant, will be validly issued, fully paid and non-assessable, and will be free of any taxes, liens, charges or encumbrances of any nature whatsoever; provided, that the Preferred Stock issuable pursuant to this Warrant may be subject to restrictions on transfer hereunder and under state and/or federal securities laws. The Company has made available to the Warrantholder true, correct and complete copies of its Charter and current bylaws. The issuance of certificates for shares of Preferred Stock upon exercise of this Warrant shall be made without charge to the Warrantholder for any issuance tax in respect thereof, or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Preferred Stock; provided, that the Company shall not be required to pay any tax which may be payable in respect of any transfer and the issuance and delivery of any certificate in a name other than that of the Warrantholder.

(b) Due Authority. The execution and delivery by the Company of this Warrant and the performance of all obligations of the Company hereunder, including the grant to Warrantholder of the right to acquire the shares of Preferred Stock and the Common Stock into which such Preferred Stock may be converted, have been duly authorized by all necessary corporate action on the part of the Company. The execution and delivery of this Warrant by the Company: (i) do not violate the Charter or current bylaws; (ii) do not contravene any law or governmental rule, regulation or order applicable to it; and (iii) do not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound. This Warrant constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and by equitable principles, including those limiting the availability of specific performance, injunctive relief and other equitable remedies and those providing for equitable defenses.

(c) Consents and Approvals. Subject to the accuracy of the representations of the Warrantholder in Section 10, no consent or approval of, giving of notice to, registration with, or taking of any other action in respect of any state, federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Company of its obligations under this Warrant, except for the filing of notices pursuant to Regulation D under the Act and any filing required by applicable state securities law, which filings will be effective by the time required thereby.

(d) Issued Securities. All issued and outstanding shares of Common Stock, Preferred Stock and other securities of the Company have been duly authorized and validly issued, and all outstanding shares of capital stock of the Company are fully paid and non-assessable. All outstanding shares of Common Stock, Preferred Stock and any other securities were issued in compliance in all material respects with all federal and state securities laws. In addition, as of the date immediately preceding the date of this Warrant:

(i) The authorized capital stock of the Company immediately prior to the Closing consists of (i) 33,000,000 shares of Common Stock, 3,386,640 of which are issued and outstanding as of immediately prior to the Closing and (ii) 28,282,654 shares

of Preferred Stock, $0.0001 par value per share (the "Preferred Stock"'), of which (A) 13,332 shares have been designated as Series A-l Preferred Stock, $0.0001 par value per share ("Series A Preferred"), all of which are issued and outstanding as of immediately prior to the Closing, (B) 3,771,020 shares have been designated as Series B Preferred, 3,624,650 of which are issued and outstanding as of immediately prior to the Closing, (C) 2,560,245 shares have been designated as Series B-l Preferred, all of which are issued and outstanding as of immediately prior to the Closing, (D) 6,198,057 shares have been designated as Series C Preferred, all of which are issued and outstanding as of immediately prior to the Closing and (E) 15,740,000 shares have been designated as Series D Preferred, none of which are issued or outstanding as of immediately prior to the Closing.

(ii) The Company has reserved 4,158,868 shares of Common Stock in the aggregate for issuance under its 2004 stock incentive plan collectively, under which options to purchase 2,331,446 shares are outstanding. The Company has outstanding warrants to purchase an aggregate of 30,000 shares of Common Stock and warrants to purchase an aggregate of 146,370 shares of its Series B Preferred Stock. Other than as described in this clause (ii) and this Agreement, there are no other options, warrants, conversion privileges or other rights presently outstanding to purchase or otherwise acquire any authorized but unissued shares of the Company's capital stock or other securities of the Company.

(e) Other Commitments to Register Securities. Except as set forth in the Rights Agreement, the Company is not, pursuant to the terms of any other agreement currently in existence, under any obligation to register under the Act any of its presently outstanding securities or any of its securities which may hereafter be issued.

(f) Exempt Transaction. Subject to the accuracy of the Warrantholder's representations in Section 10, the issuance of the Preferred Stock upon exercise of this Warrant, and the issuance of the Common Stock upon conversion of the Preferred Stock, will each constitute a transaction exempt from (i) the registration requirements of Section 5 of the Act, and (ii) the qualification requirements of the applicable state securities laws.

(g) Compliance with Rule 144. If the Warrantholder proposes to sell Preferred Stock issuable upon the exercise of this Warrant, or the Common Stock into which it is convertible, after the Initial Public Offering in compliance with Rule 144 promulgated by the SEC, then, upon Warrantholder's written request to the Company, the Company shall furnish to the Warrantholder, within ten (10) days after receipt of such request, a written statement confirming the Company's compliance with the filing requirements of the SEC as set forth in such Rule, as such Rule may be amended from time to time.

(h) Information Rights. During the term of this Warrant, Warrantholder shall be entitled to the information rights contain in Section 7.1 of the Loan Agreement, and Section 7.1 of the Agreement is hereby incorporated into this Warrant by this reference as though fully set forth herein, provided, however, that the Company shall not be required to deliver a Compliance Certificate once all Indebtedness (as defined in the Loan Agreement) owed by the Company to Warrantholder has been repaid.

SECTION 10. REPRESENTATIONS AND COVENANTS OF THE WARRANTHOLDER.

This Warrant has been entered into by the Company in reliance upon the following representations and covenants of the Warrantholder, which representations and covenants are made on the Effective Date and upon each exercise of this Warrant (including any automatic exercise):

(a) Investment Purpose. The right to acquire Preferred Stock, the Preferred Stock issuable upon exercise of the Warrantholder's rights contained herein and the Common Stock issuable upon conversion of the Preferred Stock will be acquired for investment and not with a view to the sale or distribution of any part thereof, and the Warrantholder has no present intention of selling or engaging in any public distribution of the same except pursuant to a registration or exemption.

(b) Private Issue. The Warrantholder understands (i) that the Preferred Stock issuable upon exercise of this Warrant and the Common Stock issuable upon conversion of the Preferred Stock is not registered under the Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Agreement will be exempt from the registration and qualifications requirements thereof, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 10.

(c) Financial Risk. The Warrantholder has sufficient knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment, and has the ability to bear the economic risks of its investment in the Company. The Warrantholder has made such inquiry concerning the Company and its business and personnel as it has deemed appropriate.

(d) Risk of No Registration. The Warrantholder understands that if the Company does not register shares of its capital stock with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934 (the "1934 Act"), or file reports pursuant to Section 15(d) of the 1934 Act, or if a registration statement covering the shares of its capital stock under the Act is not in effect when the Warrantholder desires to sell (i) this Warrant, (ii) the Preferred Stock issuable upon exercise of this Warrant or (iii) the Common Stock issuable upon conversion of the Preferred Stock issuable upon exercise of this Warrant, it may be required to hold such securities for an indefinite period. The Warrantholder also understands that any sale of (A) this Warrant or (B) Preferred Stock issued or issuable hereunder, or the Common Stock issuable upon conversion thereof, which might be made by it in reliance upon Rule 144 under the Act may be made only in accordance with the terms and conditions of that Rule.

(e) Accredited Investor. Warrantholder is an "accredited investor" within the meaning of Rule 501 of Regulation D, as presently in effect under the Act.

(f) Market "Stand-off' Agreement. The Warrantholder agrees, if requested by the Company and the managing underwriter of the Initial Public Offering, (a) not to (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or

otherwise transfer or dispose of, directly or indirectly, this Warrant, the Preferred Stock or other shares of capital stock issuable upon exercise of this Warrant (or the conversion of any such shares), or any other securities of the Company or (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of this Warrant, the Preferred Stock or other shares of capital stock issuable upon exercise of this Warrant (or the conversion of any such shares), or any other securities of the Company (excluding securities acquired in the Initial Public Offering or in the public market after the Initial Public Offering), whether any transaction described in clause (i) or (ii) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of the registration statement relating to the Initial Public Offering with the SEC and ending 180 days after the date of the final prospectus relating to the Initial Public Offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711 (f) of the National Association of Securities Dealers, Inc. or any similar successor provision) and (b) to execute any agreement reflecting clause (a) above as may be requested by the Company or the managing underwriters of the Initial Public Offering; provided, that all directors and officers of the Company, and all holders of one percent (1%) or more of the Company's Common Stock (calculated on a fully-diluted, as-exercised, as-converted basis) enter into similar agreements with the Company and/or managing underwriter; provided, further, that if the Company or managing underwriter releases any such director, officer or stockholder from his or its obligations under such agreement prior to the expiration thereof, the Warrantholder shall thereupon automatically be released from its obligations under this Section 10(f) and its agreement with the Company and/or managing underwriter to the same extent. In order to enforce the foregoing, the Company may impose stop-transfer instructions with respect to such securities until the end of such lock-up period and may cause such securities to bear a legend setting forth such restriction until the end of such lock-up period. The underwriters for the Initial Public Offering are intended third party beneficiaries of this Section 10(f) and shall have the right, power and authority to enforce the provisions hereof as though they were parties hereto.

SECTION 11. TRANSFERS.

Subject to compliance with applicable federal and state securities laws and with the provisions of this Section 11, this Warrant and all rights hereunder are transferable, in whole or in part, without charge to the holder hereof (except for transfer taxes) upon surrender of this Warrant properly endorsed. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that the holder hereof, when this Warrant shall have been properly endorsed and its transfer recorded on the Company's books, shall be treated by the Company and all other persons dealing with this Warrant as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented by this Warrant. The transfer of this Warrant shall be recorded on the books of the Company upon receipt by the Company of a notice of transfer in the form ditched hereto as Exhibit III (the "Transfer Notice"), at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. Until the Company receives such Transfer Notice, the Company may treat the registered owner hereof as the owner for all purposes. Neither this Warrant nor the shares of capital stock issuable upon exercise of this Warrant shall be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the

effect that such sale or transfer is exempt from the registration requirements of the Act; provided, that the Company shall not require a legal opinion in connection with any transfer by Warrantholder of this Warrant and/or any shares of Preferred Stock issued upon exercise hereof to an Affiliate of Warrantholder, provided that such transferee (i) is an "accredited investor" within the meaning of the Securities and Exchange Rule 501 of Regulation D, as presently in effect, and (ii) agrees in writing with the Company to be bound by all of the obligations of the Warrantholder hereunder. At all times prior to the Initial Public Offering, the Warrantholder shall not, without the prior written consent of the Company, (x) transfer this Warrant or any shares of Preferred Stock issued upon any exercise hereof to a person or entity that directly competes with the Company, except in connection with a Merger Event where the acquiring or surviving person or entity is such a direct competitor, and (y) transfer this Warrant to any non-Affiliate except in whole. As used herein, an "Affiliate" of the Warrantholder means any person or entity directly or indirectly controlling, controlled by or under common control with the Warrantholder. Each certificate representing shares of capital stock issuable upon exercise of this Warrant shall bear a legend substantially in the following form:

> "The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be offered, sold or otherwise transferred, pledged or hypothecated unless and until such securities are registered under such Act or, subject to Section 11 of that certain Warrant Agreement dated November 7, 2012 between the Company and Hercules Technology Growth Capital, Inc., an opinion of counsel satisfactory to the Company is obtained to the effect that such registration is not required."

SECTION 12. MISCELLANEOUS.

(a) Effective Date. The provisions of this Warrant shall be construed and shall be given effect in all respects as if it had been executed and delivered by the Company on the date hereof. This Agreement shall be binding upon any successors or assigns of the Company.

(b) Remedies. In the event of any default hereunder, the non-defaulting party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including but not limited to an action for damages as a result of any such default, and/or an action for specific performance for any default where the non-defaulting party will not have an adequate remedy at law and where damages will not be readily ascertainable. Each party expressly agrees that it shall not oppose an application by the other party or any other person entitled to the benefit of this Warrant requiring specific performance of any or all provisions hereof or enjoining the other party from continuing to commit any such breach of this Warrant.

(c) No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Warrantholder against impairment.

(d) Attorney's Fees. In any litigation, arbitration or court proceeding between the Company and the Warrantholder relating hereto, the prevailing party shall be entitled to reasonable attorneys' fees and expenses and all costs of proceedings incurred in enforcing this Warrant. For the purposes of this Section 12(d), reasonable attorneys' fees shall include without limitation fees incurred in connection with the following: (i) contempt proceedings; (ii) discovery; (iii) any motion, proceeding or other activity of any kind in connection with an insolvency proceeding; (iv) garnishment, levy, and debtor and third party examinations; and (v) post-judgment motions and proceedings of any kind, including without limitation any activity taken to collect or enforce any judgment.

(e) Severability. In the event any one or more of the provisions of this Warrant shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Warrant shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

(f) Notices. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication that is required, contemplated, or permitted under this Warrant or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by facsimile or hand delivery if transmission or delivery occurs on a business day at or before 5:00 pm in the time zone of the recipient, or, if transmission or delivery occurs on a non-business day or after such time, the first business day thereafter, or the first business day after deposit with an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States mails, with proper first class postage prepaid, and shall be addressed to the party to be notified as follows:

If to Warrantholder:

HERCULES TECHNOLOGY GROWTH CAPITAL, INC
Legal Department
Attention: Chief Legal Officer
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
Facsimile: 650-473-9194
Telephone: 650-289-3060

With a copy to:

Riemer & Braunstein LLP
Three Center Plaza
Boston, MA 02108
Attn: Q. Ellis Telford, Esq.
Facsimile: 617-880-3456
Telephone: 617-523-9000

If to the Company:

TransMedics, Inc.
Attention: Chief Financial Officer
200 Minuteman Road
Suite 302
Andover, MA 01810
Facsimile: 978-685-9562
Telephone: 978-552-0925

With a copy to:

WilmerHale
60 State Street
Boston, MA 02109
Attn: David Redlick, Esq.
Facsimile: 617-526-5000
Telephone: 617-526-6000

or to such other address as each party may designate for itself by like notice.

(g) Entire Agreement: Amendments. This Agreement constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof, and supersede and replace in their entirety any prior proposals, term sheets, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof. None of the terms of this Warrant may be amended except by an instrument executed by each of the parties hereto.

(h) Headings. The various headings in this Warrant are inserted for convenience only and shall not affect the meaning or interpretation of this Warrant or any provisions hereof.

(i) Advice of Counsel. Each of the parties represents to each other party hereto that it has discussed (or had an opportunity to discuss) with its counsel this Warrant and, specifically, the provisions of Sections 12(m), 12(n), 12(o), 12(p)and 12(q).

(j) No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Warrant. In the event an ambiguity or question of intent or interpretation arises, this Warrant shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Warrant.

(k) No Waiver. No omission or delay by either party at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the other party at any time designated, shall be a waiver of any such right or remedy to which such party is entitled, nor shall it in any way affect the right of such party to enforce such provisions thereafter.

(l) Survival. All agreements, representations and warranties contained in this Warrant or in any document delivered pursuant hereto shall be for the benefit of Warrantholder

or the Company, as the case may be, and shall survive the execution and delivery of this Warrant and the expiration or other termination of this Warrant.

(m) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, (i) to the extent applicable, the Delaware General Corporation Law, and (ii) otherwise, the laws of the State of California, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

(n) Consent to Jurisdiction and Venue. All judicial proceedings arising in or under or related to this Warrant shall be brought in any state or federal court of competent jurisdiction located in the State of California. By execution and delivery of this Warrant, each party hereto generally and unconditionally: (a) consents to personal jurisdiction in Santa Clara County, State of California; (b) waives any objection as to jurisdiction or venue in Santa Clara County, State of California; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Warrant. Service of process on any party hereto in any action arising out of or relating to this Warrant shall be effective if given in accordance with the requirements for notice set forth in Section 12(f), and shall be deemed effective and received as set forth in Section 12(f). Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

(o) Mutual Waiver of Jury Trial. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF THE COMPANY AND WARRANTHOLDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, “CLAIMS”) ASSERTED BY THE COMPANY AGAINST WARRANTHOLDER OR ITS ASSIGNEE OR BY WARRANTHOLDER OR ITS ASSIGNEE AGAINST THE COMPANY. This waiver extends to all such Claims, including Claims that involve Persons other than the Company and the Warrantholder; Claims that arise out of or are in any way connected to the relationship between the Company and Warrantholder; and any Claims for damages, breach of contract, specific performance, or any equitable or legal relief of any kind, arising out of this Warrant.

(p) Arbitration. If the Mutual Waiver of Jury Trial set forth in Section 12(o) is ineffective or unenforceable, the parties agree that all Claims shall be submitted to binding arbitration in accordance proceeding shall be conducted in San Francisco County, California, with California rules of evidence and discovery applicable to such arbitration. The decision of the arbitrator shall be binding on the parties, and shall be final and nonappealable to the maximum extent permitted by law. Any judgment rendered by the arbitrator may be entered in a court of competent jurisdiction and enforced by the prevailing party as a final judgment of such court.

(q) Pre-arbitration Relief. In the event claims are to be resolved by arbitration, either party may seek from a court of competent jurisdiction identified in Section 12(n), any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by binding arbitration.

(r) Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

(s) Specific Performance. The parties hereto hereby declare that it is impossible to measure in money the damages which will accrue to a party by reason of the other party's failure to perform any of its respective obligations under this Warrant and agree that the terms of this Warrant shall be specifically.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be executed by its officers thereunto duly authorized as of the Effective Date

COMPANY: TRANSMEDICS, INC.

By: /s/ Waleed Hassanein

Name: Waleed Hassanein

Title: President & CEO

WARRANTHOLDER: HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

By: /s/ K. Nicholas Martitsch

Name: K. Nicholas Martitsch

Title: Associate General Counsel

EXHIBIT I

NOTICE OF EXERCISE

To: [_____]

(1) The undersigned Warrantholder hereby elects to purchase [____] shares Of the Series [__] Preferred Stock of [_____], pursuant to the terms of the Agreement dated the [____] day of [_____, ____] (the "Agreement") between [_____] and the Warrantholder, and [CASH PAYMENT: tenders herewith payment of the Purchase price in full, together with all applicable transfer taxes, if any.] [NET ISSUANCE: elects pursuant to Section 3(a) of the Agreement to effect a Net Issuance.]

(2) Please issue a certificate or certificates representing said shares of Series [__] Preferred Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

WARRANTHOLDER: HERECULES TECHNOLOGY GROWTH CAPITAL, INC.

By: _____

Title: _____

EXHIBIT II

ACKNOWLEDGMENT OF EXERCISE

The undersigned [_____], hereby acknowledge receipt of the "Notice of Exercise" from Hercules Technology Growth Capital, Inc., [**If SBA**: Hercules Technology II, L.P.] to purchase [___] shares of the Series [_____] Preferred Stock of [_____], pursuant to the terms of the Agreement, and further acknowledges that [_____] shares remain subject to purchase under the terms of the Agreement.

COMPANY: [_____]

By: _____

Title: _____

Date: _____

EXHIBIT III

TRANSFER NOTICE

(To transfer or assign the foregoing Agreement execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Agreement and all rights evidenced thereby are hereby transferred and assigned to

_____

(Please Print)

whose address is _____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

Signature Guaranteed: _____

NOTE: The signature to this Transfer Notice must correspond with the name as it appears on the face of the Agreement, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Agreement.

NEITHER THIS WARRANT NOR THE SHARES OF CAPITAL STOCK ISSUED UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR, SUBJECT TO THE PROVISIONS OF SECTION 11 BELOW, AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF THIS WARRANT.

WARRANT AGREEMENT

To Purchase Shares of the Preferred Stock of

TRANSMEDICS, INC.

Dated as of September 11, 2015 (the "Effective Date")

WHEREAS, TransMedics, Inc., a Delaware corporation (the "Company"), has entered into a Loan and Security Agreement of even date herewith (the "Loan Agreement") with Hercules Technology Growth Capital, Inc., a Maryland corporation (the "Warrantholder");

WHEREAS, the Company desires to grant to Warrantholder, in consideration for, among other things, the financial accommodations provided for in the Loan Agreement, the right to purchase shares of its Preferred Stock (as defined below) pursuant to this Warrant Agreement (the "Warrant" or the "Agreement");

NOW, THEREFORE, in consideration of the Warrantholder executing and delivering the Loan Agreement and providing the financial accommodations contemplated therein, and in consideration of the mutual covenants and agreements contained herein, the Company and Warrantholder agree as follows:

SECTION 1. GRANT OF THE RIGHT TO PURCHASE PREFERRED STOCK.

(a) For value received, the Company hereby grants to the Warrantholder, and the Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase, from the Company, up to such number of fully paid and non-assessable shares of the Preferred Stock (as defined below) as determined pursuant to Section 1(b) below, at a purchase price per share equal to the Exercise Price (as defined below). The number and Exercise Price of such shares are subject to adjustment as provided in Section 8. As used herein, the following terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended.

"Charter" means the Company's Certificate of Incorporation as amended and/or restated and in effect from time to time.

"Common Stock" means the Company's common stock, $0.0001 par value per share.

"Exercise Price" means the purchase price per share of Preferred Stock hereunder, and shall be the Series F Price; provided, that upon consummation of the Next Equity Round, if any, if the Next Equity Round Price shall be lower than the Series F Price in effect as of immediately prior to such consummation, then the "Exercise Price" shall mean the Next Equity Round Price, subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

"Initial Public Offering" means the initial underwritten public offering of the Company's Common Stock pursuant to a registration statement under the Act, which registration statement has been declared effective by the Securities and Exchange Commission ("SEC");

"Merger Event" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company, (ii) the merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

"Next Equity Round" means the first sale and issuance by the Company after the Effective Date hereof, in a single transaction or series of related transactions, of shares of its convertible preferred stock or other senior equity securities to one or more investors for cash for financing purposes resulting in gross cash proceeds to the Company of at least $10,000,000.

"Next Equity Round Price" means the lowest effective price per share paid by investors for shares of the Next Equity Round Series in the Next Equity Round.

"Next Equity Round Series" means the class and series of convertible preferred stock or other senior equity security sold and issued by the Company in the Next Equity Round.

"Preferred Stock" means the Series F Preferred Stock, $0.0001 par value per share, of the Company and any other stock into or for which such Series F Preferred Stock may be converted or exchanged; provided, that upon the consummation of the Next Equity Round, if any, if the Next Equity Round Price shall be lower than the Series F Price in effect as of immediately prior to such consummation, then "Preferred Stock" shall mean the Next Equity Round Series and any other stock into or for which such Next Equity

Round Series may be converted or exchanged; provided, further, that, subject to Section 8(f) below, upon the conversion into Common Stock of all (but not less than all) of the outstanding shares of such Preferred Stock (including, without limitation, in connection with the Initial Public Offering), (i) this Warrant shall be exercisable for such number of shares of Common Stock as is equal to the number of shares of Common Stock that each share of Preferred Stock was converted into, multiplied by the number of shares of Preferred Stock subject to this Warrant immediately prior to such conversion (subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant), (ii) the Purchase Price shall be the Purchase Price in effect immediately prior to such conversion divided by the number of shares of Common Stock into which each share of Preferred Stock was converted (subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant), and (iii) all references to this Warrant to "Preferred Stock" shall thereafter be deemed to refer to "Common Stock.".

"Purchase Price" means, with respect to any exercise of this Warrant, an amount equal to the Exercise Price as of the relevant time multiplied by the number of shares of Preferred Stock requested to be exercised under this Warrant pursuant to such exercise.

"Rights Agreement" means that certain Eighth Amended and Restated Investor Rights Agreement dated as of June 14, 2013 by and among the Company and certain holders of the Company's capital stock, as amended on May 29, 2015 and as it may be further amended or restated from time to time.

"Series F Price" means $4.99, as may be adjusted from time to time in accordance with the provisions of this Warrant.

(b) Number of Shares. This Warrant shall be exercisable for such number of shares of Preferred Stock as shall equal (i) $82,219, divided by (ii) the Exercise Price in effect from time to time, subject to adjustment from time to time in accordance with the provisions of this Warrant.

SECTION 2. TERM OF THE WARRANT.

Except as otherwise provided for herein, the term of this Agreement and the right to purchase Preferred Stock as granted herein shall commence on the Effective Date and shall be exercisable for a period ending upon the later to occur of (i) the tenth (10th) anniversary of the Effective Date, and (ii) if the Initial Public Offering shall be consummated on or before the tenth (10th) anniversary of the Effective Date, the date that is five (5) years following the effective date of the Company's registration statement in connection with the Initial Public Offering.

SECTION 3. EXERCISE OF THE PURCHASE RIGHTS.

(a) Exercise. The purchase rights set forth in this Warrant are exercisable by the Warrantholder, in whole or in part, at any time, or from time to time, prior to the expiration of the term set forth in Section 2, by tendering to the Company at its principal office a notice of exercise in the form attached hereto as Exhibit I (the "Notice of Exercise"), duly completed and executed. Promptly upon receipt of the Notice of Exercise and the payment of the Purchase

Price in accordance with the terms set forth below, and in no event later than ten (10) days (three (3) days, if the Company's securities are then publicly traded) thereafter, the Company shall issue to the Warrantholder a certificate for the number of shares of Preferred Stock purchased and shall execute the acknowledgment of exercise in the form attached hereto as Exhibit II (the "Acknowledgment of Exercise") indicating the number of shares which remain subject to future purchases, if any.

The Purchase Price may be paid at the Warrantholder's election either (i) by cash or check, or (ii) by surrender of all or a portion of the Warrant for shares of Preferred Stock to be exercised under this Warrant and, if applicable, a new warrant of like tenor representing the remaining number of shares purchasable hereunder, as determined below ("Net Issuance"). If the Warrantholder elects the Net Issuance method, the Company will issue Preferred Stock in accordance with the following formula:

$$X = \frac{Y(AB)}{A}$$

Where: X = the number of shares of Preferred Stock to be issued to the Warrantholder.

Y = the number of shares of Preferred Stock requested to be exercised under this Warrant (including the number of shares to be cancelled in payment of the Purchase Price).

A = the fair market value of one (1) share of Preferred Stock at the time of issuance of such shares of Preferred Stock.

B = the Exercise Price.

For purposes of the above calculation, the fair market value of Preferred Stock shall mean with respect to each share of Preferred Stock:

(i) if the exercise is in connection with an Initial Public Offering, and if the Company's Registration Statement relating to such Initial Public Offering has been declared effective by the SEC, then the fair market value per share shall be the product of (x) the initial "Price to Public" of the Common Stock specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(ii) if the exercise is after, and not in connection with an Initial Public Offering, and:

(A) if the Common Stock is traded on a securities exchange, the fair market value shall be deemed to be the product of (x) the average of the closing prices over a five (5) day period ending three days before the day the then-current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise; or

(B) if the Common Stock is traded over-the-counter, the fair market value shall be deemed to be the product of (x) the average of the closing bid and asked prices quoted on the NASDAQ system (or similar system) over the five (5) day period ending three days before the day the then-current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(iii) if at any time the Common Stock is not listed on any securities exchange or quoted in the over-the-counter market, the fair market value of Preferred Stock shall be the product of (x) the fair market value of Common Stock, as determined in good faith by its Board of Directors and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise, provided that in the event that the exercise is in connection with a Merger Event, the fair market value of Preferred Stock shall be deemed to be the per share value received by the holders of the Company's Preferred Stock on a common equivalent basis pursuant to such Merger Event.

Upon partial exercise by either cash or Net Issuance, the Company shall promptly issue a new warrant representing the remaining number of shares purchasable hereunder. All other terms and conditions of such new Warrant shall be identical to those contained herein, including, but not limited to the Effective Date hereof.

(b) Exercise Prior to Expiration. To the extent this Warrant is not previously exercised as to all Preferred Stock subject hereto, and if the fair market value of one share of the Preferred Stock is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised pursuant to Section 3(a) (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Preferred Stock upon such expiration shall be determined pursuant to Section 3(a). To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 3(b), the Company agrees to promptly notify the Warrantholder of the number of shares of Preferred Stock, if any, the Warrantholder is to receive by reason of such automatic exercise.

SECTION 4. RESERVATION OF SHARES.

During the term of this Warrant, the Company will at all times have authorized and reserved a sufficient number of shares of its Preferred Stock to provide for the exercise of the rights to purchase Preferred Stock as provided for herein, and shall have authorized and reserved a sufficient number of shares of its Common Stock to provide for the conversion of the Preferred Stock issuable hereunder.

SECTION 5. NO FRACTIONAL SHARES OR SCRIP.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Exercise Price then in effect.

SECTION 6. NO RIGHTS AS SHAREHOLDER/STOCKHOLDER.

This Agreement does not entitle the Warrantholder to any voting rights or other rights as a shareholder/stockholder of the Company prior to the exercise of this Warrant.

SECTION 7. WARRANTHOLDER REGISTRY.

The Company shall maintain a registry showing the name and address of the registered holder of this Warrant. Warrantholder's initial address, for purposes of such registry, is set forth in Section 12(f) below. Warrantholder may change such address by giving written notice of such changed address to the Company.

SECTION 8. ADJUSTMENT RIGHTS.

The Exercise Price and the number of shares of Preferred Stock purchasable hereunder are subject to adjustment, as follows:

(a) Merger Event. If at any time there shall be Merger Event, then, as a part of such Merger Event, lawful provision shall be made so that the Warrantholder shall thereafter be entitled to receive, upon exercise of this Agreement, the number of shares of preferred stock or other securities or property (collectively, "Reference Property") that the Warrantholder would have received in connection with such Merger Event if Warrantholder had exercised this Agreement immediately prior to the Merger Event. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Agreement with respect to the rights and interests of the Warrantholder after the Merger Event to the end that the provisions of this Agreement (including adjustments of the Exercise Price and the number and nature of the security issuable on exercise hereof, and adjustments to ensure that the provisions of this Section 8 shall thereafter be applicable, as nearly as possible, to the purchase rights under this Agreement in relation to any Reference Property thereafter acquirable upon exercise of such purchase rights) shall continue to be applicable in their entirety, and to the greatest extent possible. Without limiting the foregoing, in connection with any Merger Event, upon the closing thereof, the successor or surviving entity shall assume the obligations of this Agreement; provided, that the foregoing assumption requirement shall not apply if the consideration to be paid for or in respect of the outstanding shares of Preferred Stock in such Merger Event consists solely of cash and/or readily marketable securities. In connection with a Merger Event and upon Warrantholder's written election to the Company, delivered not later than the later to occur of (i) five (5) days prior to the anticipated closing date thereof set forth in the Company's written notice to the Warrantholder of such Merger Event pursuant to Section 8(g) below , or (ii) ten (10) days after the Warrantholder's actual receipt of such Company notice, shall cause this Agreement to be exchanged for the consideration that Warrantholder would have received if Warrantholder had chosen to exercise its right to have shares issued pursuant to the Net Issuance provisions of this Agreement without actually exercising such right, acquiring such shares and exchanging such shares for such consideration. The provisions of this Section 8(a) shall similarly apply to successive Merger Events.

(b) Reclassification of Shares. Except as set forth in Section 8(a), if the Company at any time shall, by combination, reclassification, exchange or subdivision of securities or

otherwise, change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the purchase rights under this Warrant immediately prior to such combination, reclassification, exchange, subdivision or other change.

(c) Subdivision or Combination of Shares. If the Company at any time shall combine or subdivide its Preferred Stock, (i) in the case of a subdivision, the Exercise Price shall be proportionately decreased, and the number of shares of Preferred Stock issuable upon exercise of this Warrant shall be proportionately increased, or (ii) in the case of a combination, the Exercise Price shall be proportionately increased, and the number of shares of Preferred Stock issuable upon the exercise of this Warrant shall be proportionately decreased.

(d) Stock Dividends. If the Company at any time while this Warrant is outstanding and unexpired shall:

(i) pay a dividend with respect to the Preferred Stock payable in Preferred Stock, then the Exercise Price shall be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Preferred Stock outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Preferred Stock outstanding immediately after such dividend or distribution; or

(ii) make any other distribution with respect to Preferred Stock (or stock into which the Preferred Stock is convertible), except any distribution specifically provided for in any other clause of this Section 8, then, in each such case, provision shall be made by the Company such that the Warrantholder shall receive upon exercise of this Warrant a proportionate share of any such distribution as though it were the holder of the Preferred Stock (or other stock for which the Preferred Stock is convertible) as of the record date fixed for the determination of the stockholders of the Company entitled to receive such distribution.

(e) Antidilution Rights. Antidilution rights applicable to the Preferred Stock purchasable hereunder are as set forth in the Charter and shall be applicable with respect to the Preferred Stock issuable hereunder. The Company shall promptly provide the Warrantholder with any restatement, amendment, modification or waiver of the Charter; provided, that no such amendment, modification or waiver shall impair or reduce the antidilution rights applicable to the Preferred Stock as of the date hereof unless such amendment, modification or waiver applies to all then-outstanding shares of Preferred Stock. For the avoidance of doubt, there shall be no duplicate anti-dilution adjustment pursuant to this Section 8(e), the forgoing Section 8(d) and the Charter.

(f) "Pay to Play" Rights. In the event that any "pay to play" terms or conditions (i.e. terms or conditions that require a holder of the Preferred Stock to purchase securities in a future

round of equity financing or else lose the benefit of anti-dilution protections or other rights applicable to shares of Preferred Stock or have such shares of Preferred Stock automatically convert into Common Stock or another class or series of capital stock) in the Charter are triggered in connection with any Equity Round (a "Trigger Event"), then, in each such event, the purchase rights under this Agreement shall automatically adjust to provide the Warrantholder, upon the later exercise hereof, with the same securities and/or rights that the Warrantholder would have received had the Warrantholder (x) exercised this Warrant prior to such Trigger Event, and (y) participated in the applicable equity financing in an amount sufficient to be deemed to have fully participated for purposes of such "pay to play" provision. For avoidance of doubt, the foregoing provisions of this Section 8(f) shall not apply to any shares of Preferred Stock issued upon exercise of this Warrant and outstanding on and as of the date of any such Trigger Event.

(g) Notice of Adjustments. If: (i) the Company shall declare any dividend or distribution upon outstanding shares of the Preferred Stock, whether in stock, cash, property or other securities; (ii) the Company shall offer for subscription pro rata to the holders of outstanding shares of the Preferred Stock any additional shares of stock of any class or series or other rights (other than pursuant to contractual pre-emptive rights); (iii) there shall be any Merger Event; (iv) there shall be an Initial Public Offering; (v) the Company shall sell, lease, license or otherwise transfer all or substantially all of its assets; or (vi) there shall be any voluntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Warrantholder: (A) at least fifteen (15) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Preferred Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; (B) in the case of any such Merger Event, sale, lease, license or other transfer of all or substantially all assets, dissolution, liquidation or winding up, at least fifteen (15) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Preferred Stock shall be entitled to exchange their Preferred Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up); and (C) in the case of an Initial Public Offering, the Company shall give the Warrantholder at least fifteen (15) days' written notice prior to the filing of the registration statement in connection therewith.

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the notice, and (ii) if any adjustment is required to be made, (A) the amount of such adjustment, (B) the method by which such adjustment was calculated, (C) the adjusted Exercise Price (if the Exercise Price has been adjusted), and (D) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given in the manner set forth in Section 12(f).

(h) Timely Notice. Failure to timely provide such notice required by Section 8(g) above shall entitle Warrantholder to retain the benefit of the applicable notice period notwithstanding anything to the contrary contained in any insufficient notice received by Warrantholder.

SECTION 9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.

The Company makes the following representations and warranties to the Warrantholder as of the Effective Date

(a) Reservation of Preferred Stock. The Series F Preferred Stock issuable upon exercise of the Warrantholder's rights has been duly and validly reserved and, when issued in accordance with the provisions of this Warrant, will be validly issued, fully paid and non-assessable, and will be free of any taxes, liens, charges or encumbrances of any nature whatsoever; provided, that the Preferred Stock issuable pursuant to this Warrant may be subject to restrictions on transfer hereunder and under state and/or federal securities laws. The Company has made available to the Warrantholder true, correct and complete copies of its Charter and current bylaws. The issuance of certificates for shares of Preferred Stock upon exercise of this Warrant shall be made without charge to the Warrantholder for any issuance tax in respect thereof, or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Preferred Stock; provided, that the Company shall not be required to pay any tax which may be payable in respect of any transfer and the issuance and delivery of any certificate in a name other than that of the Warrantholder.

(b) Due Authority. The execution and delivery by the Company of this Warrant and the performance of all obligations of the Company hereunder, including the grant to Warrantholder of the right to acquire the shares of Preferred Stock and the Common Stock into which such Preferred Stock may be converted, have been duly authorized by all necessary corporate action on the part of the Company. The execution and delivery of this Warrant by the Company: (i) do not violate the Charter or current bylaws; (ii) do not contravene any law or governmental rule, regulation or order applicable to it; and (iii) do not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound. This Warrant constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and by equitable principles, including those limiting the availability of specific performance, injunctive relief and other equitable remedies and those providing for equitable defenses.

(c) Consents and Approvals. Subject to the accuracy of the representations of the Warrantholder in Section 10, no consent or approval of, giving of notice to, registration with, or taking of any other action in respect of any state, federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Company of its obligations under this Warrant, except for the filing of notices pursuant to Regulation D under the Act and any filing required by applicable state securities law, which filings will be effective by the time required thereby.

(d) Issued Securities. All issued and outstanding shares of Common Stock, preferred stock and other securities of the Company have been duly authorized and validly issued, and all outstanding shares of capital stock of the Company are fully paid and non-assessable. All outstanding shares of Common Stock, preferred stock and any other securities were issued in

compliance in all material respects with all federal and state securities laws. In addition, as of the date immediately preceding the date of this Warrant

(i) The authorized capital of the Company consists of (A) 48,000,000 shares of Common Stock, of which 4,223,740 shares are issued and outstanding, and (B) 37,853,821 shares of preferred stock of all series, of which (1) 13,332 shares have been designated as Series A-1 Preferred Stock, of which all shares are issued and outstanding and each such share is convertible into approximately 0.25826 share of Common Stock; (2) 3,771,020 shares have been designated as Series B Preferred Stock, of which 3,624,650 shares are issued and outstanding and each such share is convertible into approximately 0.27626 share of Common Stock; (3) 2,560,245 shares have been designated as Series B-1 Preferred Stock, of which all shares are issued and outstanding and each such share is convertible into approximately 0.27626 share of Common Stock; (4) 6,198,057 shares have been designated as Series C Preferred Stock, of which all shares are issued and outstanding and each such share is convertible into one (1) share of Common Stock; (5) 14,740,000 shares have been designated as Series D Preferred Stock, of which 14,565,000 shares are issued and outstanding and each such share is convertible into one (1) share of Common Stock; (6) 6,562,232 shares have been designated as Series E Preferred Stock, of which all shares are issued and outstanding and each such share is convertible into one (1) share of Common Stock; (7) 4,008,935 shares have been designated as Series F Preferred Stock, of which 4,008,934 shares are issued and outstanding and each such share is convertible into one (1) share of Common Stock.

(ii) The Company has reserved 6,672,151 shares of Common Stock in the aggregate for issuance under its 2004 Stock Incentive Plan and 2014 Stock Incentive Plan, under which options to purchase 4,648,362 shares are outstanding. The Company has outstanding warrants to purchase an aggregate of 146,370 shares of its Series B Preferred Stock and warrants to purchase an aggregate of 175,000 shares of its Series D Preferred Stock. Other than as described in these clauses (i) and (ii), there are no other options, warrants, conversion privileges or other rights presently outstanding to purchase or otherwise acquire any authorized but unissued shares of the Company's capital stock or other securities of the Company (except for the Warrantholder's rights pursuant to Section 8 of the Loan Agreement and pursuant to this Warrant).

(e) Other Commitments to Register Securities. Except as set forth in the Rights Agreement, the Company is not, pursuant to the terms of any other agreement currently in existence, under any obligation to register under the Act any of its presently outstanding securities or any of its securities which may hereafter be issued.

(f) Exempt Transaction. Subject to the accuracy of the Warrantholder's representations in Section 10, the issuance of the Preferred Stock upon exercise of this Warrant, and the issuance of the Common Stock upon conversion of the Preferred Stock, will each constitute a transaction exempt from (i) the registration requirements of Section 5 of the Act, and (ii) the qualification requirements of the applicable state securities laws.

(g) Compliance with Rule 144. If the Warrantholder proposes to sell Preferred Stock issuable upon the exercise of this Warrant, or the Common Stock into which it is convertible,

after the Initial Public Offering in compliance with Rule 144 promulgated by the SEC, then, upon Warrantholder's written request to the Company, the Company shall furnish to the Warrantholder, within ten (10) days after receipt of such request, a written statement confirming the Company's compliance with the filing requirements of the SEC as set forth in such Rule, as such Rule may be amended from time to time.

(h) Information Rights. During the term of this Warrant, Warrantholder shall be entitled to the information rights contain in Section 7.1 of the Loan Agreement, and Section 7.1 of the Loan Agreement is hereby incorporated into this Warrant by this reference as though fully set forth herein, provided, however, that the Company shall not be required to deliver a Compliance Certificate once all Indebtedness (as defined in the Loan Agreement) owed by the Company to Warrantholder has been repaid. The Company shall also supply to the Warrantholder from time to time upon its request such documentation as is reasonably necessary to permit the Warrantholder to evaluate whether to exercise (in cash or a net issuance basis) this Warrant, including without limitation, (i) any merger/purchase/asset sale agreement and related documents and estimated payout allocations to each of the respective shareholders, warrant and option holders in connection with a Merger Event, (ii) the most recent capitalization tables, (iii) such information and materials as are reasonably necessary to support any determination of fair market value of the Common Stock by the Company's board of directors pursuant to Section 3(a)(iii)(x) above, and (iv) the most recent Charter.

SECTION 10. REPRESENTATIONS AND COVENANTS OF THE WARRANTHOLDER.

This Warrant has been entered into by the Company in reliance upon the following representations and covenants of the Warrantholder, which representations and covenants are made on the Effective Date and upon each exercise of this Warrant (including any automatic exercise):

(a) Investment Purpose. The right to acquire Preferred Stock, the Preferred Stock issuable upon exercise of the Warrantholder's rights contained herein and the Common Stock issuable upon conversion of the Preferred Stock will be acquired for investment and not with a view to the sale or distribution of any part thereof, and the Warrantholder has no present intention of selling or engaging in any public distribution of the same except pursuant to a registration or exemption.

(b) Private Issue. The Warrantholder understands (i) that the Preferred Stock issuable upon exercise of this Warrant and the Common Stock issuable upon conversion of the Preferred Stock is not registered under the Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Agreement will be exempt from the registration and qualifications requirements thereof, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 10.

(c) Financial Risk. The Warrantholder has sufficient knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment, and has the ability to bear the economic risks of its investment in the Company. The

Warrantholder has made such inquiry concerning the Company and its business and personnel as it has deemed appropriate.

(d) Risk of No Registration. The Warrantholder understands that if the Company does not register shares of its capital stock with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934 (the "1934 Act"), or file reports pursuant to Section 15(d) of the 1934 Act, or if a registration statement covering the shares of its capital stock under the Act is not in effect when the Warrantholder desires to sell (i) this Warrant, (ii) the Preferred Stock issuable upon exercise of this Warrant or (iii) the Common Stock issuable upon conversion of the Preferred Stock issuable upon exercise of this Warrant, it may be required to hold such securities for an indefinite period. The Warrantholder also understands that any sale of (A) this Warrant or (B) Preferred Stock issued or issuable hereunder, or the Common Stock issuable upon conversion thereof, which might be made by it in reliance upon Rule 144 under the Act may be made only in accordance with the terms and conditions of that Rule.

(e) Accredited Investor. Warrantholder is an "accredited investor" within the meaning of Rule 501 of Regulation D, as presently in effect under the Act.

(f) Market "Stand-off" Agreement. The Warrantholder agrees, if requested by the Company and the managing underwriter of the Initial Public Offering, (a) not to (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, this Warrant, the Preferred Stock or other shares of capital stock issuable upon exercise of this Warrant (or the conversion of any such shares), or any other securities of the Company or (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of this Warrant, the Preferred Stock or other shares of capital stock issuable upon exercise of this Warrant (or the conversion of any such shares), or any other securities of the Company (excluding securities acquired in the Initial Public Offering or in the public market after the Initial Public Offering), whether any transaction described in clause (i) or (ii) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of the registration statement relating to the Initial Public Offering with the SEC and ending 180 days after the date of the final prospectus relating to the Initial Public Offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision) and (b) to execute any agreement reflecting clause (a) above as may be requested by the Company or the managing underwriters of the Initial Public Offering; provided, that all directors and officers of the Company, and all holders of one percent (1%) or more of the Company's Common Stock (calculated on a fully-diluted, as-exercised, as-converted basis) enter into similar agreements with the Company and/or managing underwriter; provided, further, that if the Company or managing underwriter releases any such director, officer or stockholder from his or its obligations under such agreement prior to the expiration thereof, the Warrantholder shall thereupon automatically be released from its obligations under this Section 10(f) and its agreement with the Company and/or managing underwriter to the same extent. In order to enforce the foregoing, the Company may impose stop-transfer instructions with respect to such securities until the end of such lock-up period and may cause such securities to bear a legend setting forth such restriction until the end of such lock-up period. The underwriters for

the Initial Public Offering are intended third party beneficiaries of this Section 10(f) and shall have the right, power and authority to enforce the provisions hereof as though they were parties hereto.

SECTION 11. TRANSFERS.

Subject to compliance with applicable federal and state securities laws and with the provisions of this Section 11, this Warrant and all rights hereunder are transferable, in whole or in part, without charge to the holder hereof (except for transfer taxes) upon surrender of this Warrant properly endorsed. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that the holder hereof, when this Warrant shall have been properly endorsed and its transfer recorded on the Company's books, shall be treated by the Company and all other persons dealing with this Warrant as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented by this Warrant. The transfer of this Warrant shall be recorded on the books of the Company upon receipt by the Company of a notice of transfer in the form attached hereto as Exhibit III (the "Transfer Notice"), at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. Until the Company receives such Transfer Notice, the Company may treat the registered owner hereof as the owner for all purposes. Neither this Warrant nor the shares of capital stock issuable upon exercise of this Warrant shall be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Act; provided, that the Company shall not require a legal opinion in connection with any transfer by Warrantholder of this Warrant and/or any shares of Preferred Stock issued upon exercise hereof to an Affiliate of Warrantholder, provided that such transferee (i) is an "accredited investor" within the meaning of the Securities and Exchange Rule 501 of Regulation D, as presently in effect, and (ii) agrees in writing with the Company to be bound by all of the obligations of the Warrantholder hereunder; provided, further, that following the consummation of the Initial Public Offering, the Company at its sole expense shall cause its legal counsel to provide any such opinion required or requested by the Company or its transfer agent. At all times prior to the Initial Public Offering, the Warrantholder shall not, without the prior written consent of the Company, (x) transfer this Warrant or any shares of Preferred Stock issued upon any exercise hereof to a person or entity that directly competes with the Company, except in connection with a Merger Event where the acquiring or surviving person or entity is such a direct competitor, and (y) transfer this Warrant to any non-Affiliate except in whole. As used herein, an "Affiliate" of the Warrantholder means any person or entity directly or indirectly controlling, controlled by or under common control with the Warrantholder. Each certificate representing shares of capital stock issuable upon exercise of this Warrant shall bear a legend substantially in the following form:

> "The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be offered, sold or otherwise transferred, pledged or hypothecated unless and until such securities are registered under such Act or, subject to Section 11 of that certain Warrant Agreement dated September __, 2015 between the Company and Hercules Technology Growth Capital, Inc., an opinion of

counsel satisfactory to the Company is obtained to the effect that such registration is not required."

SECTION 12. MISCELLANEOUS.

(a) Effective Date. The provisions of this Warrant shall be construed and shall be given effect in all respects as if it had been executed and delivered by the Company on the date hereof. This Agreement shall be binding upon any successors or assigns of the Company.

(b) Remedies. In the event of any default hereunder, the non-defaulting party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including but not limited to an action for damages as a result of any such default, and/or an action for specific performance for any default where the non-defaulting party will not have an adequate remedy at law and where damages will not be readily ascertainable. Each party expressly agrees that it shall not oppose an application by the other party or any other person entitled to the benefit of this Warrant requiring specific performance of any or all provisions hereof or enjoining the other party from continuing to commit any such breach of this Warrant.

(c) No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Warrantholder against impairment.

(d) Attorney's Fees. In any litigation, arbitration or court proceeding between the Company and the Warrantholder relating hereto, the prevailing party shall be entitled to reasonable attorneys' fees and expenses and all costs of proceedings incurred in enforcing this Warrant. For the purposes of this Section 12(d), reasonable attorneys' fees shall include without limitation fees incurred in connection with the following: (i) contempt proceedings; (ii) discovery; (iii) any motion, proceeding or other activity of any kind in connection with an insolvency proceeding; (iv) garnishment, levy, and debtor and third party examinations; and (v) post-judgment motions and proceedings of any kind, including without limitation any activity taken to collect or enforce any judgment.

(e) Severability. In the event any one or more of the provisions of this Warrant shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Warrant shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

(f) Notices. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication that is required, contemplated, or permitted under this Warrant or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by facsimile or hand delivery if transmission or delivery occurs on a business day at or before 5:00 pm in the time zone of the recipient, or, if transmission or delivery occurs on a non-business day or after such time, the first business day

thereafter, or the first business day after deposit with an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States mails, with proper first class postage prepaid, and shall be addressed to the party to be notified as follows:

If to Warrantholder:

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer and Manuel Henriquez
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
Facsimile: 650-473-9194
Telephone: 650-289-3060

If to the Company:

TransMedics, Inc.
Attention: Chief Financial Officer
200 Minuteman Road
Suite 302
Andover, MA 01810
Facsimile: 978-685-9562
Telephone: 978-552-0925

With a copy to:

WilmerHale
60 State Street
Boston, MA 02109
Attn : Rosemary G. Reilly, Esq.
Facsimile: 617-526-5000
Telephone: 617-526-6000

or to such other address as each party may designate for itself by like notice.

(g) Entire Agreement; Amendments. This Agreement constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof, and supersede and replace in their entirety any prior proposals, term sheets, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof (including Lender's proposal letter dated July 24, 2015). None of the terms of this Warrant may be amended except by an instrument executed by each of the parties hereto.

(h) Headings. The various headings in this Warrant are inserted for convenience only and shall not affect the meaning or interpretation of this Warrant or any provisions hereof.

(i) Advice of Counsel. Each of the parties represents to each other party hereto that it has discussed (or had an opportunity to discuss) with its counsel this Warrant and, specifically, the provisions of Sections 12(m), 12(n), 12(o), 12(p) and 12(q).

(j) No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Warrant. In the event an ambiguity or question of intent or interpretation arises, this Warrant shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Warrant.

(k) No Waiver. No omission or delay by either party at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the other party at any time designated, shall be a waiver of any such right or remedy to which such party is entitled, nor shall it in any way affect the right of such party to enforce such provisions thereafter.

(l) Survival. All agreements, representations and warranties contained in this Warrant or in any document delivered pursuant hereto shall be for the benefit of Warrantholder or the Company, as the case may be, and shall survive the execution and delivery of this Warrant and the expiration or other termination of this Warrant.

(m) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, (i) to the extent applicable, the Delaware General Corporation Law, and (ii) otherwise, the laws of the State of California, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

(n) Consent to Jurisdiction and Venue. All judicial proceedings arising in or under or related to this Warrant shall be brought in any state or federal court of competent jurisdiction located in the State of California. By execution and delivery of this Warrant, each party hereto generally and unconditionally: (a) consents to personal jurisdiction in Santa Clara County, State of California; (b) waives any objection as to jurisdiction or venue in Santa Clara County, State of California; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Warrant. Service of process on any party hereto in any action arising out of or relating to this Warrant shall be effective if given in accordance with the requirements for notice set forth in Section 12(f), and shall be deemed effective and received as set forth in Section 12(f). Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

(o) Mutual Waiver of Jury Trial. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF THE COMPANY AND WARRANTHOLDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, “CLAIMS”) ASSERTED BY THE COMPANY AGAINST WARRANTHOLDER OR ITS ASSIGNEE OR BY WARRANTHOLDER OR ITS ASSIGNEE AGAINST THE COMPANY. This waiver extends to all such Claims, including Claims that involve Persons other than the Company and the Warrantholder; Claims that arise out of or are in

any way connected to the relationship between the Company and Warrantholder; and any Claims for damages, breach of contract, specific performance, or any equitable or legal relief of any kind, arising out of this Warrant.

(p) Arbitration. If the Mutual Waiver of Jury Trial set forth in Section 12(o) is ineffective or unenforceable, the parties agree that all Claims shall be submitted to binding arbitration in accordance with the commercial arbitration rules of JAMS (the "Rules"), such arbitration to occur before one arbitrator, which arbitrator shall be a retired California state judge or a retired Federal court judge. Such proceeding shall be conducted in San Francisco County, California, with California rules of evidence and discovery applicable to such arbitration. The decision of the arbitrator shall be binding on the parties, and shall be final and non-appealable to the maximum extent permitted by law. Any judgement rendered by the arbitrator may be entered in a court of competent jurisdiction and enforced by the prevailing party as a final judgment of such court.

(q) Pre-arbitration Relief. In the event Claims are to be resolved by arbitration, either party may seek from a court of competent jurisdiction identified in Section 12(n), any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by binding arbitration.

(r) Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

(s) Specific Performance. The parties hereto hereby declare that it is impossible to measure in money the damages which will accrue to a party by reason of the other party's failure to perform any of its respective obligations under this Warrant and agree that the terms of this Warrant shall be specifically enforceable by each party. If a party hereto institutes any action or proceeding to specifically enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party has an adequate remedy at law, and such person shall not offer in any such action or proceeding the claim or defense that such remedy at law exists.

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IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be executed by its officers thereunto duly authorized as of the Effective Date.

COMPANY: TRANSMEDICS, INC.

By: /s/ Walled Hassanein

Name: Waleed H. Hassanein

Title: President and Chief Executive Officer

WARRANTHOLDER: HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

By: /s/ Ben Bang

Name: Ben Bang

Title: Assistant General Counsel

EXHIBIT I

NOTICE OF EXERCISE

To: [_____]

(1) The undersigned Warrantholder hereby elects to purchase [_____] shares of the Series [__] Preferred Stock of [_____], pursuant to the terms of the Agreement dated the [__] day of [_____, __] (the "Agreement") between [_____] and the Warrantholder, and [CASH PAYMENT: tenders herewith payment of the Purchase Price in full, together with all applicable transfer taxes, if any.] [NET ISSUANCE: elects pursuant to Section 3(a) of the Agreement to effect a Net Issuance.]

(2) Please issue a certificate or certificates representing said shares of Series [__] Preferred Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

WARRANTHOLDER:

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

By: _____
Name: _____
Title: _____

EXHIBIT II

ACKNOWLEDGMENT OF EXERCISE

The undersigned [_____], hereby acknowledge receipt of the "Notice of Exercise" from Hercules Technology Growth Capital, Inc., [**If SBA**: Hercules Technology II, L.P.] to purchase [_____] shares of the Series [__] Preferred Stock of [_____], pursuant to the terms of the Agreement, and further acknowledges that [_____] shares remain subject to purchase under the terms of the Agreement.

COMPANY: [_____]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT III

TRANSFER NOTICE

(To transfer or assign the foregoing Agreement execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Agreement and all rights evidenced thereby are hereby transferred and assigned to

_____

(Please Print)

whose address is _____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Transfer Notice must correspond with the name as it appears on the face of the Agreement, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Agreement.

NEITHER THIS WARRANT NOR THE SHARES OF CAPITAL STOCK ISSUED UPON ITS EXERCISE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR, SUBJECT TO THE PROVISIONS OF SECTION 11 BELOW, AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS. THIS WARRANT MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF THIS WARRANT.

WARRANT AGREEMENT

To Purchase Shares of the Preferred Stock of

TRANSMEDICS, INC.

Dated as of August 4, 2016 (the "Effective Date")

WHEREAS, TransMedics, Inc., a Delaware corporation (the "Company"), has entered into a Loan and Security Agreement dated September 11,2015 (as amended from time to time, the "Loan Agreement") with Hercules Capital, Inc., a Maryland corporation f/k/a Hercules Technology Growth Capital, Inc. (the "Warrantholder"):

WHEREAS, the Company desires to grant to Warrantholder, in consideration for, among other things, the financial accommodations provided for in a certain amendment of even date herewith to the Loan Agreement, the right to purchase shares of its Preferred Stock (as defined below) pursuant to this Warrant Agreement (the "Warrant" or the "Agreement");

NOW, THEREFORE, in consideration of the Warrantholder executing and delivering the Loan Agreement and providing the financial accommodations contemplated therein, and in consideration of the mutual covenants and agreements contained herein, the Company and Warrantholder agree as follows:

SECTION 1. GRANT OF THE RIGHT TO PURCHASE PREFERRED STOCK.

(a) For value received, the Company hereby grants to the Warrantholder, and the Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase, from the Company, up to such number of fully paid and non-assessable shares of the Preferred Stock (as defined below) as determined pursuant to Section 1(b) below, at a purchase price per share equal to the Exercise Price (as defined below). The number and Exercise Price of such shares are subject to adjustment as provided in Section 8. As used herein, the following terms shall have the following meanings:

"Act" means the Securities Act of 1933, as amended.

"Charter" means the Company's Certificate of Incorporation as amended and/or restated and in effect from time to time.

"Common Stock" means the Company's common stock, $0.0001 par value per share.

"Exercise Price" means the purchase price per share of Preferred Stock hereunder, and shall be the Series F Price; provided, that upon consummation of the Next Equity Round, if any, if the Next Equity Round Price shall be lower than the Series F Price in effect as of immediately prior to such consummation, then the "Exercise Price" shall mean the Next Equity Round Price, subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

"Initial Public Offering" means the initial underwritten public offering of the Company's Common Stock pursuant to a registration statement under the Act, which registration statement has been declared effective by the Securities and Exchange Commission ("SEC");

"Merger Event" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company, (ii) the merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power.

"Next Equity Round" means the first sale and issuance by the Company after the Effective Date hereof, in a single transaction or series of related transactions, of shares of its convertible preferred stock or other senior equity securities to one or more investors for cash for financing purposes resulting in gross cash proceeds to the Company of at least $10,000,000.

"Next Equity Round Price" means the lowest effective price per share paid by investors for shares of the Next Equity Round Series in the Next Equity Round.

"Next Equity Round Series" means the class and series of convertible preferred stock or other senior equity security sold and issued by the Company in the Next Equity Round.

"Preferred Stock" means the Series F Preferred Stock, $0.0001 par value per share, of the Company and any other stock into or for which such Series F Preferred Stock may be converted or exchanged; provided, that upon the consummation of the Next Equity Round, if any, if the Next Equity Round Price shall be lower than the Series F Price in

effect as of immediately prior to such consummation, then "Preferred Stock" shall mean the Next Equity Round Series and any other stock into or for which such Next Equity Round Series may be converted or exchanged; provided, further, that subject to Section 8(f) below, upon the conversion into Common Stock of all (but not less than all) of the outstanding shares of such Preferred Stock (including, without limitation, in connection with the Initial Public Offering), (i) this Warrant shall be exercisable for such number of shares of Common Stock as is equal to the number of shares of Common Stock that each share of Preferred Stock was converted into, multiplied by the number of shares of Preferred Stock subject to this Warrant immediately prior to such conversion (subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant), (ii) the Purchase Price shall be the Purchase Price in effect immediately prior to such conversion divided by the number of shares of Common Stock into which each share of Preferred Stock was converted (subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant), and (iii) all references to this Warrant to "Preferred Stock" shall thereafter be deemed to refer to "Common Stock."

"Purchase Price" means, with respect to any exercise of this Warrant, an amount equal to the Exercise Price as of the relevant time multiplied by the number of shares of Preferred Stock requested to be exercised under this Warrant pursuant to such exercise.

"Rights Agreement" means that certain Eighth Amended and Restated Investor Rights Agreement dated as of June 14, 2013 by and among the Company and certain holders of the Company's capital stock, as amended on May 29,2015 and as it may be further amended or restated from time to time.

"Series F Price" means $4.99, as may be adjusted from time to time in accordance with the provisions of this Warrant.

(b) Number of Shares. This Warrant shall be exercisable for such number of shares of Preferred Stock as shall equal (i) $170,000, divided by (ii) the Exercise Price in effect from time to time, subject to adjustment from time to time in accordance with the provisions of this Warrant.

SECTION2. TERM OF THE WARRANT.

Except as otherwise provided for herein, the term of this Agreement and the right to purchase Preferred Stock as granted herein shall commence on the Effective Date and shall be exercisable for a period ending upon the later to occur of (i) the seventh (7th) anniversary of the Effective Date, and (ii) if the Initial Public Offering shall be consummated on or before the seventh (7th) anniversary of the Effective Date, the date that is five (5) years following the effective date of the Company's registration statement in connection with the Initial Public Offering.

SECTION3. EXERCISE OF THE PURCHASE RIGHTS.

(a) Exercise. The purchase rights set forth in this Warrant are exercisable by the Warrantholder, in whole or in part, at any time, or from time to time, prior to the expiration of the term set forth in Section 2, by tendering to the Company at its principal office a notice of

exercise in the form attached hereto as Exhibit I (the "Notice of Exercise") duly completed and executed. Promptly upon receipt of the Notice of Exercise and the payment of the Purchase Price in accordance with the terms set forth below, and in no event later than ten (10) days (three (3) days, if the Company's securities are then publicly traded) thereafter, the Company shall issue to the Warrantholder a certificate for the number of shares of Preferred Stock purchased and shall execute the acknowledgment of exercise in the form attached hereto as Exhibit II (the "Acknowledgment of Exercise") indicating the number of shares which remain subject to future purchases, if any.

The Purchase Price may be paid at the Warrantholder's election either (i) by cash or check, or (ii) by surrender of all or a portion of the Warrant for shares of Preferred Stock to be exercised under this Warrant and, if applicable, a new warrant of like tenor representing the remaining number of shares purchasable hereunder, as determined below ("Net Issuance"). If the Warrantholder elects the Net Issuance method, the Company will issue Preferred Stock in accordance with the following formula:

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

Where:

X = the number of shares of Preferred Stock to be issued to the Warrantholder.

Y = the number of shares of Preferred Stock requested to be exercised under this Warrant (including the number of shares to be cancelled in payment of the Purchase Price).

A = the fair market value of one (1) share of Preferred Stock at the time of issuance of such shares of Preferred Stock.

B = the Exercise Price.

For purposes of the above calculation, the fair market value of Preferred Stock shall mean with respect to each share of Preferred Stock:

(i) if the exercise is in connection with an Initial Public Offering, and if the Company's Registration Statement relating to such Initial Public Offering has been declared effective by the SEC, then the fair market value per share shall be the product of (x) the initial "Price to Public" of the Common Stock specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(ii) if the exercise is after, and not in connection with an Initial Public Offering, and:

(A) if the Common Stock is traded on a securities exchange, the fair market value shall be deemed to be the product of (x) the average of the closing prices over a five (5) day period ending three days before the day the then-current fair market value of the securities is being determined and (y) the number of

shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise; or

(B) if the Common Stock is traded over-the-counter, the fair market value shall be deemed to be the product of (x) the average of the closing bid and asked prices quoted on the NASDAQ system (or similar system) over the five (5) day period ending three days before the day the then-current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(iii) if at any time the Common Stock is not listed on any securities exchange or quoted in the over-the-counter market, the fair market value of Preferred Stock shall be the product of (x) the fair market value of Common Stock, as determined in good faith by its Board of Directors and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise, provided that in the event that the exercise is in connection with a Merger Event, the fair market value of Preferred Stock shall be deemed to be the per share value received by the holders of the Company's Preferred Stock on a common equivalent basis pursuant to such Merger Event.

Upon partial exercise by either cash or Net Issuance, the Company shall promptly issue a new warrant representing the remaining number of shares purchasable hereunder. All other terms and conditions of such new Warrant shall be identical to those contained herein, including, but not limited to the Effective Date hereof.

(b) Exercise Prior to Expiration. To the extent this Warrant is not previously exercised as to all Preferred Stock subject hereto, and if the fair market value of one share of the Preferred Stock is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised pursuant to Section 3(a) (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Preferred Stock upon such expiration shall be determined pursuant to Section 3(a). To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 3(b), the Company agrees to promptly notify the Warrantholder of the number of shares of Preferred Stock, if any, the Warrantholder is to receive by reason of such automatic exercise.

SECTION4. RESERVATION OF SHARES.

During the term of this Warrant, the Company will at all times have authorized and reserved a sufficient number of shares of its Preferred Stock to provide for the exercise of the rights to purchase Preferred Stock as provided for herein, and shall have authorized and reserved a sufficient number of shares of its Common Stock to provide for the conversion of the Preferred Stock issuable hereunder.

SECTION5. NO FRACTIONAL SHARES OR SCRIP.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Exercise Price then in effect.

SECTION6. NO RIGHTS AS SHAREHOLDER/STOCKHOLDER.

This Agreement does not entitle the Warrantholder to any voting rights or other rights as a shareholder/stockholder of the Company prior to the exercise of this Warrant.

SECTION7. WARRANTHOLDER REGISTRY.

The Company shall maintain a registry showing the name and address of the registered holder of this Warrant. Warrantholder's initial address, for purposes of such registry, is set forth in Section 12(f) below. Warrantholder may change such address by giving written notice of such changed address to the Company.

SECTION8. ADJUSTMENT RIGHTS.

The Exercise Price and the number of shares of Preferred Stock purchasable hereunder are subject to adjustment, as follows:

(a) Merger Event. If at any time there shall be Merger Event, then, as a part of such Merger Event, lawful provision shall be made so that the Warrantholder shall thereafter be entitled to receive, upon exercise of this Agreement, the number of shares of preferred stock or other securities or property (collectively, "Reference Property") that the Warrantholder would have received in connection with such Merger Event if Warrantholder had exercised this Agreement immediately prior to the Merger Event. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Agreement with respect to the rights and interests of the Warrantholder after the Merger Event to the end that the provisions of this Agreement (including adjustments of the Exercise Price and the number and nature of the security issuable on exercise hereof, and adjustments to ensure that the provisions of this Section 8 shall thereafter be applicable, as nearly as possible, to the purchase rights under this Agreement in relation to any Reference Property thereafter acquirable upon exercise of such purchase rights) shall continue to be applicable in their entirety, and to the greatest extent possible. Without limiting the foregoing, in connection with any Merger Event, upon the closing thereof, the successor or surviving entity shall assume the obligations of this Agreement; provided, that the foregoing assumption requirement shall not apply if the consideration to be paid for or in respect of the outstanding shares of Preferred Stock in such Merger Event consists solely of cash and/or readily marketable securities. In connection with a Merger Event and upon Warrantholder's written election to the Company, delivered not later than the later to occur of (i) five (5) days prior to the anticipated closing date thereof set forth in the Company's written notice to the Warrantholder of such Merger Event pursuant to Section 8(g) below, or (ii) ten (10) days after the Warrantholder's actual receipt of such Company notice, shall cause this Agreement to be exchanged for the consideration that Warrantholder would have received if Warrantholder had chosen to exercise its right to have shares issued pursuant to the Net Issuance provisions of this Agreement without actually

exercising such right, acquiring such shares and exchanging such shares for such consideration. The provisions of this Section 8(a) shall similarly apply to successive Merger Events.

(b) Reclassification of Shares. Except as set forth in Section 8(a), if the Company at any time shall, by combination, reclassification, exchange or subdivision of securities or otherwise, change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the purchase rights under this Warrant immediately prior to such combination, reclassification, exchange, subdivision or other change.

(c) Subdivision or Combination of Shares. If the Company at any time shall combine or subdivide its Preferred Stock, (i) in the case of a subdivision, the Exercise Price shall be proportionately decreased, and the number of shares of Preferred Stock issuable upon exercise of this Warrant shall be proportionately increased, or (ii) in the case of a combination, the Exercise Price shall be proportionately increased, and the number of shares of Preferred Stock issuable upon the exercise of this Warrant shall be proportionately decreased.

(d) Stock Dividends. If the Company at any time while this Warrant is outstanding and unexpired shall:

(i) pay a dividend with respect to the Preferred Stock payable in Preferred Stock, then the Exercise Price shall be adjusted, from and after the date of determination of stockholders entitled to receive such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Preferred Stock outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Preferred Stock outstanding immediately after such dividend or distribution; or

(ii) make any other distribution with respect to Preferred Stock (or stock into which the Preferred Stock is convertible), except any distribution specifically provided for in any other clause of this Section 8, then, in each such case, provision shall be made by the Company such that the Warrantholder shall receive upon exercise of this Warrant a proportionate share of any such distribution as though it were the holder of the Preferred Stock (or other stock for which the Preferred Stock is convertible) as of the record date fixed for the determination of the stockholders of the Company entitled to receive such distribution.

(e) Antidilution Rights. Antidilution rights applicable to the Preferred Stock purchasable hereunder are as set forth in the Charter and shall be applicable with respect to the Preferred Stock issuable hereunder. The Company shall promptly provide the Warrantholder with any restatement, amendment, modification or waiver of the Charter; provided, that no such amendment, modification or waiver shall impair or reduce the antidilution rights applicable to the Preferred Stock as of the date hereof unless such amendment, modification or waiver applies to all then-outstanding shares of Preferred Stock. For the avoidance of doubt, there shall be no

duplicate anti-dilution adjustment pursuant to this Section 8(e), the forgoing Section 8(d) and the Charter.

(f) "Pay to Play" Rights. In the event that any "pay to play" terms or conditions (i.e. terms or conditions that require a holder of the Preferred Stock to purchase securities in a future round of equity financing or else lose the benefit of anti-dilution protections or other rights applicable to shares of Preferred Stock or have such shares of Preferred Stock automatically convert into Common Stock or another class or series of capital stock) in the Charter are triggered in connection with any Equity Round (a "Trigger Event"), then, in each such event, the purchase rights under this Agreement shall automatically adjust to provide the Warrantholder, upon the later exercise hereof, with the same securities and/or rights that the Warrantholder would have received had the Warrantholder (x) exercised this Warrant prior to such Trigger Event, and (y) participated in the applicable equity financing in an amount sufficient to be deemed to have fully participated for purposes of such "pay to play" provision. For avoidance of doubt, the foregoing provisions of this Section 8(f) shall not apply to any shares of Preferred Stock issued upon exercise of this Warrant and outstanding on and as of the date of any such Trigger Event.

(g) Notice of Adjustments. If: (i) the Company shall declare any dividend or distribution upon outstanding shares of the Preferred Stock, whether in stock, cash, property or other securities; (ii) the Company shall offer for subscription pro rata to the holders of outstanding shares of the Preferred Stock any additional shares of stock of any class or series or other rights (other than pursuant to contractual pre-emptive rights); (iii) there shall be any Merger Event; (iv) there shall be an Initial Public Offering; (v) the Company shall sell, lease, license or otherwise transfer all or substantially all of its assets; or (vi) there shall be any voluntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Warrantholder: (A) at least fifteen (15) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Preferred Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; (B) in the case of any such Merger Event, sale, lease, license or other transfer of all or substantially all assets, dissolution, liquidation or winding up, at least fifteen (15) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Preferred Stock shall be entitled to exchange their Preferred Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up); and (C) in the case of an Initial Public Offering, the Company shall give the Warrantholder at least fifteen (15) days1 written notice prior to the filing of the registration statement in connection therewith.

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the notice, and (ii) if any adjustment is required to be made, (A) the amount of such adjustment, (B) the method by which such adjustment was calculated, (C) the adjusted Exercise Price (if the Exercise Price has been adjusted), and (D) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given in the manner set forth in Section 12(f).

(h) Timely Notice. Failure to timely provide such notice required by Section 8(g) above shall entitle Warrantholder to retain the benefit of the applicable notice period

notwithstanding anything to the contrary contained in any insufficient notice received by Warrantholder.

SECTION9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.

The Company makes the following representations and warranties to the Warrantholder as of the Effective Date

(a) Reservation of Preferred Stock. The Series F Preferred Stock issuable upon exercise of the Warrantholder's rights has been duly and validly reserved and, when issued in accordance with the provisions of this Warrant, will be validly issued, fully paid and non-assessable, and will be free of any taxes, liens, charges or encumbrances of any nature whatsoever; provided, that the Preferred Stock issuable pursuant to this Warrant may be subject to restrictions on transfer hereunder and under state and/or federal securities laws. The Company has made available to the Warrantholder true, correct and complete copies of its Charter and current bylaws. The issuance of certificates for shares of Preferred Stock upon exercise of this Warrant shall be made without charge to the Warrantholder for any issuance tax in respect thereof, or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Preferred Stock; provided, that the Company shall not be required to pay any tax which may be payable in respect of any transfer and the issuance and delivery of any certificate in a name other than that of the Warrantholder.

(b) Due Authority. The execution and delivery by the Company of this Warrant and the performance of all obligations of the Company hereunder, including the grant to Warrantholder of the right to acquire the shares of Preferred Stock and the Common Stock into which such Preferred Stock may be converted, have been duly authorized by all necessary corporate action on the part of the Company. The execution and delivery of this Warrant by the Company: (i) do not violate the Charter or current bylaws; (ii) do not contravene any law or governmental rule, regulation or order applicable to it; and (iii) do not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound. This Warrant constitutes a valid and binding agreement of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors generally and by equitable principles, including those limiting the availability of specific performance, injunctive relief and other equitable remedies and those providing for equitable defenses.

(c) Consents and Approvals. Subject to the accuracy of the representations of the Warrantholder in Section 10, no consent or approval of, giving of notice to, registration with, or taking of any other action in respect of any state, federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Company of its obligations under this Warrant, except for the filing of notices pursuant to Regulation D under the Act and any filing required by applicable state securities law, which filings will be effective by the time required thereby.

(d) Issued Securities. All issued and outstanding shares of Common Stock, preferred stock and other securities of the Company have been duly authorized and validly issued, and all outstanding shares of capital stock of the Company are fully paid and non-assessable. All outstanding shares of Common Stock, preferred stock and any other securities were issued in compliance in all material respects with all federal and state securities laws. In addition, as of the date immediately preceding the date of this Warrant:

(i) The authorized capital of the Company consists of (A) 60,000,000 shares of Common Stock, of which 4,449,990 shares are issued and outstanding, and (B) 50,776,054 shares of preferred stock of all series, of which (1) 13,332 shares have been designated as Series A-l Preferred Stock, of which all shares are issued and outstanding and each such share is convertible into approximately 0.25826 share of Common Stock; (2) 3,771,020 shares have been designated as Series B Preferred Stock, of which 3,624,650 shares are issued and outstanding and each such share is convertible into approximately 0.27626 share of Common Stock; (3) 2,560,245 shares have been designated as Series B-l Preferred Stock, of which all shares are issued and outstanding and each such share is convertible into approximately 0.27626 share of Common Stock; (4) 6,198,057 shares have been designated as Series C Preferred Stock, of which all shares are issued and outstanding and each such share is convertible into one (1) share of Common Stock; (5) 14,740,000 shares have been designated as Series D Preferred Stock, of which 14,565,000 shares are issued and outstanding and each such share is convertible into one (1) share of Common Stock; (6) 6,562,232 shares have been designated as Series E Preferred Stock, of which all shares are issued and outstanding and each such share is convertible into one (1) share of Common Stock; (7) 16,931,168 shares have been designated as Series F Preferred Stock, of which 16,880,624 shares are issued and outstanding and each such share is convertible into one (1) share of Common Stock.

(ii) The Company has reserved 6,672,151 shares of Common Stock in the aggregate for issuance under its 2014 Stock Incentive Plan. Options to purchase 4,624,455 shares are outstanding under the Company's 2004 Stock Incentive Plan and 2014 Stock Incentive Plan. No additional shares are issuable under the Company's 2004 Stock Incentive Plan. The Company has outstanding warrants to purchase an aggregate of 146,370 shares of its Series B Preferred Stock, warrants to purchase an aggregate of 175,000 shares of its Series D Preferred Stock and warrants to purchase an aggregate of 16,476 shares of its Series F Preferred Stock. The Company also has one option outstanding to purchase 30,000 shares of its Common Stock which was issued outside the 2014 Stock Incentive Plan. Other than as described in these clauses (i) and (ii), there are no other options, warrants, conversion privileges or other rights presently outstanding to purchase or otherwise acquire any authorized but unissued shares of the Company's capital stock or other securities of the Company (except for the Warrantholder's rights pursuant to Section 8 of the Loan Agreement and pursuant to this Warrant).

(e) Other Commitments to Register Securities. Except as set forth in the Rights Agreement, the Company is not, pursuant to the terms of any other agreement currently in existence, under any obligation to register under the Act any of its presently outstanding securities or any of its securities which may hereafter be issued.

(f) Exempt Transaction. Subject to the accuracy of the Warrantholder's representations in Section 10, the issuance of the Preferred Stock upon exercise of this Warrant, and the issuance of the Common Stock upon conversion of the Preferred Stock, will each constitute a transaction exempt from (i) the registration requirements of Section 5 of the Act, and (ii) the qualification requirements of the applicable state securities laws.

(g) Compliance with Rule 144. If the Warrantholder proposes to sell Preferred Stock issuable upon the exercise of this Warrant, or the Common Stock into which it is convertible, after the Initial Public Offering in compliance with Rule 144 promulgated by the SEC, then, upon Warrantholder's written request to the Company, the Company shall furnish to the Warrantholder, within ten (10) days after receipt of such request, a written statement confirming the Company's compliance with the filing requirements of the SEC as set forth in such Rule, as such Rule may be amended from time to time.

(h) Information Rights. During the term of this Warrant, Warrantholder shall be entitled to the information rights contain in Section 7.1 of the Loan Agreement, and Section 7.1 of the Loan Agreement is hereby incorporated into this Warrant by this reference as though fully set forth herein, provided, however, that the Company shall not be required to deliver a Compliance Certificate once all Indebtedness (as defined in the Loan Agreement) owed by the Company to Warrantholder has been repaid. The Company shall also supply to the Warrantholder from time to time upon its request such documentation as is reasonably necessary to permit the Warrantholder to evaluate whether to exercise (in cash or a net issuance basis) this Warrant, including without limitation, (i) any merger/purchase/asset sale agreement and related documents and estimated payout allocations to each of the respective shareholders, warrant and option holders in connection with a Merger Event, (ii) the most recent capitalization tables, (iii) such information and materials as are reasonably necessary to support any determination of fair market value of the Common Stock by the Company's board of directors pursuant to Section 3(a)(iii)(x) above, and (iv) the most recent Charter.

SECTION10. REPRESENTATIONS AND COVENANTS OF THE WARRANTHOLDER.

This Warrant has been entered into by the Company in reliance upon the following representations and covenants of the Warrantholder, which representations and covenants are made on the Effective Date and upon each exercise of this Warrant (including any automatic exercise):

(a) Investment Purpose. The right to acquire Preferred Stock, the Preferred Stock issuable upon exercise of the Warrantholder's rights contained herein and the Common Stock issuable upon conversion of the Preferred Stock will be acquired for investment and not with a view to the sale or distribution of any part thereof, and the Warrantholder has no present intention of selling or engaging in any public distribution of the same except pursuant to a registration or exemption.

(b) Private Issue. The Warrantholder understands (i) that the Preferred Stock issuable upon exercise of this Warrant and the Common Stock issuable upon conversion of the Preferred Stock is not registered under the Act or qualified under applicable state securities laws on the

ground that the issuance contemplated by this Agreement will be exempt from the registration and qualifications requirements thereof, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 10.

(c) Financial Risk. The Warrantholder has sufficient knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment, and has the ability to bear the economic risks of its investment in the Company. The Warrantholder has made such inquiry concerning the Company and its business and personnel as it has deemed appropriate.

(d) Risk of No Registration. The Warrantholder understands that if the Company does not register shares of its capital stock with the SEC pursuant to Section 12 of the Securities Exchange Act of 1934 (the "1934 Act"), or file reports pursuant to Section 15(d) of the 1934 Act, or if a registration statement covering the shares of its capital stock under the Act is not in effect when the Warrantholder desires to sell (i) this Warrant, (ii) the Preferred Stock issuable upon exercise of this Warrant or (iii) the Common Stock issuable upon conversion of the Preferred Stock issuable upon exercise of this Warrant, it may be required to hold such securities for an indefinite period. The Warrantholder also understands that any sale of (A) this Warrant or (B) Preferred Stock issued or issuable hereunder, or the Common Stock issuable upon conversion thereof, which might be made by it in reliance upon Rule 144 under the Act may be made only in accordance with the terms and conditions of that Rule.

(e) Accredited Investor. Warrantholder is an "accredited investor" within the meaning of Rule 501 of Regulation D, as presently in effect under the Act.

(f) Market "Stand-off' Agreement. The Warrantholder agrees, if requested by the Company and the managing underwriter of the Initial Public Offering, (a) not to (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, this Warrant, the Preferred Stock or other shares of capital stock issuable upon exercise of this Warrant (or the conversion of any such shares), or any other securities of the Company or (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of this Warrant, the Preferred Stock or other shares of capital stock issuable upon exercise of this Warrant (or the conversion of any such shares), or any other securities of the Company (excluding securities acquired in the Initial Public Offering or in the public market after the Initial Public Offering), whether any transaction described in clause (i) or (ii) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of the registration statement relating to the Initial Public Offering with the SEC and ending 180 days after the date of the final prospectus relating to the Initial Public Offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision) and (b) to execute any agreement reflecting clause (a) above as may be requested by the Company or the managing underwriters of the Initial Public Offering; provided, that all directors and officers of the Company, and all holders of one percent (1%) or more of the Company's Common Stock (calculated on a fully-diluted, as-exercised, as-converted basis) enter into similar agreements with the Company and/or managing underwriter; provided,

further, that if the Company or managing underwriter releases any such director, officer or stockholder from his or its obligations under such agreement prior to the expiration thereof, the Warrantholder shall thereupon automatically be released from its obligations under this Section 10(f) and its agreement with the Company and/or managing underwriter to the same extent. In order to enforce the foregoing, the Company may impose stop-transfer instructions with respect to such securities until the end of such lock-up period and may cause such securities to bear a legend setting forth such restriction until the end of such lock-up period. The underwriters for the Initial Public Offering are intended third party beneficiaries of this Section 10(f) and shall have the right, power and authority to enforce the provisions hereof as though they were parties hereto.

SECTION 11. TRANSFERS.

Subject to compliance with applicable federal and state securities laws and with the provisions of this Section 11, this Warrant and all rights hereunder are transferable, in whole or in part, without charge to the holder hereof (except for transfer taxes) upon surrender of this Warrant properly endorsed. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that the holder hereof, when this Warrant shall have been properly endorsed and its transfer recorded on the Company's books, shall be treated by the Company and all other persons dealing with this Warrant as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented by this Warrant. The transfer of this Warrant shall be recorded on the books of the Company upon receipt by the Company of a notice of transfer in the form attached hereto as Exhibit III (the "Transfer Notice"), at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer. Until the Company receives such Transfer Notice, the Company may treat the registered owner hereof as the owner for all purposes. Neither this Warrant nor the shares of capital stock issuable upon exercise of this Warrant shall be sold or transferred unless either (i) they first shall have been registered under the Act, or (ii) the Company first shall have been furnished with an opinion of legal counsel, reasonably satisfactory to the Company, to the effect that such sale or transfer is exempt from the registration requirements of the Act; provided, that the Company shall not require a legal opinion in connection with any transfer by Warrantholder of this Warrant and/or any shares of Preferred Stock issued upon exercise hereof to an Affiliate of Warrantholder, provided that such transferee (i) is an "accredited investor" within the meaning of the Securities and Exchange Rule 501 of Regulation D, as presently in effect, and (ii) agrees in writing with the Company to be bound by all of the obligations of the Warrantholder hereunder; provided, further, that following the consummation of the Initial Public Offering, the Company at its sole expense shall cause its legal counsel to provide any such opinion required or requested by the Company or its transfer agent. At all times prior to the Initial Public Offering, the Warrantholder shall not, without the prior written consent of the Company, (x) transfer this Warrant or any shares of Preferred Stock issued upon any exercise hereof to a person or entity that directly competes with the Company, except in connection with a Merger Event where the acquiring or surviving person or entity is such a direct competitor, and (y) transfer this Warrant to any non-Affiliate except in whole. As used herein, an "Affiliate" of the Warrantholder means any person or entity directly or indirectly controlling, controlled by or under common control with the Warrantholder. Each certificate representing shares of capital stock issuable upon exercise of this Warrant shall bear a legend substantially in the following form:

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be offered, sold or otherwise transferred, pledged or hypothecated unless and until such securities are registered under such Act or, subject to Section 11 of that certain Warrant Agreement dated July ___, 2016 between the Company and Hercules Capital, Inc., an opinion of counsel satisfactory to the Company is obtained to the effect that such registration is not required."

SECTION12. MISCELLANEOUS.

(a) Effective Date. The provisions of this Warrant shall be construed and shall be given effect in all respects as if it had been executed and delivered by the Company on the date hereof. This Agreement shall be binding upon any successors or assigns of the Company.

(b) Remedies. In the event of any default hereunder, the non-defaulting party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including but not limited to an action for damages as a result of any such default, and/or an action for specific performance for any default where the non-defaulting party will not have an adequate remedy at law and where damages will not be readily ascertainable. Each party expressly agrees that it shall not oppose an application by the other party or any other person entitled to the benefit of this Warrant requiring specific performance of any or all provisions hereof or enjoining the other party from continuing to commit any such breach of this Warrant.

(c) No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Warrantholder against impairment.

(d) Attorney's Fees. In any litigation, arbitration or court proceeding between the Company and the Warrantholder relating hereto, the prevailing party shall be entitled to reasonable attorneys' fees and expenses and all costs of proceedings incurred in enforcing this Warrant. For the purposes of this Section 12(d), reasonable attorneys' fees shall include without limitation fees incurred in connection with the following: (i) contempt proceedings; (ii) discovery; (iii) any motion, proceeding or other activity of any kind in connection with an insolvency proceeding; (iv) garnishment, levy, and debtor and third party examinations; and (v) post-judgment motions and proceedings of any kind, including without limitation any activity taken to collect or enforce any judgment.

(e) Severability. In the event any one or more of the provisions of this Warrant shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Warrant shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

(f) Notices. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication that is required, contemplated, or permitted under this Warrant or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by facsimile or hand delivery if transmission or delivery occurs on a business day at or before 5:00 pm in the time zone of the recipient, or, if transmission or delivery occurs on a non-business day or after such time, the first business day thereafter, or the first business day after deposit with an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States mails, with proper first class postage prepaid, and shall be addressed to the party to be notified as follows:

If to Warrantholder:

HERCULES CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer and Bryan Jadot
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
Facsimile: 650-473-9194
Telephone: 650-289-3060

If to the Company:

TransMedics, Inc.
Attention: Chief Financial Officer
200 Minuteman Road Suite 302
Andover, MA 01810
Facsimile: 978-685-9562
Telephone: 978-552-0925

With a copy to:

WilmerHale
60 State Street
Boston, MA 02109
Attn : Rosemary G. Reilly, Esq.
Facsimile: 617-526-5000
Telephone: 617-526-6000

or to such other address as each party may designate for itself by like notice.

(g) Entire Agreement; Amendments. This Agreement constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof, and supersede and replace in their entirety any prior proposals, term sheets, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof (including Lender’s proposal letter dated July 24, 2015). None of the terms of this Warrant may be amended except by an instrument executed by each of the parties hereto.

(h) Headings. The various headings in this Warrant are inserted for convenience only and shall not affect the meaning or interpretation of this Warrant or any provisions hereof.

(i) Advice of Counsel. Each of the parties represents to each other party hereto that it has discussed (or had an opportunity to discuss) with its counsel this Warrant and, specifically, the provisions of Sections 12(m), 12(n), 12(o), 12(p) and 12(q).

(j) No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Warrant. In the event an ambiguity or question of intent or interpretation arises, this Warrant shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Warrant.

(k) No Waiver. No omission or delay by either party at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the other party at any time designated, shall be a waiver of any such right or remedy to which such party is entitled, nor shall it in any way affect the right of such party to enforce such provisions thereafter.

(l) Survival. All agreements, representations and warranties contained in this Warrant or in any document delivered pursuant hereto shall be for the benefit of Warrantholder or the Company, as the case may be, and shall survive the execution and delivery of this Warrant and the expiration or other termination of this Warrant.

(m) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, (i) to the extent applicable, the Delaware General Corporation Law, and (ii) otherwise, the laws of the State of California, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

(n) Consent to Jurisdiction and Venue. All judicial proceedings arising in or under or related to this Warrant shall be brought in any state or federal court of competent jurisdiction located in the State of California. By execution and delivery of this Warrant, each party hereto generally and unconditionally: (a) consents to personal jurisdiction in Santa Clara County, State of California; (b) waives any objection as to jurisdiction or venue in Santa Clara County, State of California; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Warrant. Service of process on any party hereto in any action arising out of or relating to this Warrant shall be effective if given in accordance with the requirements for notice set forth in Section 12(f), and shall be deemed effective and received as set forth in Section 12(f). Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

(o) Mutual Waiver of Jury Trial. Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such

applicable laws. EACH OF THE COMPANY AND WARRANTHOLDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, "CLAIMS") ASSERTED BY THE COMPANY AGAINST WARRANTHOLDER OR ITS ASSIGNEE OR BY WARRANTHOLDER OR ITS ASSIGNEE AGAINST THE COMPANY. This waiver extends to all such Claims, including Claims that involve Persons other than the Company and the Warrantholder; Claims that arise out of or are in any way connected to the relationship between the Company and Warrantholder; and any Claims for damages, breach of contract, specific performance, or any equitable or legal relief of any kind, arising out of this Warrant.

(p) Arbitration. If the Mutual Waiver of Jury Trial set forth in Section 12(o) is ineffective or unenforceable, the parties agree that all Claims shall be submitted to binding arbitration in accordance with the commercial arbitration rules of JAMS (the "Rules"), such arbitration to occur before one arbitrator, which arbitrator shall be a retired California state judge or a retired Federal court judge. Such proceeding shall be conducted in San Francisco County, California, with California rules of evidence and discovery applicable to such arbitration. The decision of the arbitrator shall be binding on the parties, and shall be final and non-appealable to the maximum extent permitted by law. Any judgement rendered by the arbitrator may be entered in a court of competent jurisdiction and enforced by the prevailing party as a final judgment of such court.

(q) Pre-arbitration Relief. In the event Claims are to be resolved by arbitration, either party may seek from a court of competent jurisdiction identified in Section 12(n), any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by binding arbitration.

(r) Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

(s) Specific Performance. The parties hereto hereby declare that it is impossible to measure in money the damages which will accrue to a party by reason of the other party's failure to perform any of its respective obligations under this Warrant and agree that the terms of this Warrant shall be specifically enforceable by each party. If a party hereto institutes any action or proceeding to specifically enforce the provisions hereof, any person against whom such action or proceeding is brought hereby waives the claim or defense therein that such party has an adequate remedy at law, and such person shall not offer in any such action or proceeding the claim or defense that such remedy at law exists.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be executed by its officers thereunto duly authorized as of the Effective Date

COMPANY: TRANSMEDICS, INC.

By: /s/ Waleed Hassanein

Name: Waleed Hassanein

Title: CEO & President and Secretary

WARRANTHOLDER: HERCULES CAPITAL, INC.

By: /s/ Jennifer Choe

Name: Jennifer Choe

Title: Assistant General Counsel

EXHIBIT I

NOTICE OF EXERCISE

To: [_____]

(1) The undersigned Warrantholder hereby elects to purchase [____] shares Of the Series [__] Preferred Stock of [_____], pursuant to the terms of the Agreement dated the [____] day of [_____, ____] (the "Agreement") between [_____] and the Warrantholder, and [CASH PAYMENT: tenders herewith payment of the Purchase price in full, together with all applicable transfer taxes, if any.] [NET ISSUANCE: elects pursuant to Section 3(a) of the Agreement to effect a Net Issuance.]

(2) Please issue a certificate or certificates representing said shares of Series [__] Preferred Stock in the name of the undersigned or in such other name as is specified below.

_____
(Name)

_____
(Address)

WARRANTHOLDER:

HERCULES CAPITAL, INC.

By: _____

Title: _____

EXHIBIT II

ACKNOWLEDGMENT OF EXERCISE

The undersigned [_____], hereby acknowledge receipt of the "Notice of Exercise" from Hercules Capital, Inc., to purchase [___] shares of the Series [_____] Preferred Stock of [_____], pursuant to the terms of the Agreement, and further acknowledges that [_____] shares remain subject to purchase under the terms of the Agreement.

COMPANY: [_____]

By: _____

Title: _____

Date: _____

EXHIBIT III

TRANSFER NOTICE

(To transfer or assign the foregoing Agreement execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Agreement and all rights evidenced thereby are hereby transferred and assigned to

_____

(Please Print)

whose address is _____

_____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Transfer Notice must correspond with the name as it appears on the face of the Agreement, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Agreement.

Exhibit 10.3

TRANSMEDICS, INC.

2004 STOCK INCENTIVE PLAN

(as amended and restated)

1. Purpose

The purpose of this 2004 Stock Incentive Plan (the "Plan") of TransMedics, Inc., a Delaware corporation (the "Company"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to align their interests with those of the Company's stockholders. Except where the context otherwise requires, the term "Company" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "Board").

2. Eligibility

All of the Company's employees, officers, directors, consultants and advisors are eligible to receive options, restricted stock and other stock-based awards (each, an "Award") under the Plan. Each person who receives an Award under the Plan is deemed a "Participant".

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award. No director or person acting pursuant to the authority delegated by the Board shall be liable for any action or determination relating to or under the Plan made in good faith.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "Committee"). All references in the Plan to the "Board" shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the extent that the Board's powers or authority under the Plan have been delegated to such Committee or officers.

(c) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Awards to employees or officers of the Company or any of its present or future subsidiary corporations and to exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the terms of the Awards to be granted by such officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to Awards that the officers may grant; provided further, however, that no officer shall be authorized to grant Awards to any "executive officer" of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) or to any "officer" of the Company (as defined by Rule 16a-1 under the Exchange Act).

4. Stock Available for Awards

Subject to adjustment under Section 8, Awards may be made under the Plan for such number of shares of Common Stock, $0.0001 par value per share, of the Company (the "Common Stock") that is equal to 2,658,868 shares of Common Stock. If any Award expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right) or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock tendered to the Company by a Participant to exercise an Award shall be added to the number of shares of Common Stock available for grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions of this paragraph shall be subject to any limitations under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an "Option") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable. An Option which is not intended to be an Incentive Stock Option (as hereinafter defined) shall be designated a "Nonstatutory Stock Option".

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "Incentive Stock Option") shall only be granted to employees of TransMedics, Inc., any of TransMedics, Inc.'s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or for any action taken by the Board pursuant to Section 9(f), including without limitation the conversion of an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify such exercise price in the applicable option agreement.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement.

(e) Exercise of Option. Options may be exercised by delivery to the Company of a written notice of exercise signed by the proper person or by any other form of notice (including electronic notice) approved by the Board together with payment in full as specified in Section 5(f) for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company following exercise either as soon as practicable or, subject to such conditions as the Board shall specify, on a deferred basis (with the Company's obligation to be evidenced by an instrument providing for future delivery of the deferred shares at the time or times specified by the Board).

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as the Board may otherwise provide in an option agreement, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) when the Common Stock is registered under the Exchange Act, by delivery of shares of Common Stock owned by the Participant valued at their fair market value as determined by (or in a manner approved by) the Board ("Fair Market Value"), provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent permitted by applicable law and by the Board, by (i) delivery of a promissory note of the Participant to the Company on terms determined by the Board, or (ii) payment of such other lawful consideration as the Board may determine; or

(5) by any combination of the above permitted forms of payment.

(g) Substitute Options. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Options in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Options may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Options contained in the other sections of this Section 5 or in Section 2.

(h) Repricing of Options. The Board may, without stockholder approval, amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then current exercise price per share of such outstanding Option. The Board may also, without stockholder approval, cancel any outstanding Option and grant in substitution therefor new Awards covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then current exercise price per share of the cancelled Option.

6. Restricted Stock

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award (each, a "Restricted Stock Award").

(b) Terms and Conditions. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for repurchase (or forfeiture) and the issue price, if any.

(c) Stock Certificates. Any stock certificates issued in respect of a Restricted Stock Award shall be registered in the name of the Participant and, unless otherwise determined by the Board, deposited by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the "Designated Beneficiary"). In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

(d) Deferred Delivery of Shares. The Board may, at the time any Restricted Stock Award is granted, provide that, at the time Common Stock would otherwise be delivered pursuant to the Award, the Participant shall instead receive an instrument evidencing the right to future delivery of Common Stock at such time or times, and on such conditions, as the Board shall specify. The Board may at any time accelerate the time at which delivery of all or any part of the Common Stock shall take place. The Board may also permit an exchange of unvested shares of Common Stock that have already been delivered to a Participant for an instrument evidencing the right to future delivery of Common Stock at such time or times, and on such conditions, as the Board shall specify.

7. Other Stock-Based Awards

Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants ("Other Stock Unit Awards"), including without limitation stock appreciation rights and Awards entitling recipients to receive shares of Common

Stock to be delivered in the future. Such Other Stock Unit Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock Unit Awards may be paid in shares of Common Stock or cash, as the Board shall determine. Subject to the provisions of the Plan, the Board shall determine the conditions of each Other Stock Unit Awards, including any purchase price applicable thereto. At the time any Award is granted, the Board may provide that, at the time Common Stock would otherwise be delivered pursuant to the Award, the Participant will instead receive an instrument evidencing the Participant's right to future delivery of the Common Stock.

8. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under this Plan, (ii) the number and class of securities and exercise price per share of each outstanding Option, (iii) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award, and (iv) the terms of each other outstanding Award shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization and Change in Control Events

(1) Definitions

(a) A "Reorganization Event" shall mean:

(i) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled; or

(ii) any exchange of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange transaction; or

(iii) any liquidation or dissolution of the Company.

(b) A "Change in Control Event" shall mean:

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) 50% or more of either (x) the then-outstanding shares of Common Stock (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change in Control Event: (A) any acquisition directly from the Company (excluding an acquisition pursuant to the exercise, conversion or exchange of any security exercisable for, convertible into or exchangeable for common stock or voting securities of the Company, unless the Person exercising, converting or exchanging such security acquired such security directly from the Company or an underwriter or agent of the Company), or (B) any acquisition by any corporation pursuant to a Business Combination (as defined below) which complies with clauses (x) and (y) of subsection (iii) of this definition; or

(ii) such time as the Continuing Directors (as defined below) do not constitute a majority of the Board (or, if applicable, the Board of Directors of a successor corporation to the Company), where the term "Continuing Director" means at any date a member of the Board (x) who was a member of the Board on the date of the initial adoption of this Plan by the Board or (y) who was nominated or elected subsequent to such date by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election; provided, however, that there shall be excluded from this clause (y) any individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents, by or on behalf of a person other than the Board; or

(iii) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"), unless, immediately following such Business Combination, each of the following two conditions is satisfied: (x) all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "Acquiring Corporation") in substantially the same proportions as their ownership of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively, immediately prior to such Business Combination and (y) no Person (excluding any employee benefit plan (or related trust) maintained or sponsored by the Company or by the Acquiring Corporation) beneficially owns, directly or indirectly, 50% or more of the then-outstanding

shares of common stock of the Acquiring Corporation, or of the combined voting power of the then-outstanding securities of such corporation entitled to vote generally in the election of directors (except to the extent that such ownership existed prior to the Business Combination); or

(iv) the liquidation or dissolution of the Company.

(c) "Cause" shall mean any (i) willful failure by the Participant, which failure is not cured within 30 days of written notice to the Participant from the Company, to perform his or her material responsibilities to the Company or (ii) willful misconduct by the Participant which affects the business reputation of the Company.

(2) Effect on Options

(a) Reorganization Event. Upon the occurrence of a Reorganization Event (regardless of whether such event also constitutes a Change in Control Event), or the execution by the Company of any agreement with respect to a Reorganization Event (regardless of whether such event will result in a Change in Control Event), the Board shall provide that all outstanding Options shall be assumed, or equivalent options shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof); provided that if such Reorganization Event also constitutes a Change in Control Event, except to the extent specifically provided to the contrary in the instrument evidencing any Option or any other agreement between a Participant and the Company, such assumed or substituted options shall become immediately exercisable in full if, within 18 months of the consummation of the Reorganization Event, the Participant's employment with the Company or the acquiring or succeeding corporation is terminated without Cause by the Company or the acquiring or succeeding corporation. For purposes hereof, an Option shall be considered assumed if, following consummation of the Reorganization Event, the Option confers the right to purchase, for each share of Common Stock subject to the Option immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise of Options to consist solely of common stock of the acquiring or succeeding corporation (or an affiliate thereof) equivalent in fair market value to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

Notwithstanding the foregoing, if the acquiring or succeeding corporation (or an affiliate thereof) does not agree to assume, or substitute for, such Options, or in the event of a liquidation or dissolution of the Company, the Board shall, upon written notice to the Participants, provide that all then unexercised Options will become exercisable in full as of a specified time prior to the Reorganization Event and will terminate immediately prior to the consummation of such Reorganization Event, except to the extent exercised by the Participants before the consummation of such Reorganization Event; provided, however, that in the event of a

Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share of Common Stock surrendered pursuant to such Reorganization Event (the "Acquisition Price"), then the Board may instead provide that all outstanding Options shall terminate upon consummation of such Reorganization Event and that each Participant shall receive, in exchange therefor, a cash payment equal to the amount (if any) by which (A) the Acquisition Price multiplied by the number of shares of Common Stock subject to such outstanding Options (whether or not then exercisable), exceeds (B) the aggregate exercise price of such Options. To the extent all or any portion of an Option becomes exercisable solely as a result of the first sentence of this paragraph, the Board may provide that upon exercise of such Option the Participant shall receive shares subject to a right of repurchase by the Company or its successor at the Option exercise price. Such repurchase right (1) shall lapse at the same rate as the Option would have become exercisable under its terms and (2) shall not apply to any shares subject to the Option that were exercisable under its terms without regard to the first sentence of this paragraph.

(b) Change in Control Event that is not a Reorganization Event. Except to the extent specifically provided to the contrary in the instrument evidencing any Option or any other agreement between a Participant and the Company, each such Option shall be immediately exercisable in full if, within 18 months of the consummation of a Change in Control Event that does not also constitute a Reorganization Event, the Participant's employment with the Company or the acquiring or succeeding corporation is terminated without Cause by the Company or the acquiring or succeeding corporation.

(3) Effect on Restricted Stock Awards

(a) Reorganization Event that is not a Change in Control Event. Upon the occurrence of a Reorganization Event that is not a Change in Control Event, the repurchase and other rights of the Company under each outstanding Restricted Stock Award shall inure to the benefit of the Company's successor and shall apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to the Common Stock subject to such Restricted Stock Award.

(b) Change in Control Event. Except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock Award or any other agreement between a Participant and the Company, each such Restricted Stock Award shall immediately become free from all conditions or restrictions if, within 18 months of the consummation of the Change in Control Event (regardless of whether such event also constitutes a Reorganization Event), the Participant's employment with the Company or the acquiring or succeeding corporation is terminated without Cause by the Company or the acquiring or succeeding corporation.

(4) Effect on Other Awards. The Board shall specify the effect of a Reorganization Event and Change in Control Event on any other Award granted under the Plan at the time of the grant of such Award.

9. General Provisions Applicable to Awards

(a) Transferability of Awards. Except as the Board may otherwise determine or provide in an Award, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award.

(e) Withholding. Each Participant shall pay to the Company, or make provision satisfactory to the Company for payment of, any taxes required by law to be withheld in connection with an Award to such Participant. Except as the Board may otherwise provide in an Award, for so long as the Common Stock is registered under the Exchange Act, Participants may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; provided, however, except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares surrendered to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements. The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

(f) Amendment of Award. The Board 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 realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option, provided that the Participant's consent to such action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to such Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the completion of ten years from 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, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time.

(e) Authorization of Sub-Plans. The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements

to this Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, without regard to any applicable conflicts of law.

Transmedics, Inc.

Incentive Stock Option Agreement
Granted Under 2004 Stock Incentive Plan

1. Grant of Option.

This agreement evidences the grant by TransMedics, Inc., a Delaware corporation (the "Company"), on _____, 200[__] (the "Grant Date") to [_____], an employee of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2004 Stock Incentive Plan (the "Plan"), a total of [_____] shares (the "Shares") of common stock, $0.0001 par value per share, of the Company ("Common Stock") at $[*insert FMV*] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [*insert date immediately prior to tenth anniversary of Grant Date*] (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to [25]% of the original number of Shares of the [first] anniversary of the Grant Date and as to an additional [2.08-1/3]% of the original number of Shares at the end of each successive [one-month] period following the first anniversary of the Grant Date until the [fourth] anniversary of the Grant Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Discharge for Cause. If the Participant, prior to the Final Exercise Date, is discharged by the Company for "cause" (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such discharge. "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for "Cause" if the Company determines, within 30 days after the Participant's resignation, that discharge for cause was warranted.

4. Company Right of First Refusal.

(a) Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "Transfer Notice") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "Offered Shares"), the price per share and all other material terms and conditions of the transfer.

(b) Company Right to Purchase. For 30 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within 10 days after his receipt of such notice, the Participant shall tender to the Company at its principal offices the certificate or certificates

representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

(c) Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(d) Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, in so far as permitted by law, treat the Company as the owner of such Offered Shares.

(e) Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

(1) any transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;

(2) any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Securities Act"); and

(3) the sale of all or substantially all of the shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

(f) Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

(g) Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

(1) the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

(2) the sale of all or substantially all of the capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Common Stock immediately prior to such transaction beneficially own, directly or indirectly, more than 50% of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

(h) No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

(i) Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

> "The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

5. Agreement in Connection with Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Company's securities pursuant to a registration statement under the Securities Act, (i) not to sell, make short sale of, loan, grant any options for the purchase of, or otherwise dispose of any shares of Common Stock held by the Participant (other than those shares included in the offering) without the prior written consent of the Company or the underwriters managing such initial underwritten public offering of the Company's securities for a period of 180 days from the effective date of such registration statement, and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering.

6. Tax Matters.

(a) Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

(b) Disqualifying Disposition. If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

7. Nontransferability of Option.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

8. Provisions of the Plan.

This option is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

TransMedics, Inc.

Dated: _____

By: _____
Name: _____
Title: _____

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2004 Stock Incentive Plan.

PARTICIPANT:

_____

Address: _____

_____

_____

_____

NOTICE OF STOCK OPTION EXERCISE

Date: _____

TransMedics, Inc.
600 West Cummings Park, Suite 3050
Woburn, MA 01801

Attention: Treasurer

Dear Sir or Madam:

I am the holder of an Incentive Stock Option granted to me under the TransMedics, Inc. (the "Company") 2004 Stock Incentive Plan on _____ for the purchase of _____ shares of Common Stock of the Company at a purchase price of $_____ per share.

I hereby exercise my option to purchase _____shares of Common Stock "Shares"), for which I have enclosed [cash] [a personal check] in the amount of $_____. Please register my stock certificate as follows:

Name(s): _____

_____

Address: _____

Tax I.D. or SSN: _____

I represent, warrant and covenant as follows:

1. I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933 (the "Securities Act"), or any rule or regulation under the Securities Act.

2. I have had such opportunity as I have deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

3. I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

4. I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

5. I understand that (i) the Shares have not been registered under the Securities Act and are "restricted securities" within the meaning of Rule 144 under the Securities Act, (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently

registered under the Securities Act or an exemption from registration is then available; (iii) in any event, the exemption from registration under Rule 144 will not be available for at least one year and even then will not be available unless a public market then exists for the Common Stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and (iv) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act.

Very truly yours,

_____

(Signature)

Exhibit 10.5

TRANSMEDICS, INC.

2014 STOCK INCENTIVE PLAN

1. Purpose

The purpose of this 2014 Stock Incentive Plan (the "***Plan***") of TransMedics, Inc., a Delaware corporation (the "***Company***"), is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who are expected to make important contributions to the Company and by providing such persons with equity ownership opportunities and performance-based incentives that are intended to better align the interests of such persons with those of the Company's stockholders. Except where the context otherwise requires, the term "***Company***" shall include any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Internal Revenue Code of 1986, as amended, and any regulations thereunder (the "***Code***") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the Board of Directors of the Company (the "***Board***"), *provided, however,* that such other business ventures shall be limited to entities that, where required by Section 409A of the Code, are eligible issuers of service recipient stock (as defined in Treas. Reg. Section 1.409A-l(b)(5)(iii)(E), or applicable successor regulation).

2. Eligibility

All of the Company's employees, officers and directors, as well as consultants and advisors to the Company (as such terms are defined and interpreted for purposes of Rule 701 under the Securities Act of 1933, as amended (the "***Securities Act***") (or any successor rule)) are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a "***Participant***." "***Award***' means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Stock (as defined in Section 7), Restricted Stock Units (as defined in Section 7) and Other Stock-Based Awards (as defined in Section 8).

3. Administration and Delegation

(a) Administration by Board of Directors. The Plan will be administered by the Board. The Board shall have authority to grant Awards and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem expedient to carry the Plan into effect and it shall be the sole and final judge of such expediency. All decisions by the Board shall be made in the Board's sole discretion and shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "***Committee***"). All references in the Plan to the "***Board***"shall mean the Board or a Committee of the Board or the officers referred to in Section 3(c) to the

extent that the Board's powers or authority under the Plan have been delegated to such Committee or officers.

(c) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Options and other Awards that constitute rights under Delaware law (subject to any limitations under the Plan) to employees or officers of the Company and to exercise such other powers under the Plan as the Board may determine, *provided* that the Board shall fix the terms of such Awards to be granted by such officers (including the exercise price of such Awards, which may include a formula by which the exercise price will be determined) and the maximum number of shares subject to such Awards that the officers may grant; *provided further*, however, that no officer shall be authorized to grant such Awards to any "executive officer" of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")) or to any "officer" of the Company (as defined by Rule 16a-l under the Exchange Act). The Board may not delegate authority under this Section 3(c) to grant Restricted Stock, unless Delaware law then permits such delegation.

4. Stock Available for Awards

(a) Number of Shares. Subject to adjustment under Section 9, Awards may be made under the Plan for up to (i) 968,571 shares of common stock, $0.0001 par value per share, of the Company (the "***Common Stock***"), plus (ii) such additional number of shares of Common Stock (up to 3,942,572 shares) as is equal to the number of shares of Common Stock subject to awards granted under the Company's 2004 Stock Incentive Plan, as amended, which awards expire, terminate or are otherwise surrendered, canceled, forfeited or repurchased by the Company at their original issuance price pursuant to a contractual repurchase right (subject, however, in the case of Incentive Stock Options to any limitations of the Code). Any or all of which Awards may be in the form of Incentive Stock Options (as defined in Section 5(b)). If any Award expires or is terminated, surrendered or canceled without having been fully exercised, is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at the original issuance price pursuant to a contractual repurchase right), or results in any Common Stock not being issued, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock tendered to the Company by a Participant to exercise an Award shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options, the two immediately preceding sentences shall be subject to any limitations under the Code. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a), except as may be required by reason of Section 422 and related provisions of the Code.

5. Stock Options

(a) General. The Board may grant options to purchase Common Stock (each, an "***Option***") and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) Incentive Stock Options. An Option that the Board intends to be an "incentive stock option" as defined in Section 422 of the Code (an "***Incentive Stock Option***") shall only be granted to employees of TransMedics, Inc., any of TransMedics, Inc.'s present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, and shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. An Option that is not intended to be an Incentive Stock Option shall be designated a "***Nonstatutory Stock Option***." The Company shall have no liability to a Participant, or any other party, if an Option (or any part thereof) that is intended to be an Incentive Stock Option is not an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Nonstatutory Stock Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify the exercise price in the applicable Option agreement. The exercise price shall be not less than 100% of the fair market value per share of Common Stock, as determined by (or in a manner approved by) the Board ("***Fair Market Value***"), on the date the Option is granted.

(d) Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement; *provided, however,* that no Option will be granted with a term in excess of 10 years.

(e) Exercise of Options. Options may be exercised by delivery to the Company of a notice of exercise in a form of notice (which may be electronic) approved by the Company, together with payment in full (in a manner specified in Section 5(f)) of the exercise price for the number of shares for which the Option is exercised. Shares of Common Stock subject to the Option will be delivered by the Company as soon as practicable following exercise.

(f) Payment Upon Exercise. Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) when the Common Stock is registered under the Exchange Act, except as may otherwise be provided in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (ii) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(3) when the Common Stock is registered under the Exchange Act and to the extent provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (i) such method of payment is then permitted under applicable law, (ii) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Board in its discretion and (iii) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent provided for in the applicable Nonstatutory Stock Option agreement or approved by the Board in its sole discretion, by delivery of a notice of "net exercise" to the Company, as a result of which the Participant would receive (i) the number of shares underlying the portion of the Option being exercised less (ii) such number of shares as is equal to (A) the aggregate exercise price for the portion of the Option being exercised divided by (B) the Fair Market Value on the date of exchange.

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by (i) delivery of a promissory note of the Participant to the Company on terms determined by the Board, or (ii) payment of such other lawful consideration as the Board may determine; or

(6) by any combination of the above permitted forms of payment.

6. Stock Appreciation Rights

(a) General. The Board may grant Awards consisting of stock appreciation rights ("***SARs***") entitling the holder, upon exercise, to receive an amount of Common Stock determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of a share of Common Stock over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined shall be the exercise date.

(b) Measurement Price. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price shall not be less than 100% of the Fair Market Value on the date the SAR is granted.

(c) Duration of SARs. Each SAR shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement; *provided, however*, that no SAR will be granted with a term in excess of 10 years.

(d) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

7. Restricted Stock; Restricted Stock Units

(a) General. The Board may grant Awards entitling recipients to acquire shares of Common Stock ("***Restricted Stock***"), subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of

such shares if issued at no cost) from the recipient in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award. The Board may also grant Awards entitling the recipient to receive shares of Common Stock or cash to be delivered at the time such Award vests ("***Restricted Stock Units***") (Restricted Stock and Restricted Stock Units are each referred to herein as a "***Restricted Stock Award***").

(b) Terms and Conditions for All Restricted Stock Awards. The Board shall determine the terms and conditions of a Restricted Stock Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, if any.

(c) Additional Provisions Relating to Restricted Stock.

(1) Dividends. Unless otherwise provided in the applicable Award agreement, any dividends (whether paid in cash, stock or property) declared and paid by the Company with respect to shares of Restricted Stock ("***Accrued Dividends***") shall be paid to the Participant only if and when such shares become free from the restrictions on transferability and forfeitability that apply to such shares. Each payment of Accrued Dividends will be made no later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the lapsing of the restrictions on transferability and the forfeitability provisions applicable to the underlying shares of Restricted Stock.

(2) Stock Certificates. The Company may require that any stock certificates issued in respect of shares of Restricted Stock, as well as dividends or distributions paid on such Restricted Stock, shall be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). At the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or if the Participant has died, to his or her Designated Beneficiary. "***Designated Beneficiary***" means (i) the beneficiary designated, in a manner determined by the Board, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (ii) in the absence of an effective designation by a Participant, "***Designated Beneficiary***" the Participant's estate.

(d) Additional Provisions Relating to Restricted Stock Units.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of one share of Common Stock. The Board may, in its discretion, provide that settlement of Restricted Stock Units shall be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code.

(2) Voting Rights. A Participant shall have no voting rights with respect to any Restricted Stock Units.

(3) Dividend Equivalents. The Award agreement for Restricted Stock Units may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding shares of Common Stock ("***Dividend Equivalents***"). Dividend Equivalents may be paid currently or credited to an account for the Participants, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which paid, in each case to the extent provided in the applicable Award agreement.

8. Other Stock-Based Awards

(a) General. Other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property, may be granted hereunder to Participants ("***Other Stock-Based Awards***"). Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock or cash, as the Board shall determine.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price applicable thereto.

9. Adjustments for Changes in Common Stock and Certain Other Events

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Common Stock other than an ordinary cash dividend, (i) the number and class of securities available under the Plan, (ii) the number and class of securities and exercise price per share of each outstanding Option, (iii) the share and per-share provisions and the measurement price of each outstanding SAR, (iv) the number of shares subject to and the repurchase price per share subject to each outstanding Restricted Stock Award and (v) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Stock-Based Award, shall be equitably adjusted by the Company (or substituted Awards may be made, if applicable) in the manner determined by the Board. Without limiting the generality of the foregoing, in the event the Company effects a split of the Common Stock by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend shall be entitled to receive, on the distribution date, the stock dividend with respect to the shares of Common Stock acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

(1) Definition. A "***Reorganization Event***" shall mean: (a) any merger or consolidation of the Company with or into another entity as a result of which all of the Common Stock of the Company is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (b) any transfer or disposition of all of the Common Stock of the Company for cash, securities or other property pursuant to a share exchange or other transaction or (c) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Stock.

(i) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Stock on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that such Awards shall be assumed, or substantially equivalent Awards shall be substituted, by the acquiring or succeeding corporation (or an affiliate thereof), (ii) upon written notice to a Participant, provide that all of the Participant's unexercised Awards will terminate immediately prior to the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period following the date of such notice, (iii) provide that outstanding Awards shall become exercisable, realizable, or deliverable, or restrictions applicable to an Award shall lapse, in whole or in part prior to or upon such Reorganization Event, (iv) in the event of a Reorganization Event under the terms of which holders of Common Stock will receive upon consummation thereof a cash payment for each share surrendered in the Reorganization Event (the "***Acquisition Price***"), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of shares of Common Stock subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately prior to such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award, (v) provide that, in connection with a liquidation or dissolution of the Company, Awards shall convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings) and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 9(b)(2), the Board shall not be obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(ii) Notwithstanding the terms of Section 9(b)(2)(i), in the case of outstanding Restricted Stock Units that are subject to Section 409A of the Code: (i) if the applicable Restricted Stock Unit agreement provides that the Restricted Stock Units shall be settled upon a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a "change in control event", then no assumption or substitution shall be permitted pursuant to Section 9(b)(2)(i)(i) and the Restricted Stock Units shall instead be settled in accordance with the terms of the applicable Restricted Stock Unit agreement; and (ii) the Board may only undertake the actions set forth in

clauses (iii), (iv) or (v) of Section 9(b)(2)(i) if the Reorganization Event constitutes a "change in control event" as defined under Treasury Regulation Section 1.409A-3(i)(5)(i) and such action is permitted or required by Section 409A of the Code; if the Reorganization Event is not a "change in control event" as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the Restricted Stock Units pursuant to clause (i) of Section 9(b)(2)(i), then the unvested Restricted Stock Units shall terminate immediately prior to the consummation of the Reorganization Event without any payment in exchange therefor.

(iii) For purposes of Section 9(b)(2)(i)(i), an Award (other than Restricted Stock) shall be considered assumed if, following consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each share of Common Stock subject to the Award immediately prior to the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Common Stock for each share of Common Stock held immediately prior to the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, however, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determined to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding shares of Common Stock as a result of the Reorganization Event.

(3) Consequences of a Reorganization Event on Restricted Stock. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the repurchase and other rights of the Company with respect to outstanding Restricted Stock shall inure to the benefit of the Company's successor and shall, unless the Board determines otherwise, apply to the cash, securities or other property which the Common Stock was converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Stock; provided, however, that the Board may provide for termination or deemed satisfaction of such repurchase or other rights under the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Stock or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Stock then outstanding shall automatically be deemed terminated or satisfied.

10. General Provisions Applicable to Awards

(a) Transferability of Awards. Awards (or any interest in an Award, including, prior to exercise, any interest in shares of Common Stock issuable upon exercise of an Option or SAR) shall not be sold, assigned, transferred (including by establishing any short position, put

equivalent position (as defined in Rule 16a-l issued under the Exchange Act) or call equivalent position (as defined in Rule 16a-l issued under the Exchange Act)), pledged, hypothecated or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, and, during the life of the Participant, shall be exercisable only by the Participant; except that Awards may be transferred to family members (as defined in Rule 701(c)(3) under the Securities Act) through gifts or (other than Incentive Stock Options) domestic relations orders or to an executor or guardian upon the death or disability of the Participant. The Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall deliver to the Company a written instrument, as a condition to such transfer, in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of the Award. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) shall be deemed to restrict a transfer to the Company.

(b) Documentation. Each Award shall be evidenced in such form (written, electronic or otherwise) as the Board shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

(e) Withholding. The Participant must satisfy all applicable federal, state, and local or other income and employment tax withholding obligations before the Company will deliver stock certificates or otherwise recognize ownership of Common Stock under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for withholding or have a broker tender to the Company cash equal to the withholding obligations. Payment of withholding obligations is due before the Company will issue any shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price unless the Company determines otherwise. If provided for in an Award or approved by the Board in its sole discretion, a Participant may satisfy such tax obligations in whole or in part by delivery (either by actual delivery or attestation) of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value; *provided, however,* except as otherwise provided by the Board, that the total tax withholding where stock is being used to satisfy such tax obligations cannot exceed the Company's minimum statutory withholding obligations (based on minimum statutory withholding rates for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income). Shares used to satisfy tax withholding requirements cannot be subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements.

(f) Amendment of Award.

(1) The Board 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 realization, and converting an Incentive Stock Option to a Nonstatutory Stock Option. The Participant's consent to such action shall be required unless (i) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (ii) the change is permitted under Section 9.

(2) The Board may, without stockholder approval, amend any outstanding Award granted under the Plan to provide an exercise price per share that is lower than the then- current exercise price per share of such outstanding Award. The Board may also, without stockholder approval, cancel any outstanding award (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then- current exercise price per share of the cancelled award.

(g) Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Acceleration. The Board may at any time provide that any Award shall become immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

11. Miscellaneous

(a) No Right To Employment or Other Status. No person shall have any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the expiration

of 10 years from 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, but Awards previously granted may extend beyond that date.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time; *provided* that if at any time the approval of the Company's stockholders is required as to any modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) shall apply to, and be binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, provided the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan.

(e) Authorization of Sub-Plans (including Grants to non-U.S. Employees). The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to the Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

(f) Compliance with Section 409A of the Code. Except as provided in individual Award agreements initially or by amendment, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (ii) the Participant is a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code) (the "***New Payment Date***"), except as Section 409A of the Code may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule.

The Company makes no representations or warranty and shall have no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee, or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as a director, officer, other employee, or agent of the Company. The Company will indemnify and hold harmless each director, officer, other employee, or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Board's approval) arising out of any act or omission to act concerning the Plan unless arising out of such person's own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than the State of Delaware.

Exhibit 10.6

TransMedics, Inc. Incentive Stock Option Agreement
Granted Under 2014 Stock Incentive Plan

Grant of Option.

This agreement evidences the grant by TransMedics, Inc., a Delaware corporation (the "Company"), on [ ] (the "Grant Date") to [ ], an employee of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2014 Stock Incentive Plan (the "Plan"), a total of [ ] shares (the "Shares") of common stock, $0.0001 par value per share, of the Company ("Common Stock") at [$] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [ ] (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

Vesting Schedule.

This option will become exercisable ("vest") as to 2.0833% of the original number of Shares at the end of each one-month period following June 22, 2017 (the "Vesting Commencement Date") until the option is fully vested on the fourth anniversary of the Vesting Commencement Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

Exercise of Option.

Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee or officer of, or consultant or advisor to, the Company or any parent or subsidiary of the Company as defined in Section 424(e) or (f) of the Code (an "Eligible Participant").

Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the

right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment. If the Participant is party to an employment or severance agreement with the Company that contains a definition of "cause" for termination of employment, "Cause" shall have the meaning ascribed to such term in such agreement. Otherwise, "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment shall be considered to have been terminated for Cause if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

Company Right of First Refusal.

Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "Transfer Notice") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "Offered Shares"), the price per share and all other material terms and conditions of the transfer.

Company Right to Purchase. For 30 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within 10 days after his or her receipt of such notice, the Participant shall

tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

any transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;

any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Securities Act"); and

the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4.

Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 50% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

> "The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

Tax Matters.

Withholding. No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

Disqualifying Disposition. If the Participant disposes of Shares acquired upon exercise of this option within two years from the Grant Date or one year after such Shares were acquired pursuant to exercise of this option, the Participant shall notify the Company in writing of such disposition.

Transfer Restrictions.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

The Participant agrees that he or she will not transfer any Shares issued pursuant to the exercise of this option unless the transferee, as a condition to such transfer, delivers to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of Section 4 and Section 5; provided that such a written confirmation shall not be required with respect to (1) Section 4 after such provision has terminated in accordance with Section 4(g) or (2) Section 5 after the completion of the lock-up period in connection with the Company's initial underwritten public offering.

Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

TransMedics, Inc.

By: _____

Name: _____

Title: _____

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2014 Stock Incentive Plan.

PARTICIPANT:

_____

[ ]

Address: _____

_____

Exhibit 10.7

TransMedics, Inc.

Nonstatutory Stock Option Agreement
Granted Under 2014 Stock Incentive Plan

Grant of Option.

This agreement evidences the grant by TransMedics, Inc., a Delaware corporation (the "Company"), on [ ] (the "Grant Date") to **[ ]**, a director of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's 2014 Stock Incentive Plan (the "Plan"), a total of [ ] shares (the "Shares") of common stock, $0.0001 par value per share, of the Company ("Common Stock") at [ ] per Share. Unless earlier terminated, this option shall expire at 5:00 p.m., Eastern time, on [ ] (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

Vesting Schedule.

This option will become exercisable ("vest") as to 2.778% of the original number of Shares at the end of each successive one-month period following [ ] (the "Vesting Commencement Date") until the option is fully vested on the third anniversary of the Vesting Commencement Date.

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan.

Exercise of Option.

Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, accompanied by this agreement, and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee, officer or director of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or advisors of which are eligible to receive option grants under the Plan (an "Eligible Participant").

Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate three months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

Termination for Cause. If, prior to the Final Exercise Date, the Participant's employment or other relationship with the Company is terminated by the Company for Cause (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such termination of employment or other relationship. "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant's employment or other relationship shall be considered to have been terminated for "Cause" if the Company determines, within 30 days after the Participant's resignation, that termination for Cause was warranted.

Company Right of First Refusal.

Notice of Proposed Transfer. If the Participant proposes to sell, assign, transfer, pledge, hypothecate or otherwise dispose of, by operation of law or otherwise (collectively, "transfer") any Shares acquired upon exercise of this option, then the Participant shall first give written notice of the proposed transfer (the "Transfer Notice") to the Company. The Transfer Notice shall name the proposed transferee and state the number of such Shares the Participant proposes to transfer (the "Offered Shares"), the price per share and all other material terms and conditions of the transfer.

Company Right to Purchase. For 30 days following its receipt of such Transfer Notice, the Company shall have the option to purchase all or part of the Offered Shares at the price and upon the terms set forth in the Transfer Notice. In the event the Company elects to purchase all or part of the Offered Shares, it shall give written notice of such election to the Participant within such 30-day period. Within 10 days after his or her receipt of such notice, the Participant shall

tender to the Company at its principal offices the certificate or certificates representing the Offered Shares to be purchased by the Company, duly endorsed in blank by the Participant or with duly endorsed stock powers attached thereto, all in a form suitable for transfer of the Offered Shares to the Company. Promptly following receipt of such certificate or certificates, the Company shall deliver or mail to the Participant a check in payment of the purchase price for such Offered Shares; provided that if the terms of payment set forth in the Transfer Notice were other than cash against delivery, the Company may pay for the Offered Shares on the same terms and conditions as were set forth in the Transfer Notice; and provided further that any delay in making such payment shall not invalidate the Company's exercise of its option to purchase the Offered Shares.

Shares Not Purchased By Company. If the Company does not elect to acquire all of the Offered Shares, the Participant may, within the 30-day period following the expiration of the option granted to the Company under subsection (b) above, transfer the Offered Shares which the Company has not elected to acquire to the proposed transferee, provided that such transfer shall not be on terms and conditions more favorable to the transferee than those contained in the Transfer Notice. Notwithstanding any of the above, all Offered Shares transferred pursuant to this Section 4 shall remain subject to the right of first refusal set forth in this Section 4 and such transferee shall, as a condition to such transfer, deliver to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of this Section 4.

Consequences of Non-Delivery. After the time at which the Offered Shares are required to be delivered to the Company for transfer to the Company pursuant to subsection (b) above, the Company shall not pay any dividend to the Participant on account of such Offered Shares or permit the Participant to exercise any of the privileges or rights of a stockholder with respect to such Offered Shares, but shall, insofar as permitted by law, treat the Company as the owner of such Offered Shares.

Exempt Transactions. The following transactions shall be exempt from the provisions of this Section 4:

any transfer of Shares to or for the benefit of any spouse, child or grandchild of the Participant, or to a trust for their benefit;

any transfer pursuant to an effective registration statement filed by the Company under the Securities Act of 1933, as amended (the "Securities Act"); and

the sale of all or substantially all of the outstanding shares of capital stock of the Company (including pursuant to a merger or consolidation);

provided, however, that in the case of a transfer pursuant to clause (1) above, such Shares shall remain subject to the right of first refusal set forth in this Section 4.

Assignment of Company Right. The Company may assign its rights to purchase Offered Shares in any particular transaction under this Section 4 to one or more persons or entities.

Termination. The provisions of this Section 4 shall terminate upon the earlier of the following events:

the closing of the sale of shares of Common Stock in an underwritten public offering pursuant to an effective registration statement filed by the Company under the Securities Act; or

the sale of all or substantially all of the outstanding shares of capital stock, assets or business of the Company, by merger, consolidation, sale of assets or otherwise (other than a merger or consolidation in which all or substantially all of the individuals and entities who were beneficial owners of the Company's voting securities immediately prior to such transaction beneficially own, directly or indirectly, more than 50% (determined on an as-converted basis) of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction).

No Obligation to Recognize Invalid Transfer. The Company shall not be required (1) to transfer on its books any of the Shares which shall have been sold or transferred in violation of any of the provisions set forth in this Section 4, or (2) to treat as owner of such Shares or to pay dividends to any transferee to whom any such Shares shall have been so sold or transferred.

Legends. The certificate representing Shares shall bear a legend substantially in the following form (in addition to, or in combination with, any legend required by applicable federal and state securities laws and agreements relating to the transfer of the Company securities):

> "The shares represented by this certificate are subject to a right of first refusal in favor of the Company, as provided in a certain stock option agreement with the Company."

Agreement in Connection with Initial Public Offering.

The Participant agrees, in connection with the initial underwritten public offering of the Common Stock pursuant to a registration statement under the Securities Act, (i) not to (a) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any other securities of the Company or (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of Common Stock or other securities of the Company, whether any transaction described in clause (a) or (b) is to be settled by delivery of securities, in cash or otherwise, during the period beginning on the date of the filing of such registration statement with the Securities and Exchange Commission and ending 180 days after the date of the final prospectus relating to the offering (plus up to an additional 34 days to the extent requested by the managing underwriters for such offering in order to address Rule 2711(f) of the National Association of Securities Dealers, Inc. or any similar successor provision), and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering. The Company may impose stop-transfer instructions with respect to the shares of Common Stock or other securities subject to the foregoing restriction until the end of the "lock-up" period.

Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

Transfer Restrictions.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

The Participant agrees that he or she will not transfer any Shares issued pursuant to the exercise of this option unless the transferee, as a condition to such transfer, delivers to the Company a written instrument confirming that such transferee shall be bound by all of the terms and conditions of Section 4 and Section 5; provided that such a written confirmation shall not be required with respect to (1) Section 4 after such provision has terminated in accordance with Section 4(g) or (2) Section 5 after the completion of the lock-up period in connection with the Company's initial underwritten public offering.

Provisions of the Plan.

This option is subject to the provisions of the Plan (including the provisions relating to amendments to the Plan), a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

TransMedics, Inc.

By: _____

Name: Waleed Hassanein
Title: Chief Executive Officer

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing option and agrees to the terms and conditions thereof. The undersigned hereby acknowledges receipt of a copy of the Company's 2014 Stock Incentive Plan.

PARTICIPANT:

_____

Address: _____

_____

200 MINUTEMAN ROAD
ANDOVER, MASSACHUSETTS

LEASE

LANDLORD:	**200 MINUTEMAN LIMITED PARTNERSHIP, a Massachusetts Limited Partnership**
TENANT:	**TRANSMEDICS, INC., a Delaware corporation**
DATE:	**July 25, 2004**
BUILDING NO.:	**200**
LEASE NO.:	**200-3a**

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EXHIBIT LIST

INDEX TO DEFINED TERMS

LEASE

THIS LEASE, dated as of *July 25*, 2004, is between 200 MINUTEMAN LIMITED PARTNERSHIP, a Massachusetts Limited Partnership ("Landlord"), and TRANSMEDICS, INC., a Delaware corporation ("Tenant").

Landlord leases the Premises to Tenant and Tenant leases the Premises from Landlord on the following terms and conditions:

1. BASIC LEASE PROVISIONS.

1.1 Summary.

(a) Premises: Space on the third (3rd) Floor of the Building (as shown in Exhibit "B"), with an aggregate agreed rentable area deemed to be 35,910 square feet. "Rentable Area" means the agreed rentable area of the Premises (i.e., if Tenant does not lease additional space in the Building, the Rentable Area will be 35,910 square feet).

(b) Term: This Lease is binding and effective as of the date hereof, and the Lease term begins on the Rent Commencement Date and ends on December 31, 2014, unless terminated earlier or extended in accordance with this Lease.

(c) Rent Commencement Date: July 1, 2004

(d) Building: The building at 200 Minuteman Road, Andover, Massachusetts, with an agreed rentable area deemed to be approximately 206,756 square feet.

(e) Project: The land, buildings, improvements and appurtenances, both above and below grade, now commonly known as 200 Minuteman Road, Andover, Massachusetts, as generally depicted on Exhibit "A."

(f) Base Rent: (see Exhibit "D").

(g) Tenant's Percentage: 17.37%.

(gg) Lease Year: As defined in Section 4.

(h) Letter of Credit: See Section 24.17.

(i) Use of Premises. As offices and for medically-related light assembly and testing of electronics and plastics (the "Devices"), and medically-related training and research and development and other uses ancillary or incidental thereto, including, without limitation, use of a portion of the Premises as a show room for the Devices. Landlord acknowledges and agrees that Tenant will install a "dean room" in the Premises for the assembly of products and its medically-related training and research and development. The Premises will not be used for manufacturing or retail sales and neither animals (nor animal parts or carcasses) will be permitted in the Premises.

(j) Notice to Tenant (prior to the Rent Commencement Date):

600 West Cummings Park
Suite 3050

Woburn, Massachusetts 08108
Attn: Waleed H. Hassanein, M.D.

With a Copy to:

Piper Rudnick
One International Place
Boston, MA 02110
Attn: Barbara A. Trachtenberg

(k) Notice to Landlord:

200 Minuteman Limited Partnership
200 Minuteman Road
Andover, Massachusetts 01810
Attn: Martin Spagat

With a Copy to:

Brickstone Properties Incorporated
The Plaza at Continental Park
Suite 5252
2101 Rosecrans Avenue
El Segundo, California 90245-4742
Attn: John G. Baker, Esq.

(l) Guarantor: None.

(m) Tenant's Brokder: None

(n) Certain Other Defined Terms: [See Section 24.18]

1.2 Conflict. If there is a conflict between this summary and the rest of this Lease, the rest of this Lease will control.

2. CONTRUCTION OF PREMISES

Tenant has thoroughly inspected the Premises and accepts the Premises and the Project "as is" in all respects and agrees that Landlord is not required to pay for or perform any work to or for the benefit of the Premises or Tenant's initial occupancy thereof except as may be specifically set forth in Exhibit "C" hereto (although this is not meant to affect Landlord's ongoing obligations to repair and maintain as and if required under this Lease). Tenant will perform Tenant's Work in accordance with Exhibit "C" hereto, unless Landlord specifically agrees in writing to perform Tenant's Work.

3. POSSESSION AND SURRENDER OF PREMISES

When this Lease expires or otherwise terminates, Tenant will remove all of its signs, movable trade fixtures and equipment, inventory and other personal property owned by Tenant or its Affiliates ("Tenant's Property"). Tenant's Property remaining after termination will be deemed abandoned and Landlord may keep, sell, destroy or dispose of it without incurring any Liabilities to Tenant or its Affiliates. Notwithstanding anything to the contrary, Tenant will

not remove, lease, finance, subject to a security interest or otherwise encumber or Transfer, or damage, Landlord's Furniture (as defined in Section 11(g) and set forth in Exhibit "G"), or any other items that are attached to the Premises or areas of the Building or realty in such a manner that they are deemed to be "fixtures" under applicable Laws or that are attached in such a manner that their removal would cause substantial damage to or adversely affect the proper and continuing functioning of the Building or its Systems or Equipment. However, notwithstanding the foregoing to the contrary, Tenant will remove those items at the end of the Lease term to the extent that Landlord specifies removal in any written consent to alternations or installation given by Landlord. Tenant will repair all damage caused by such removal or Tenant's occupancy (reasonable wear and tear and casualty damage excepted) and surrender the Premises broom clean and otherwise in the same condition as on the Rent Commencement Date and as improved in accordance with this Lease (reasonable wear and tear and casualty damage expected). Unless such requirement is specifically waived in writing by Landlord.

4. TERM.

Subject to Addendum #1 and Addendum #3, the term of this Lease is as set forth in Section 1.1(b). A "Lease Year" is a period of twelve (12) consecutive calendar months during the Lease term, starting with the Rent Commencement Date. However, the first Lease Year is the first twelve (12) full calendar months plus the partial month (if any) after the Rent Commencement Date if the Rent Commencement Date is not the first day of the month, and the last Lease Year may be less than twelve (12) months if the expiration or termination date of this Lease is not the last day of the Lease Year.

5. RENT.

Tenant will pay the base rent as shown in Exhibit "D" in equal monthly installments in advance beginning as of the Rent Commencement Date and thereafter on the first day of each month during the term, prorated for any portion of a month. The term "rent" includes based rent, additional rent and all other amounts to be paid by Tenant under this Lease, whether or not specifically described as rent. All rent will be paid to Landlord without demand, deduction, counterclaim or offset of any type in good funds and lawful U.S. legal tender at The Plaza at Continental Park, Suite 5252, 2101 Rosecrans Avenue, El Segundo, California 90245-4742, Attn: Accounting Dept., or to such other person or place as Landlord may from time to time designate.

6. TAXES.

6.1 Definition of Taxes. "Taxes" means all taxes, assessments, levies, charges and fees imposed against, for or in connection with all or any portion of: the Project; the use, ownership, leasing, occupancy, operation, management, repair, maintenance, demolition or improvement of the Project; Landlord's right to receive, or the receipt of, rent, profit or income from the Project; improvements, utilities and services, whether because of special assessment districts or otherwise; the value of Landlord's interest in the Project; a reassessment due to any change in ownership or other transfer of all or any portion of the Project or an interest therein; and fixtures, equipment and other real or personal property used in connection with the Project. Taxes also include, without limitation, capital and value-added taxes, penalties, interest and costs incurred in contesting taxes (subject to the rest of this Section 6.1), and any charges or taxes in addition to, in substitution or in lieu of, partially or totally, any taxes or charges previously included within this definition, including taxes or charges completely unforeseen by the parties and collected from whatever source. **Taxes do not include**: Landlord's federal

or state net income (including capital gains), franchise, excise, inheritance, deed stamp, transfer, gift or estate taxes, nor will they include penalties or interest unless Tenant fails to pay its share of Taxes as and when required.

6.2 Payment of Taxes. Subject to Article 8: starting as of the Rent Commencement Date, Tenant will pay its Tenant's Percentage of Taxes directly to Lanlord as additional rent within thirty (30) days after delivery of Landlord's bills from time to time.

6.3 Tenant's Taxes. Tenant will pay before delinquency all taxes assessments, license fees and charges levied, assessed or imposed on Tenant, Tenant's business operations and Tenant's Property and will indemnify and hold Landlord harmless therefrom.

7. OPERATING COSTS.

7.1 Definition of Operating Costs. "Operating Costs" are all costs and expenses incurred in connection with the Project and its ownership, operation, management, maintenance, repair, replacement and improvement, including, without limitation, costs for: services, costs and utilities not otherwise directly paid or reimbursed by tenants; materials, supplies and equipment to the extent used for the Project; insurance deductibles, premiums and costs; wages and payroll, including bonuses, fringe benefits, workers compensation and payroll taxes; professional and consulting fees; management fees equal to 3.5% of the annual gross revenues generated by the Project (including for example all rent and proceeds paid by tenants in the project and security deposits applied by Landlord, but excluding interest and insurance proceeds, except insurance proceeds that are meant to compensate for rent, such as proceeds from rental loss insurance), or if no managing agent is retained, an amount in lieu thereof not in excess of such amount; complying with any Laws and insurance requirements; an annual audit of Landlord's books and records relating to the Project and the preparation of Landlord's annual financial statements (but not its tax returns); Cafeteria Charges (which will be abated for the first Lease Year); and snowplowing and landscaping. **Operating Costs do not include**: Taxes or the exclusions therefrom; depreciation; Landlord's loan fees, points, debt service or ground lease payments or costs incurred in negotiating any of the underlying documents in connection therewith; brokerage commissions, advertising or other marketing expenses; payments to affiliates of Landlord for goods and/or services in excess of what would be paid to non-affiliated parties for such goods and/or services in an arm's length transaction; tenant allowances. Inducements or workletter costs or any other costs incurred for the construction of new leasable area in the Project, the construction of structured parking facilities, or the construction or installation of tenant improvements, or for improving, decorating, painting or redecorating vacant space held for lease to tenants; costs of negotiating or enforcing leases; free rent, rent abatements or similar inducements offered by Landlord to obtain tenants; expenses for repairs or maintenance to the extent reimbursed by warranties, guaranties, service contracts or insurance proceeds; costs for the replacement (as opposed to maintenance and repair) of basic structural members in the Building; costs to defend Landlord's title to or interest in the Project; costs to influence prospective legislation; janitorial services provided for a tenant's leased premises (as opposed to janitorial services for the Common Area); and costs directly paid or specifically reimbursed by tenants in the Project (other than by an allocation of Operating Costs), such as separately metered electricity payable directly by a tenant to the utility company. If and to the extent that a cost otherwise permitted as an Operating Cost is not incurred solely for the Project, it will be reasonable pro rated by Landlord.

7.2 Payment of Operating Costs. Subject to Article 8: starting as of the Rent Commencement Date, Tenant will pay its Tenant's Percentage of Operating Costs directly to

Landlord as additional rent within thirty (30) days after delivery of Landlord's bills from time to time.

7.3 Determining Operating Costs. Notwithstanding anything to the contrary, in determining Operating Costs for any calendar year, Lease Year or other relevant year, if during that period less than all of the area held for lease by Landlord in the Project is leased and occupied by tenants, then the Operating Costs for that period that vary with occupancy will be deemed to be equal to those that Landlord would have incurred if the Project had been fully leased and occupied for that period, as reasonably determined by Landlord. Landlord will not, by operation of this clause, collect more than its actual Operating Costs for that period.

7.4 Audit Right. At least April 15th after the end of each calendar year during the term, Landlord will deliver to the Tenant a reconciliation of the actual Operating Costs incurred for that calendar year (if Tenant does not receive such a reconciliation by that date then it will notify Landlord in writing, and Landlord will deliver such a reconciliation with twenty (20) days thereafter). Tenant will have the right at its sole cost to audit, with an independent certified public accountant, once during each twelve (12)-month period during the term, the Operating Costs charged to Tenant for the prior calendar year, provided that Tenant delivers written notice to Landlord within six (6) months after receipt of the annual statement of Operating Costs for that calendar year, and has paid the amount of that statement and is not in default. The auditors must be compensated on an hourly basis for time spent and not pursuant to a "contingent fee" arrangement of any type. This audit will take place at the Project during Landlord's normal business hours on at least fourteen (14) days' prior written notice, in a manner that will not unreasonably disrupt Landlord's business operations, and for a period not to exceed fourteen (14) business days. Landlord will not be required to provide analyses or comparisons for Tenant, but will on request cooperate with the auditors by providing, to the extent in Landlord's possession, line item breakdowns of the Operating Costs disputed by Tenant in its notice to Landlord and the invoices therefor, and permitting Tenant's auditors to copy such items at their sole cost. Tenant agrees to keep strictly confidential the results of its audits and any information obtained in connection therewith, as well as any claims, negotiations, proceedings or settlements with Landlord, and will cause its auditors and other Affiliates to comply with these confidentiality requirements. As a condition to conducting an audit or any other review, Landlord may require Tenant and its auditors and other Affiliates to sign and deliver confidentiality agreements for this purpose. If an error has been made in the billing of Operating Costs, whether in favor of Landlord or Tenant, the sole right and remedy of the parties will be to adjust the amount of the discrepancy in cash within thirty (30) days (and if Landlord owes amounts to Tenant Landlord may, at its option, credit those amounts against the rent next due from Tenant, to the extent that rent is due). Notwithstanding anything to the contrary, in addition to the reimbursement described in the preceding sentence, in the event that Tenant's audit reveals that Operating Costs charged by Landlord to Tenant for the calendar year exceeded the actual Operating Costs that should have been charged to Tenant for that calendar year by ten percent (10%) or more, and if in fact Tenant's audit is accurate, Landlord shall reimburse Tenant for the costs of the audit, not to exceed Four Thousand Dollars ($4,000). If Tenant chooses not to request such an audit within the six (6)-month period described above, the annual statement and the amounts required to be paid thereunder will be considered final and binding on Tenant in all respects, except for intentional fraud by Landlord.

8. MONTHLY PAYMENT OF TAXES AND OPERATING COSTS.

At any time and from time to time, and subject to alter change, Landlord may elect to have Tenant pay Tenant's share of Taxes and Operating Costs (or either of them) in equal

monthly installments in advance on the first of each month, based on amounts reasonably estimated by Landlord (as revised from time to time). If these estimated monthly payments are required, after the end of each tax fiscal year. Lease Year or other relevant periods selected by Landlord, Landlord will deliver to Tenant a statement of the actual amounts due for the period. Any additional amounts due from Tenant will be payable as additional rent within thirty (30) days after receipt of Landlord's statement, and any overpayment by Tenant will be refunded by Landlord or, at Tenant's option, deducted from the next monthly installments of rent due from Tenant. At any time or from time to time, Landlord may deliver a bill to Tenant for Tenant's share of Taxes and/or Operating Costs (or specified portions thereof) that have been billed to Landlord for a particular period, and Tenant will pay the amount due to Landlord as additional rent within thirty (30) days after receipt of Landlord's bill. Tenant will receive a credit for any estimated monthly payments or other payments for such charges already paid by Tenant for the period covered by that bill.

9. INSURANCE.

9.1 Tenant's Insurance; Waiver of Subrogation.

(a) Starting before the date (the "Insurance Date") that Tenant or its contractors or other Affiliates first enter the Project to perform any work, and continuing until the end of the term, Tenant will maintain at its costs:

(i) Commercial general liability insurance (ISO Form CG 00 01 07 98, or an equivalent occurrence basis policy form satisfactory to Landlord), with contractual liability, cross-liability and fire legal liability endorsements, protecting against claims and liabilities for personal, bodily and other injuries, death and property loss or damage including, without limitation, broad from property damage insurance, automobile and personal injury coverage. This insurance also will insure Tenant's indemnities. The amount of this insurance will not be less than Five Million Dollars ($5,000,000) combined single limit for each occurrence. If this policy includes a "general aggregate" limit, the limit will be at least twice the combined single limit per occurrence and will apply on a "per location" basis.

(ii) "All risk" casualty insurance, covering all of Tenant's Work, Tenant's Property and all Alterations made by or for the benefit of Tenant that are not fixtures belonging to Landlord. This insurance will be for full replacement value.

(iii) Loss of income and business interruption insurance in an mount that will reimburse Tenant for direct and indirect loss of six (6) months of earnings and other costs attributable to all perils commonly insured against by prudent Tenants in the greater Boston area or attributable to prevention of access to the Premises or to the Building as a result of such perils.

(iv) Employer's liability insurance of not less than One Million Dollars ($1,000,000), and worker's compensation insurance in statutory limits.

(v) If not already provided under one of Tenant's policies mentioned above, Builder's Risk insurance (completed value form) for work required of or permitted to be made by Tenant. The amount of this insurance will be reasonable satisfactory to Landlord and must be obtained before any work is begun.

(b) The initial amounts of commercial general liability insurance and employer's liability insurance described above will be subject to reasonable periodic increase and endorsement (but not more often than annually) based on inflation, increased liability awards and other relevant factors, as reasonably determined by Landlord.

(c) All policies of insurance carried by Tenant must: name Landlord and its designees as additional insureds pursuant to ISO Form 2026 or its equivalent acceptable to Landlord, without modification; contain a waiver by the insure of any right to subrogation against Landlord and its Affiliates; be written on an "occurrence" basis; be from insurers in good standing and licensed to do business in Massachusetts with a Best's Key Rating of at least AX; contain deductibles not in excess of $5,000 (and all deductibles will be paid and assumed by Tenant); be endorsed to be primary to all insurance of Landlord and its Affiliates, which will be excess and non-contributing; and state that the insurers will not cancel, fail to renew or modify the coverage without first giving Landlord and any other additional insureds at least thirty (30) days' prior written notice. Tenant may provide this insurance pursuant to "blanket" policies, provided that the coverage required hereunder is not reduced in any manner.

(d) Tenant will supply copies of each paid-up policy or a certificate from the insurer certifying that the policy has been issued and showing coverages and limits that comply with all of the terms of this Article. The policies or certificates will be delivered to Landlord prior to the Insurance Date and renewals provided not less than third (30) days before the expiration of the coverage. Landlord always may inspect and copy any of the policies. Tenant waives subrogation and any right to claim or recover against Landlord or its Affiliates for Liabilities in connection with any damage, loss or liability due to a peril covered under the casualty (and similar) insurance policies required to be or actually maintained by Tenant.

(e) Tenant and its Affiliates will not undertake, fail to undertake or permit any acts or omissions which will in any way increase the costs of, violate, void or make voidable all or any portion of any insurance policies maintained by Landlord, unless Landlord gives its specific written consent and Tenant pays all increased costs directly to Landlord on demand.

9.2 Landlord's Insurance; Waiver of Subrogation. To the extent reasonably commercially available, Landlord will maintain casualty insurance of at least 95% of the full replacement cost of the Building (and Landlord may exclude foundations, footings, below-grade space, any historic items or structures and improvements covered by the insurance of other tenants), commercial general public liability insurance (Broad Form or the functional equivalent) of at least Ten Million Dollars ($10,000,000), and other insurance policies (including, without limitation, rental loss insurance policies covering at least six (6) months of rent), all in such amounts (except as may be specified above), with deductibles (not materially in excess of commercially reasonable amounts) and providing protection against such perils as Landlord determines to be necessary in its sole discretion. All losses on all policies maintained pursuant to this Article will be settled in Landlord's name (or as otherwise designated by Landlord) and proceeds will belong and be paid to or at the direction of Landlord. Landlord hereby waives subrogation and any right to claim or recover against Tenant or its Affiliates for Liabilities in connection with any damage, loss or liability due to a peril covered under the casualty (and similar) insurance policies required to be or actually maintained by Landlord. Landlord makes no representations or warranties as to the adequacy of any insurance to protect Landlord's or Tenant's interests.

10. UTILITIES.

Tenant will pay when due to the furnishing parties all fees and costs for utility services furnished to the Premises, including, without limitation, telephone, electricity (including, without limitation, electricity for any heat pump(s) or other portion of the HVAC Systems and Equipment dedicated solely to the Premises), sewer, water and gas (if furnished). If not already present or installed by the utility provider, Landlord, at its cost, will install meters, submeters, intellimeters or the equivalent (collectively, "Submeters") to measure the electricity consumed at the Premises (although Landlord will not be required to do so for HVAC units that serve both the Premises and other areas of the Project nor for Systems or Equipment installed by Tenant nor for Tenant's use of emergency power or power from backup generators or UPS systems). If a utility or service is not separately metered, submetered, intellimetered or the equivalent and is not payable directly to the utility provider, Tenant will pay its share (as reasonably determined by Landlord) of such costs directly to Landlord as additional rent within thirty (30) days after receipt of Landlord's bills from time to time. Landlord is not responsible for any Liabilities incurred by Tenant or Tenant's Affiliates nor may Tenant abate rent, terminate this Lease or pursue any other right or remedy against Landlord or Landlord's Affiliates as a result of any malfunction, failure to restore, interruption or suspension of any utilities, services or associated Systems and Equipment, except as set forth in the next sentence. If there is an interruption in utility service directly caused by Landlord's negligence or willful misconduct that is not otherwise addressed by the terms of Article 16 and that renders the Premises untenantable for more than two (2) consecutive business days, then the terms of Section 16.2 and 16.3 will apply as if the interruption were a casualty, and rent will abate in accordance with Section 16.3 until service is restored. Landlord specifically retains (and if necessary Tenant hereby grants to Landlord) the sole and exclusive right to determine the electricity and other utility provider(s) of the Premises and the rest of the Project. Subject to the foregoing, force majeure, and the performance of repairs and maintenance, Tenant will have the right to access the HVAC Systems and Equipment 24 hours per day, seven days per week during the Lease term.

11. USE OF PREMISES.

Tenant will:

(a) Operate its business in a manner customary to and compatible with first class office and research and development building and not permit any objectionable or unreasonable noises, vibrations, odors or fumes in or to emanate from the premises, nor commit or permit any waste, improper, immoral or offensive use of the Premises, any public or private nuisance or anything that disturbs the quiet enjoyment of the other tenants, licensees, occupants or customers of the Project, and use and occupy the Premises throughout the term and only for the purpose described in Section 1.1(i), but for no other purpose. All deliveries and pickups must be conducted at times and in the manner reasonably prescribed by Landlord, and only in those loading docks or areas reasonably specified by Landlord. All trash and waste products must be stored, discharged, processed and removed in the manner reasonably prescribed by Landlord and in accordance with applicable Laws, and so as not to be visible to other tenants or create any health or fire hazard.

(b) Install only window coverings and treatments approved by Landlord (building standard window coverings are hereby approved) and, once installed, keep them sufficiently closed to shield from outside view any rooms, machinery or other equipment that

Landlord reasonably determines is unsightly or inconsistent with that portion of the Project. Tenant wilt vent and drain only in a manner mutually agreed on by Tenant and Landlord.

(c) Not: permit any coin or token operated vending, video, pinball, gaming or other mechanical devices on the Premises, except for telephones and vending machines solely for use by Tenant's employees; sell lottery or raffle tickets; operate a restaurant; engage in the business of banking or selling or purchasing securities; permit diplomatic, governmental or quasi-governmental agencies to occupy the Premises; use the Premises for retail or wholesale sales purposes, or as doctors' offices (other than for the training of doctors or medical personnel), or as living or sleeping quarters; store, sell or distribute obscene, graphic, sexually-explicit, lewd or pornographic materials (as reasonably determined in Landlord's judgment) or engage in related businesses in or from the Premises; or conduct any auction, or any distress, fire, bankruptcy or going out of business sale; or engage in retail sales. Notwithstanding the foregoing, Tenant may use a portion of the Premises as a show room for the Devices.

(d) Comply with: Laws and insurance requirements affecting the Premises, the Project or any use and occupancy thereof (including, without limitation, making required improvements to the Premises, but not any modifications or Improvements to the base-building life-safety system or the Building structure unless required because of Tenant's specific use or manner of use of the Premises); and Landlord's rules and regulations and reasonable changes thereto that do not materially adversely affect Tenant's access to or use of the Premises in accordance with this Lease. Tenant will, at its expense, obtain and maintain all licenses, permits and approvals necessary to conduct its business in accordance with applicable Laws (and will conduct its business in accordance with applicable Laws as described herein and above), but none of those licenses, permits, approvals or variances will be binding on or in any way affect or restrict Landlord, any other tenants in the Project or the Project itself.

(e) If it wishes, at its expense: install signs or lettering on the entry doors to the Premises identifying its tenancy in the manner customary to first-class office buildings and on a monument provided by Landlord outside the Building. Tenant will conform to standards established by Landlord from time to time for these signs or lettering and submit for Landlord's prior approval a plan or sketch of Tenant's proposed sign or lettering together with a list of materials and specifications and the proposed manner of attachment. Landlord will place Tenant's name (along with the names of other tenants) on a Building directory sign at no cost to Tenant, and all other signs, lettering, awnings, canopies or other decorations require Landlord's prior written approval.

(f) Not use any advertising or other media or other device which can be heard or experienced outside the Premises (except as permitted in subparagraph (e) above), including without limitation, lights or audio or visual devices. Tenant will not distribute handbills or advertising, promotional or other materials anywhere in the Project or solicit business in the Project other than within its own Premises.

(g) Have the right during the Lease term to use the furniture and equipment described in Exhibit "G" hereto. This furniture and equipment, and all replacements or modifications thereof, collectively are called "Landlord's Furniture." Landlord's Furniture is and will remain Landlord's property, and not Tenant's Property, and except as set forth below Tenant will not attempt to sell or Transfer Landlord's Furniture or any interest therein, or remove or damage or allow anyone else to remove or damage any of Landlord's Furniture. Tenant will at its cost repair any damage to Landlord's Furniture caused by Tenant or its Affiliates (but not damage existing as of the beginning of the Lease term or damage arising

from normal wear and tear) and at the end of the term will surrender all of Landlord's Furniture in the same condition as received, ordinary wear and tear and casualty damage excepted. Tenant accepts Landlord's Furniture "as is" in all respects, and agrees that neither Landlord nor its Affiliates have made, nor is Tenant relying on, any representations or warranties of any type, express or implied, in connection with Landlord's Furniture (including, without limitation, any representations or warranties about its safety, condition, or utility). Notwithstanding the foregoing, if Tenant wishes to replace items of Landlord's Furniture during the term, or if there is excess Landlord's Furniture during the term that Tenant does not wish to use, Tenant will notify Landlord in writing and specify those items, and if Landlord does not remove those items within thirty (30) days after receiving Tenant's notice, Tenant may dispose of those items at its cost or sell any or all of those items and retain the proceeds.

12. MAINTENANCE AND REPAIRS.

12.1 Landlord's Obligations. Landlord will provide snowplowing, landscaping, and cause to be repaired and maintained the exterior and interior Common Area of the Project, the elevators, the roof, floor and load-bearing and exterior walls and glass of the Building (but not the interior surfaces, and Tenant will be responsible if it breaks the glass), the floor slab, the foundation, the steel frame of the Building, gutters, and downspouts, the common base-building life-safety system, the common base-building HVAC Systems and Equipment (not including any dedicated heat pump(s) or other portions of the HVAC Systems and Equipment dedicated solely to the Premises), the common base-building electrical Systems and Equipment up to but not beyond the bus duct tap, and the common base-building plumbing Systems and Equipment up to and including, but not beyond, the main vertical risers, and the sanitary sewer and water lines outside of the footprint of toe Premises, but specifically excluding any supplemental or additional electrical, plumbing or other Systems and Equipment that are above base-building standard or involve special Tenant requirements or equipment, all of which will be Tenant's responsibility to repair and maintain (e.g., computer-room electrical or HVAC systems, audio/visual, computer, data or telecommunications systems, special security systems, interior bathrooms, kitchens and kitchen appliances, etc.). However, Tenant will be responsible for all repairs and maintenance resulting from Tenant's Alterations or the negligent or intentional acts or omissions of Tenant or its Affiliates. Landlord will make its repairs in a good and workmanlike manner and in compliance with applicable Laws, and within a reasonable time following Tenant's notification that the repairs are required, and Landlord will attempt in good faith not to distort) the conduct of Tenant's business more than is reasonably necessary under the circumstances. Landlord's obligations are subject to the provisions of Articles 16 and 17 and the rest of this Lease.

12.2 Tenant's Obligations. Except for Landlord's obligations in Section 12.1, Tenant will clean, maintain and repair the Premises and the Systems and Equipment dedicated solely to the Premises, and keep the Premises in good order and condition, including, without limitation, Tenant's Property, all doors, window treatments, wall coverings, floor coverings, non-structural portions of the ceiling, floor and walls, and Tenant's Alterations (unless otherwise requested by Landlord). Tenant also will be responsible for repairing and maintaining: any heat pump(s) and any other portion of the HVAC Systems and Equipment that are dedicated solely to the Premises. Tenant will maintain a maintenance contract with one or more licensed contractors reasonably approved by Landlord to provide for the periodic maintenance and repair of these items. At Landlord's written election, and on at least fifteen (15) days' prior notice (although Landlord will not be required to give any prior notice if it believes in good faith that there is an emergency), if Tenant fails to perform periodic

maintenance as required, in addition to any other rights and remedies, on prior written notice to Tenant Landlord may engage the contractor(s) and bill and collect from Tenant the reasonable cost thereof. Tenant will make its repairs in a good and workmanlike manner and in compliance with applicable Laws. Tenant's obligations are subject to the provisions of Articles 16 and 17 and the rest of this Lease.

13. ALTERATIONS.

13.1 Landlord's Consent. "Alterations" means Tenant's alterations, additions, improvements, remodeling, repainting, decorations or other changes. Tenant may make nonstructural Alterations to the interior of the Premises without Landlord's consent as long as the Alterations otherwise comply with the terms of this Lease and do not: affect the windows, the exterior of the Building, or any portion of the Building or the rest of the Project outside of the Premises; affect the strength, structural Integrity or load-bearing capacity of any portion of the Building; adversely affect the Systems and Equipment to the extent that they are outside the Premises, or serve portions of the Project outside of the Premises, or materially increase Tenant's usage; require Landlord or any other tenant of the Project to pay for or perform any work or cause them to be in violation of any applicable Laws as a result thereof; or, in Landlord's reasonable judgment, cost more than a total of Five Dollars ($5.00) per square foot of Rentable Area in the Premises in any Lease Year when combined with the cost of other Alterations made in that Lease Year (this monetary limitation will not apply with respect to the initial Alterations contemplated by Tenant for its occupancy of the Premises). All other Alterations require Landlord's prior written consent, but If Alterations proposed by Tenant otherwise comply with this Section 13 and the rest of this Lease but do not comply with the monetary limitation above, Landlord will not unreasonably withhold or delay its written consent. Whether or not Landlord's consent is required, Alterations are subject to the rest of this Article.

13.2 Notice. Tenant will notify Landlord not less than fifteen (15) days before beginning any Alterations. Together with Tenant's notice, Tenant will give Landlord copies of the necessary permits and approvals and, if Landlord deems it necessary, plans and specifications for the Alterations (but not for minor, non-structural Alterations such as wail coverings, wall hangings, built-in cabinetry, movable partitions and painting). Landlord's review or approval of Tenant's plans and specifications is solely for Landlord's benefit and will not be considered a representation or warranty to Tenant as to safety, adequacy, efficiency, compliance with Laws or any other matter, or a waiver of any of Tenant's obligations. Except for items of Tenant's Property, all Alterations will be deemed Landlord's property and part of the realty, and will be surrendered with the Premises at the end of this Lease, unless otherwise requested by Landlord within thirty (30) days after receiving Tenant's written notice of the Alteration. However, except as set forth in Article 3, if Landlord specifically agrees in writing at the time Landlord consents to an Alteration, Tenant will not be obligated to remove that Alteration at the end of this Lease.

13.3 Compliance with Laws. Alterations will comply in all respects with this Lease and applicable Laws and insurance requirements. Alterations will be done in a manner customary to first-class office and research and development buildings and equivalent to the fit, finish and specifications of the rest of the Building, using first quality materials, and so as not to materially interfere in any way with Landlord or any other tenant in the Project, cause labor disputes, disharmony or delay, or impose any Liabilities on Landlord. Alterations will be performed only by experienced, licensed and bonded contractors and subcontractors approved in writing by Landlord, which approval will not be unreasonably withheld or delayed.

Tenant will cause its contractors and subcontractors to carry commercial general liability insurance with the same attributes and subject to the same requirements as those set forth in Section 9.1(a)(i), in the amount of at least One Million Dollars ($1,000,000) combined single limit for each occurrence (subject to reasonable increase during the term at Landlord's request), naming Landlord and its designees as additional insureds, employer's liability insurance of at least $1,000,000, and workmen's compensation insurance in statutory limits.

13.4 Liens. Tenant will pay when due all claims for labor, materials and services claimed to be furnished for Tenant or Tenant's Affiliates or for their benefit. Tenant will keep the Premises (and the fixtures therein), the Project, (and title thereto) and the rest of Landlord's personal property and fixtures (and title thereto) free from all claims, liens, security interests and encumbrances resulting from Tenant's acts, omissions, agreements, and all claims for labor, materials or services claimed to have been furnished for Tenant or Tenant's Affiliates or for their benefit ("Liens"). Tenant will indemnify Landlord for, and hold Landlord harmless from, all Liens, the removal of all Liens and any related actions or proceedings, and all Liabilities incurred by Landlord in connection therewith. NOTICE IS HEREBY GIVEN TO ALL PERSONS FURNISHING LABOR OR MATERIALS TO TENANT THAT NO MECHANICS', MATERIALMEN'S OR OTHER LIENS SOUGHT ON THE PREMISES WILL IN ANY MANNER AFFECT LANDLORD'S RIGHT, TITLE OR INTEREST.

13.5 Labor Harmony. Tenant will not, directly or indirectly, employ or permit the employment of any contractor, shipper, mechanic or laborer or permit any items or materials to be brought into the Premises or the rest of the Project, if it would create any work slow down, sabotage, strike, wild-cat strike, picketing or jurisdictional dispute, or would in any way disturb the peaceful and harmonious operation, management, maintenance, cleaning, security or improvement of the Project or Minuteman Park or any part thereof (in any case, a "Labor/Disturbance Incident"). Tenant will be solely responsible for all Liabilities resulting from any such Labor/Disturbance incident, and, without limiting any other rights and remedies of Landlord, upon demand of Landlord Tenant at its cost immediately will cause all contractors, shippers, mechanics, laborers, items or materials that are the subject or cause of such Labor/Disturbance Incident to be removed from the Project.

14. INDEMNITY; SATISFACTION OF REMEDIES.

14.1 Indemnification. In addition to any other indemnities in this Lease, Tenant will Indemnify Landlord for and hold Landlord harmless from Liabilities arising from or in connection with: acts or omissions of Tenant or its Affiliates, or the conduct of Tenant's business, or injuries, death or damage occurring in or on the Premises; Tenant's breach of or default under this lease; claims made by Tenants Affiliates against Landlord if Tenant has waived those claims in this Lease or Landlord would not be responsible to Tenant for such claims if such claims were made by Tenant in accordance with this Lease; and claims by Tenant's Affiliates or other persons if Landlord declines to consent to any act event or document requiring Landlord's consent under this Lease (although, subject to the terms of this Lease, this will not prevent Tenant from making its own claim solely for Its own benefit and on its own behalf if Landlord declines to consent where Landlord is required to consent under the terms of this Lease). Notwithstanding the foregoing, Tenant will not be required to indemnify Landlord for Liabilities to the extent that they arise from the negligence or willful misconduct of Landlord in breach of this Lease (and Tenant will bear the burden of proof as to the cause of such Liabilities).

14.2 Damage to Persons or Property. Subject to the rest of this Section and the rest of this Lease, Landlord will be liable for damages if and to the extent directly caused by its own negligence or willful misconduct in breach of this Lease, but Landlord will not be liable for any special, indirect, consequential, punitive or similar damages (including, without limitation, any loss use or revenue by Tenant or any other person) under any circumstances, or for any Liabilities arising from or in connection with: acts or omissions of Tenant, any other tenants of the Project, any third parties, or their Affiliates, including, without limitation, burglary, vandalism, theft, or other criminal or illegal activity; war terrorism, riot, force majeure, civil disturbance or executive or governmental or quasi-governmental order or directive; explosion, fire steam, electricity, gas, mud, snow, hail, Ice, water, rain, seepage, leakage, condensation, flood, wind, lightning, or otherwise by reason of the elements; pollution, contamination, mold, hazardous substances, motor vehicles or any casualties; breakage, cracking, leakage, malfunction, obstruction or other defects in Systems and Equipment or the roof, walls, floors, surfaces or structure, or of any services or utilities; any work, demolition, maintenance or repairs permitted under this Lease; any exercise of Landlord's rights under any Laws or under this Lease, including any entry by Landlord or its Affiliates on the Premises in accordance with this Lease; or any of the matters described in Section 24.5. Tenant and Tenant's Affiliates assume the risk of ail of these Liabilities and waive all claims against Landlord in connection therewith. Tenant also waives any Laws or rights that would permit Tenant to terminate this Lease (except as and if specifically set forth in this Lease), perform repairs or maintenance in lieu of Landlord (or on Landlord's behalf) or offset or withhold any amounts due because of damage to or destruction of the Premises, any repairs or maintenance, or for any other reason (abatements of rent if and to the extent specifically permitted under this Lease will not be deemed to be an offset or withholding by Tenant). The foregoing is not meant to alter Landlord's obligations to repair, maintain or rebuild to the extent Landlord is otherwise specifically required to do so by the other terms of this Lease. Tenant promptly will notify Landlord of any damage or injury to persons or property and any events which could be anticipated to give rise to any of the foregoing Liabilities. Notwithstanding anything to the contrary in this Lease or elsewhere, Landlord and its Affiliates will have no Liabilities of any type with respect to Tenant's Property and any other property owned by Tenant or its Affiliates, and all of such Liabilities are hereby waived by Tenant, These exculpations of Landlord and all of Tenant's waivers in this Lease will apply to all of Tenant's Affiliates to the greatest extent possible. If and to the extent that these exculpations and waivers do not apply directly to Tenant's Affiliates because they have not signed this Lease Tenant will indemnify Landlord for and hold Landlord free and harmless from all Liabilities incurred by Landlord to or in connection with Tenant's Affiliates as if they had signed this Lease and freely agreed to such waivers subject to the last sentence of Section 14.1.

14.3 Satisfaction of Remedies. Notwithstanding anything in this Lease or elsewhere to the contrary; Tenant and its Affiliates will look solely to Landlord's interest in the Project (including its interest in any insurance proceeds payable with respect to the Project) to satisfy any claims, rights or remedies, and Landlord and its partners and their respective Affiliates (including any property managers), at every level of ownership and interest, have no personal or individual liability of any type, whether for breach of this Lease or their negligence or otherwise (and such Liabilities are hereby waived by Tenant), their assets wilt not be subject to lien or levy of any type, nor will they be named individually in any suits, actions or proceedings of any type.

15. COMMON AREA AND PARKING.

15.1 Common Area. "Common Area" means all areas and improvements within the Project, as it now exists or as it exists in the future, not held or designated for the exclusive use or occupancy of Landlord, Tenant, or other tenants, including, without limitation, a freight or freight/passenger elevator. Tenant may use the Common Area on a nonexclusive basis during this Lease, including, without limitation, a freight or freight/passenger elevator and Landlord agrees that it shall take all steps necessary to add the existing freight/passenger elevator that is exclusive to a tenant other than Tenant to the Common Area and to provide Tenant with non-exclusive use thereof. Subject to the foregoing, Landlord reserves all rights in connection with the Common Area and the rest of the Project, including, without limitation, the right to change, relocate, add to, improve or demolish portions of the land and/or improvements and the layout thereof and promulgate rules and regulations with respect thereto, limit the use of any portion of the Common Area by Tenant or its Affiliates, and place certain portions of the Common Area off limits to Tenant and its Affiliates, including, without limitation, janitorial, maintenance, equipment and storage areas, and entrances, loading docks, corridors, elevators and parking areas (specifically subject to Section 15.2 and the last sentence of this Section 15.1). Landlord reserves the space above hung ceilings, below the floor and within the walls of the Premises, and the right to install, relocate. remove, use, maintain, repair and replace Systems and Equipment within or serving the Premises or other parts of the Building or the Project, and in such cases Landlord will use commercially reasonable efforts avoid disturbing or interfering with the conduct of Tenant's business more than is reasonably necessary under the circumstances. Except during emergencies or by reason of force majeure or necessary maintenance, repair or construction, Landlord's exercise of the rights in this Article will not ever prevent Tenant from having access to or the use of the Premises or a loading dock or the base building HVAC provided by Landlord, all or which are granted 24 hours per day, seven days per week, but such exercise will not under any circumstances require Landlord to compensate Tenant in any way, result in any Labilities to Landlord, entitle Tenant to abate rent, or reduce Tenant's Lease obligations.

15.2 Parking.

(a) During the term, Tenant may park one hundred eight (108) of its passenger vehicles in assigned spaces or on a non-exclusive basis or a combination thereof, as determined by Landlord, in the areas designated by Landlord from time to time for Tenant's parking (see Exhibit "A"). Tenant will not park in spaces assigned to other tenants or reserved for visitor parking. If Tenant does not use all of its parking spaces, Landlord may allow others to use those spaces at no charge, subject to Tenant's right to promptly reclaim those spaces as and when legitimately needed for Tenant's parking. Unless Landlord provides additional spaces (through restriping or otherwise), Landlord will not agree to provide parking spaces in the Project to Tenant and the other tenants in the Building aggregating in excess of the aggregate parking spaces available in the Project.

(b) Tenant understands and agrees that Landlord will not be responsible for, and will not incur any Liabilities to Tenant or its Affiliates with respect to, and Tenant waives all claims against Landlord and its Affiliates in connection with and assumes the risk of, any acts or omissions occurring within the parking areas or any entrances and exits thereto or therefrom, including, without limitation, any injuries, death, or loss or damage to cars or other property, and Tenant will not name Landlord or its Affiliates, or bring any actions of any kind against them, in connection therewith or as a result thereof.

(c) Tenant may not sublease, assign or otherwise Transfer any parking rights except to a permitted assignee or sublessee as part of such permitted assignment or sublease- In addition to Landlord's rights as set forth in Section 15,1, Landlord may: reasonably limit access to portions of the parking areas; change signs, lanes and the direction of traffic within the parking areas; change, eliminate or add parking spaces or areas devoted to parking; designate the area (or space) within which each authorized automobile may be parked and change any such designation from time to time; establish alternative means of identifying and controlling authorized parking; promulgate rules and regulations; construct additional and/or structured parking; and take any other actions deemed necessary by Landlord, provided that Tenant's authorized parking spaces will not be reduced nor will Tenant be charged for parking over and above its share of Taxes and Operating Costs related thereto (although if Landlord ever builds structured parking it may condition the use of that facility on the payment of additional parking charges from Tenant and/or any other tenants, but if Tenant refuses to pay the additional charges it will not be required to park in that facility unless Landlord waives those additional charges).

16. DAMAGE OR DESTRUCTION.

16.1 Repairs. Subject to the rest of this Article and the rest of this Lease, Landlord will repair damage to the Premises and the Project caused by casualties insured against under the casualty policies that Landlord is required to maintain hereunder. However, Landlord is not obligated to repair damage for which Landlord has no liability under other provisions of this Lease (e.g., Tenant's Property) or for improvements installed by or for the benefit of any other tenants. Except as may otherwise be required by then-applicable Laws, Landlord will attempt to restore the damaged portions to their prior condition, but Landlord is not required to undertake repairs unless insurance proceeds are available, spend more than the net insurance proceeds it actually receives and is permitted to retain (or would have received and been permitted to retain if Landlord had maintained the insurance policies it is required to maintain under Section 9.2) for any repair or replacement, or repair or replace any damage to Tenant's Work, Tenant's Property or fixtures or any Alterations. Landlord will begin repairs within a reasonable time after receiving notice of the damage, required building permits or licenses and the insurance proceeds payable on account of the damage.

16.2 Election to Terminate.

(a) Landlord has the option either to repair the casualty damage, or terminate this Lease by delivering written notice within seventy-five (75) days after the damage occurs, if: the damage occurs during the last year of the term; or Tenant is in default; or the repairs would take more than one hundred eighty (180) days to complete or cost more than the insurance proceeds allocable to such repairs that Landlord reasonably determines it will receive; or the casualty damages more than thirty-five percent (25%) of: the leasable space in the rest of the Building; or the Common Area of the Building; or the parking area,

(b) Tenant also has the option to terminate this Lease by delivering written notice to Landlord if: the casualty damages the Premises or access thereto and thus renders the Premises untenantable, Landlord is required or elects to repair and the repairs that Landlord is required to make are not substantially completed within ten (10) months after the damage occurs (subject to extension of this period for up to an additional two [2] months for delays caused by force majeure); the damage was not caused by the acts or omissions of Tenant or its Affiliates and Tenant is not in default; and Tenant delivers its written termination notice to Landlord within thirty (30) days after the end of Landlord's repair period and Landlord fails to

substantially complete within thirty (30) days after receiving this notice. Under these circumstances, this Lease will terminate at the end of this latter thirty (30)-day period.

16.3 Abatement of Rent. Subject to Section 16.2, if the Premises or access thereto are damaged by casualty so as to render the Premises materially unusable for Tenant's permitted use tor more than two (2) consecutive business days, base rent and Tenant's share of Taxes and Operating Costs will abate until Landlord has substantially completed the repairs it is required to perform and given Tenant access to the Premises, or Tenant reoccupies part of the Premises, or the Premises otherwise are rendered tenantable, whichever is earliest. If Tenant continues to occupy or reoccupies the Premises before substantial completion of these repairs but cannot occupy substantially all of the Premises because of these ongoing repairs, base rent and Tenant's share of Taxes and Operating Costs will abate in proportion to the degree to which Tenant's use of the Premises is impaired, as reasonably determined by Landlord, This rent abatement will not exceed the annual base rent that otherwise would have been payable by Tenant for the Lease Year in which damage occurs. The abatement of base rent and Tenant's share of Taxes and Operating Costs described above, and Tenant's rights under Section 16.2(b), are Tenant's sole rights, remedies and compensation in connection with any damage, destruction or repairs.

17. CONDEMNATION.

If all or substantially all of the Premises are condemned, taken or appropriated by any public or quasi-public authority under the power of eminent domain, police power or otherwise, or if there is a sale in lieu thereof ("Condemned"), this Lease will terminate when title or possession is taken by the condemning authority or its designee. If:

(a) More than twenty five percent (25%) of the usable area of the Premises is Condemned, or if a portion of the Premises is Condemned so that the Premises are thereby rendered materially unusable for Tenant's use, either Landlord or Tenant may terminate this Lease when title or possession is taken by the condemning authority or its designee by delivering written notice to the other within fifteen (15) days thereafter. Landlord also may terminate this Lease if more than twenty five percent (25%) of any of the following are Condemned the leasable area of the rest of the Building; the leasable area of the Project (other than the Building); or the Common Area of the Building; or the parking area.

(b) Part of the Premises is Condemned and this Lease is not terminated, Landlord will attempt to make the necessary repairs so that, to the extent reasonably possible, the remaining part of the Premises will be a complete architectural unit. Otherwise, Landlord's restoration will be conducted as described in Section 16.1, except that Landlord will not be required to begin repairs until a reasonable time after it receives any necessary building permits and substantially all of the proceeds of any awards granted for the Condemnation. After the date title or possession is taken by the condemning authority or its designees, base rent and Tenant's share of Taxes and Operating Costs will be reduced in proportion to the area of the Premises Condemned.

All proceeds, income, rent, awards and interest in connection with any Condemnation will belong to Landlord, whether awarded as compensation for diminution of value to the leasehold improvements, or the unexpired portion of this Lease, or otherwise. Tenant waives all claims against Landlord and the condemning authority with respect thereto, although if this Lease is terminated as a result of a condemnation Tenant may assert a separate claim in a separate

proceeding against the condemning authority for costs of relocation, provided that such claim and any award therefor will not reduce or otherwise affect Landlord's award in any way,

18. ASSIGNMENT AND SUBLETTINS.

18.1 Landlord's Consent Required. Subject to Section 18.3, Tenant will not, and does not have the right or power to, voluntarily, involuntarily or by operation of any Laws, sell, convey, mortgage, subject to a security interest, license, assign, sublet or otherwise transfer or encumber all or any part of Tenant's interest in this Lease or the Premises, or allow anyone other than Tenant's employees to occupy the Premises (singularly or collectively, "Transfer"), without, first obtaining Landlord's prior written consent in each case (except where consent is not required as specifically set forth in Section 18.5(c)) and complying with this Article and any attempt to do so without this consent and compliance will be null and void and a default, unless otherwise specifically elected by Landlord in writing.

18.2 Notice. Tenant will notify Landlord in writing at least fifteen (15) business days before any proposed or pending Transfer and will deliver to Landlord such information as Landlord may reasonably request in connection with the proposed or pending Transfer and the proposed Transferee. including, without limitation, a copy of the final executed Transfer documents (including, if applicable, a sublease that complies with the terms of this Article 18) (except that proposed Transfer documents may be delivered instead if the final executed documents are the same as the proposed documents delivered to Landlord in all material respects in Landlord's reasonable determination), certified current financial statements and balance sheets, a current Dun & Bradstreet report (if available), banking and accounting references and other relevant financial information for the proposed Transferee, and information as to the type of business and business experience of the proposed Transferee. All of this information must be suitably authenticated.

18.3 Reasonable Consent. Except as otherwise set forth in this Section 18, Landlord will not unreasonably withhold or delay its consent to an assignment or sublease by Tenant (and it will have at least fifteen (15) business days after delivery of the information required in Section 18.2), but Landlord may withhold its consent arbitrarily and in its sole discretion to any hypothecation, assignment for security purposes or other Transfer or to any requested assignment or sublease before Tenant has occupied and begun to conduct business insubstantially all of the Premises, has confirmed in writing the correct Rent Commencement Dates and that it has accepted the Premises and Landlord's Work in all respects, and Tenant has paid its first full month's rent for the Premises. Tenant agrees that Landlord's withholding of consent to a proposed sublease or assignment will be deemed reasonable if Tenant is in default or any of the other terms and conditions of this Article have not been complied with, or if any of the following conditions are not satisfied: (a) the Transfer does not violate any terms of this Lease, the subtenant or assignee will use the Premises only for the uses permitted in Section 1.1(i) and otherwise in accordance with this Lease and such use will not increase the risk of possible contamination by hazardous substances in Landlord's reasonable judgment, and the business and reputation of the subtenant or assignee are consistent with the other tenancies and standards of the Project in Landlord's reasonable judgment; (b) the subtenant or assignee is as reputable and creditworthy as Tenant and has the independent financial ability to perform the obligations of Tenant under this Lease (if the Transferee is an assignee) or its obligations under its sublease (if the Transferee is a sublessee) without undue financial burden in Landlord's reasonable judgment, and neither it nor its predecessors in interest is then subject to a bankruptcy or reorganization, or then has a receiver appointed to manage its affairs or in connection with any of its assets, or has been subject to material criminal judgments, sanctions,

consent decrees or similar actions by the SEC or other governmental or quasi-governmental authorities; (c) the rent per square foot proposed to be payable by the Transferee is at least 85% of the rent then currently charged by Landlord for comparable space in the Project or under this Lease, whichever is greater; (d) if the Transfer is a sublease it must prohibit the Transferee and Tenant from exercising any right to extend, renew or lease additional space or exercising similar rights under this Lease; (e) Landlord's Mortgagees consent (if their consent is required); and (f) there will be no more than an aggregate of three (3) subleases of the Premises. These conditions are not exclusive and Landlord may consider other factors reasonably deemed to be relevant in determining if Landlord should grant or reasonably withhold its consent.

18.4 No Release of Tenant. Whether or not Landlord consents, no Transfer will release or alter the liability of Tenant to pay rent and perform all of Tenant's other obligations under this Lease. The acceptance of rent by Landlord from any person other than Tenant is not a waiver by Landlord. Consent to one Transfer will not be deemed to be consent to any subsequent Transfer. If Tenant or any Transferee defaults under this Lease, Landlord may proceed directly against the Transferee and/or against Tenant without proceeding or exhausting its remedies against the other. After any initial Transfer, Landlord may consent to subsequent Transfers of or amendments to or waivers under this Lease without notifying Tenant or any other person, without obtaining consent thereto, and without relieving Tenant of its Liabilities under this Lease (as it may be modified); provided. however, that if the initial Transfer is a sublease, Tenant will not be liable to the extent of any material increase in its obligations under this Lease by reason of such an amendment or subsequent Transfer unless Tenant consents to the amendment or subsequent Transfer in writing.

18.5 Additional Terms.

(a) This Article is binding on and will apply to every Transferee, at every level. The surrender of this Lease or its termination will not be a merger, but Landlord will have the right to terminate all subleases and the occupancy rights of all Transferees, Tenant will promptly deliver to Landlord copies of all executed Transfer documents, all collateral agreements and all later amendments. Tenant will pay Landlord's reasonable out-of-pocket attorneys' fees and other costs in connection with any request for Landlord's consent to a Transfer. A listing of any name other than Tenant's name on the doors or walls of the Premises, on the Building directory or elsewhere in the Project will not be deemed to be an actual or implied consent by Landlord to any sublease, assignment, occupancy or other Transfer nor constitute a waiver of Landlord's right to withhold consent to any Transfer or any other rights and remedies of Landlord.

(b) A Transferee (which for these purposes will exclude any permitted sublessee but will include any assignee by contract, foreclosure, operation of law or otherwise) will be deemed to have assumed all of Tenant's obligations and Liabilities under this Lease (all of which will be deemed to run with the land) and will be deemed to be bound by this Lease, and Tenant and the Transferee will indemnify Landlord and hold it harmless from all Liabilities in connection with the Transfer. To confirm the foregoing, a prospective Transferee (other than a permitted sublessee) will be required to execute and deliver to Landlord an unconditional written assumption of Tenant's Liabilities under this Lease and an unconditional written indemnity as described above, and Tenant and the Transferee will be deemed to be jointly and severally liable for all Liabilities of the tenant under this Lease and any existing and future amendments thereto (although such a written assumption will not be required to establish the full liability of the Transferee for all of Tenant's Liabilities under this Lease). Notwithstanding anything to the contrary in a sublease, each sublease will be deemed to include and incorporate

the following provisions: it will be subject and subordinate to this Lease in all respects, and all restrictions and limitations on and obligations of Tenant under this Lease (except with respect to the payment of rent and the length of the term) are incorporated into the sublease; the subtenant will represent that it has reviewed and approved all of the terms of this Lease; any Alterations that require Landlord's consent under this Lease also will require Landlord's consent under the sublease; Tenant and the subtenant will indemnify Landlord and hold it harmless from all Liabilities in connection with the sublease; the subtenant will acquire no rights or claims against Landlord or its Affiliates and will not have the right to exercise any of Tenant's rights or options to renew, extend or lease additional space in the Project, or any other rights and remedies under this Lease against Landlord; the subtenant will maintain the same insurance as is required to be maintained by Tenant under this Lease (liability insurance may be reduced proportionately based on the area subleased, but will not be less than $1 Million combined single limit) endorsed in the same manner to Landlord and its designees, and on their on behalf and on behalf of their insurers, the subtenant and its Affiliates waive subrogation, and they waive, and discharge Landlord and its Affiliates from, all claims in connect i on with any Liabilities incurred by subtenant or its Affiliates in connection with the sublease, the Premises, or the rest of the Project; there will be no privity of contract or estate between the subtenant and Landlord (except if and to the extent necessary to permit Landlord to enforce its rights and remedies): the subtenant will not have the right or power to further Transfer its subleased space or any interest in the sublease or that space or to amend the requirements in this Lease that are incorporated into the sublease; material amendments to the sublease will require Landlord's prior written approval, which will not be unreasonably withheld or delayed, except that Landlord may arbitrarily withhold its consent to any amendments that conflict with or require changes or waivers of any of the terms of this Lease or that extend the term of the sublease beyond the term of this Lease; Tenant and subtenant will concurrently deliver to Landlord copies of any notices of default or breach or similar notices sent or received by them: and if this Lease terminates pursuant to its terms or by reason of default, operation of law, or agreement between Landlord and Tenant, or Landlord rightfully reenters or repossesses the Premises, Landlord will have the right and power (but not the obligation) to terminate the sublease without any incurring any Liabilities (all of which are hereby waived by Tenant. the subtenant and their respective Affiliates), or at its option, permit the sublease to continue with Landlord becoming the sublessor thereunder, in which case the subtenant will attorn to Landlord, but Landlord will not be liable for Tenant's acts or omissions, or any claims, defenses or offsets against or obligations of Tenant, nor will it be bound by any material amendment to the sublease or any amendment that would conflict with or require changes or waivers of this Lease made without Landlord's prior written consent. By entering into a sublease, Tenant and the sublessee agree that if the sublessee breaches an obligation under its sublease which would also constitute a default by Tenant under this Lease if not cured within applicable grace periods, it will be a default under this Lease and then Landlord will have all of the rights and remedies against the subtenant that is also has against Tenant for such a default. Without limiting the generality of the foregoing, Landlord will be permitted (by assignment of the cause of action or otherwise) to join the Tenant in any action or proceeding against subtenant or to proceed against the subtenant directly in the name of Tenant to enforce these rights and remedies. Tenant and subtenant will cooperate with Landlord and execute such documents as may be reasonably necessary to implement the terms, rights and remedies set forth in this Article 18, including, without limitation, including them explicitly or incorporating them by written reference in the sublease at Landlord's election. The exercise of these rights and remedies will not constitute an election of remedies and will not in any way impair Landlord's right to pursue other or similar rights and remedies directly against Tenant, nor will the grant or exercise of these rights or remedies result in the subtenant acquiring any rights or claims against Landlord

or its Affiliates. Tenant and its Affiliates will not, without Landlord's prior written consent, directly or indirectly assign, sublease or otherwise Transfer to, take an assignment, sublease or other Transfer from, or otherwise occupy premises leased to, any then-current tenants of the Project (or any person that was a tenant of the Project within the 6-month period prior to Tenant's request for approval (or any of their Affiliates), nor any person(or any of his Affiliates) to whom Landlord has shown space in the Project or with whom Landlord has negotiated to lease space in the Project within the 6-month period prior to Tenant's request for approval, and any attempt to do so will be null and void and a default. For purposes of the previous sentence, the "Project" refers to and includes the area and buildings commonly known as Minuteman Park (in which the Project is located) in Andover, Massachusetts. Transferees will not have the right or power to make further Transfers, and any attempt to do so will be null and void and a default unless otherwise specifically elected by Landlord in writing. As a material inducement to Landlord to enter into this Lease, Tenant agrees to make each prospective Transferee aware of the terms of this Article and will deliver to each prospective Transferee a true and correct copy of this Lease prior to any Transfer, and each document of assignment, sublease or other Transfer, at every level, will include or explicitly incorporate the terms of this Article. To fully enforce the terms of this Article 18, Landlord may require reasonable confirming agreements for its protection from Tenant and the Transferee, each of whom agrees to promptly execute and deliver such agreements.

(c) If Tenant is a corporation, partnership, association or limited liability company, the Transfer of fifty percent (50%) or more of Tenant's capital stock, partnership interests, or interests in the association or limited liability company to any person or entity or affiliated persons or entities, or any dissolution, merger, consolidation or other reorganization of Tenant, or the Transfer of all or substantially all of Tenant's assets, whether directly or indirectly, by sale, conveyance, withdrawal or otherwise, or by one or more transactions (other than by unrelated transactions on a public exchange, such as the NYSE or NASDAQ or if shares are issued as fair and reasonable consideration for a bona fide venture capital financing of Tenant that is not a subterfuge to avoid the provisions of this Article), will deemed to be an attempted assignment of this Lease and subject to all of the terms of this Article and the rest of this Lease and the other or surviving party will be deemed to be a prospective assignee. However, an assignment or sublease (or a deemed assignment as described in the previous sentence) by Tenant to its parent corporation or wholly-owned subsidiary, or to an entity that acquires all or substantially all of Tenant's assets, or to an entity into which Tenant is merged or consolidated, will be deemed to be a permitted assignment or sublease, as applicable, where Landlord's consent is not required, provided that it is a bona-fide transaction and not a subterfuge to avoid the consent provisions of this Lease, the rest of this Article is complied with, the Transferee has a net worth, credit rating and financial capability at least equal to Tenant's when Tenant executed this Lease or at the time of the proposed Transfer (for each category, whichever is greater, as certified by Tenant and the other applicable entity and as evidenced by financial statements audited by an independent CPA, or if audited financials are unavailable, then reviewed and certified by an independent CPA), and the Transferee first unconditionally assumes in writing for Landlord's benefit all of Tenant's Liabilities under this Lease.

19. MORTGAGEE PROTECTION.

19.1 Subordination and Attornment. This Lease is subordinate to all Superior Leases and Mortgages existing on this date, and Tenant will attorn to each person or entity that succeeds to Landlord's interest under this Lease, and if requested to confirm a subordination

and/or attornment, Tenant will execute the standard-form subordination and attornment agreements furnished by the existing Landlord's Mortgagees within fifteen (15) days after request. These subordination and attornment provisions will also apply for the benefit of subsequent Landlord's Mortgagees, provided that they agree in writing not to disturb Tenant's rights under this Lease if Tenant is not in default, and at the request of those Landlord's Mortgagees, Tenant will execute the subordination, non-disturbance and attornment agreements provided by those Landlord's Mortgagees to provide for the foregoing if those agreements are not materially more adverse to Tenant with respect to Tenant's material and substantive rights under this Lease than the form in Exhibit "H" hereto. However, if a Landlord's Mortgagee elects in writing, this Lease will be superior to the Superior Leases and Mortgages specified, regardless of the date of recording, and Tenant will execute an agreement confirming this election on request.

19.2 Mortgagee's Liability. The obligations and Liabilities of Landlord, Landlord's Mortgagees or their successors under this Lease will exist only if and for so long as each of these respective parties owns fee title to the Project or is the lessee under a ground lease of the Project. Tenant will be liable to Landlord's Mortgagees or their successors if any of those parties become the owner of the Project for any base rent paid more than thirty (30) days in advance except to the extent that such rent is actually received by the Mortgagee. Landlord's Mortgagees and their successors will not be liable for: (a) acts or omissions of prior owners; (b) the return of any security deposit not delivered to them; or (c) amendments to this Lease made without their consent Of their consent is required under a Superior Lease or Mortgage).

19.3 Mortgagee's Right to Cure. Notwithstanding anything to the contrary, no actor omission (if any) which otherwise might entitle Tenant under the terms of this Lease or otherwise to be released from any Lease obligations or to terminate this Lease (other than a valid termination by Tenant following a casualty or Condemnation in accordance with Section 16.2(b) or Article 17, respectively) or to make a claim against the owner of the Project will result in or permit such a release, termination or claim unless the act or omission is a material obligation of Landlord under this Lease, Tenant first gives written notice of the act or omission to Landlord and Landlord's Mortgagees of which Tenant has actual knowledge and those parties then fail to correct or cure the act or omission within a reasonable time thereafter (which will not be less than seventy-five [75] days). Nothing in this Section or the rest of this Lease obligates those parties to correct or cure any act or omission or is meant to imply that Tenant has the right to be released from its obligations or terminate or claim under this Lease unless that right is explicitly granted elsewhere in this Lease, and if not so granted those rights are irrevocably waived.

20. ESTOPPEL CERTIFICATES.

Within fifteen (15) days after request by either party, the other party will execute and deliver an estoppel certificate in form satisfactory to the requesting party or its designees which will certify (except as may be truthfully and accurately noted) such information concerning this Lease and associated matters as the requesting party or its designees may reasonably request.

21. DEFAULT.

The occurrence of one or more of the following events will be a default by Tenant under this Lease: (a) if there ever is a Guaranty of any of Tenant's Liabilities under this Lease, a default by a Guarantor thereunder; (b) the failure to pay rent or any other required amount within ten (10) days after written notice that the payment is due, although no such prior written

notice will be required if Tenant is late more than twice in any twelve-month period; (c) as provided in Articles 23 (Exhibit "F") and 25: (d) a Transfer or attempted Transfer in violation of Article 18; (e) Tenant's failure to maintain its required insurance policies within five (5) days after Tenant becomes aware (by notice or otherwise) that one or more of its insurance policies have lapsed; (f) [Intentionally Omitted]; or (g) Tenant's failure to observe or perform any other obligation, term or condition within the time period specified in this Lease, and if no time period is specified, it will be a default if this failure continues for thirty (30) days after written notice from Landlord to Tenant, but if more than thirty (30) days reasonably are required to cure, Tenant will not be in default if Tenant begins to cure within the thirty (30)-day period and then diligently completes the cure as soon as possible but in any case within ninety (90) days after the notice of default is given (in the case of repair or maintenance required under Section 12.2. this cure period may be extended by delays to the extent resulting from force majeure, but the aggregate cure period will not exceed one hundred eighty (180) days. The term "default" or "Tenant default" or similar wording as used in this Lease means a default as defined in this Section 21, but notwithstanding the foregoing or anything else to the contrary, if there is an Event of Bankruptcy as described in Article 23 (Exhibit "F"), Tenant will still be deemed to have been and to be in default if it fails to pay or perform its obligations under this Lease as and when required even if Landlord does not deliver or is prevented from delivering a notice of such failure.

22. REMEDIES FOR DEFAULT.

22.1 General. If Tenant defaults, Landlord may at any time thereafter, with or without notice or demand, choose any or all of the following remedies or pursue any other right or remedy now or hereafter available to Landlord under this Lease or at law or in equity:

(a) At Landlord's written election the following amounts will become immediately due and payable in advance:

(i) The unpaid rent which has accrued and would have accrued up to the date of payment, plus late charges, plus interest from the dates such rent was due to the date of payment at the Default Rate; plus

(ii) The whole balance of unpaid rent which would have become due had this Lease continued for the balance of the term (discounted to the date of payment at the rate of seven percent (7%) per annum); plus

(iii) The reasonable costs of enforcing the terms of this Lease, including, without limitation, costs for attorneys' fees, investigations and performing Tenant's obligations as necessary, and/or

(b) Landlord may terminate this Lease by written notice to Tenant. If Landlord elects to terminate this Lease under the provisions of this Section, Landlord may recover from Tenant a judgment and Tenant will be liable for damages computed in accordance with the following formula, in addition to Landlord's other remedies:

(i) The unpaid rent which has accrued and would have accrued up to the time of judgment, plus late charges, plus interest from the dates such rent was due to the date of the judgment at the Default Rate; plus

(ii) The amount by which the whole balance of unpaid rent which would have become due had this Lease continued for the balance of the term after the date of judgment (discounted to the date of payment at the rate of seven percent (7%) per annum) exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided (also discounted at the rate of 7% per annum). Tenant will have the burden of proving the amount of rental loss that reasonably could have been avoided, which Tenant agrees will never be more than the scheduled net rental to be received by Landlord until the expiration of the term of this Lease from any reletting of the Premises entered into by Landlord at the time (discounted at the rate of 7% per annum, and excluding from such net rental utility charges and other charges, if any, that must be remitted by Landlord to any governmental or quasi-governmental authority); plus

(iii) The reasonable costs of enforcing the terms of this Lease, repossessing, repairing, altering, performing tenant improvements to and reletting the Premises, reasonable marketing, brokerage and attorneys' fees and costs, and any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease and/or which in the ordinary course would be likely to result therefrom; plus

(iv) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted by applicable Laws.

Notwithstanding the foregoing, to avoid a duplication of payments, if Landlord has actually received payment in full of all accelerated rent for the Lease term and the other amounts as described in Section 22.1(a) above, it cannot thereafter also receive additional amounts under this Section 22.1(b), and/or

(c) Subject to the terms of this Lease, Landlord or its designees may, without further notice or demand but otherwise subject to law, enter the Premises without being guilty of trespass and without incurring (and Tenant hereby waives) Liabilities for damages for such entry or for the manner thereof, for the purpose of distraint or execution and/or to take possession of the Premises, and/or to terminate Tenant's right of possession and/or to expel Tenant and its Affiliates and remove their property, and/or

(d) Landlord may enforce this Lease in accordance with its terms and Tenant will continue to be responsible for all charges as and when they become due, and/or

(e) After reentry, retaking or recovering of the Premises, on terminating this Lease, but without limiting Landlord's acceleration right or other rights and remedies, Landlord may (but will not be obligated to) relet the Premises or any part(s) thereof to such person(s) upon such terms as may in Landlord's sole discretion seem best for a term within or beyond the term of this Lease. Any such reletting by Landlord before termination of this Lease will be for Tenant's account, and may be in Landlord's name or Tenant's name, and Tenant will remain liable for all rent and additional rent (including all charges and damages) due at the time of the reletting plus all of such amounts that otherwise would have been due under this Lease for the balance of the term absent any expiration, termination, repossession or reletting, plus all costs of the type described in Sections 22.1 (b)(iii) and (iv), as accelerated or, if not accelerated, as they accrue. However, until this Lease expires or is terminated, each month Tenant will receive a credit against its obligations equal to the net rental proceeds (excluding utility charges or other charges, If any, that must be remitted by Landlord to any governmental or quasi-governmental authority), if any, actually paid to Landlord in that month by the party or parties

to whom the Premises were relet, but this credit will never be more than the amounts owed by Tenant to Landlord for that month. Further, after a default, Tenant, for itself and its successors and assigns, hereby irrevocably constitutes and appoints Landlord as Tenant's agent to collect the rents due and to become due from all sublessees and Transferees and apply the same to the rent due hereunder without in any way affecting Tenant's obligation to pay any unpaid balance of rent due or to become due hereunder.

Tenant waives the right under any Laws to any notice to remove or quit and any and all rights of redemption or similar rights regardless of the circumstances, and any rights or claims against Landlord or its Affiliates in connection with any loss, theft, damage or destruction of property owned or leased by Tenant or its Affiliates. For the purposes of computing any rent due hereunder, the amounts of additional rent which would have been payable per year under this Lease will be such amounts as were or would have been payable as specified in this Lease or, if not specified, as reasonably estimated by Landlord (in either case without the benefit of any abatement to which Tenant may have been entitled) for the calendar year in which the default occurred, increasing annually on the first day of each calendar year thereafter at the rate of seven percent (7%) per annum, cumulative and compounded. As used in this Article, the "term" means the initial term of this Lease and any renewals or extensions to which Tenant will have become bound prior to the default.

22.2 Remedies Cumulative. All remedies available to Landlord hereunder and at law and in equity will be cumulative and concurrent. No termination of this Lease nor taking or recovering possession of the Premises will deprive Landlord of any remedies or actions against Tenant for rent, for charges or for damages for the breach of any covenant, agreement or condition, nor will the bringing of any such action for rent, charges or breach, nor the resort to any other remedy or right for the recovery of rent, charges or damages for such breach be construed as a waiver or release of the right to insist upon the forfeiture and to obtain possession. No reentering or taking possession of the Premises, or making of repairs, alterations or improvements thereto, or reletting thereof, will be construed as an election by Landlord to terminate this Lease unless specific written notice of such election is given by Landlord to Tenant.

22.3 Performance by Landlord. If Tenant defaults or fails to perform any of its obligations under this Lease, Landlord, without waiving or curing the default or failure, may, but will not be obligated to, perform Tenant's obligations for the account and at the expense of Tenant. Notwithstanding Article 21, in the case of an emergency or to prevent damage or injury or protect health, safety or property, Landlord need not give any notice before performing Tenant's obligations, although Landlord will give notice to Tenant within a reasonable time thereafter. Tenant will pay on demand all costs and expenses reasonably incurred by Landlord in connection with Landlord's performance of Tenant's obligations, and Tenant will indemnify Landlord for and hold Landlord harmless from all Liabilities incurred by Landlord in connection therewith.

22.4 Post-Judgment Interest. The amount of any judgment obtained by Landlord against Tenant in any legal proceeding arising out of Tenant's default under this Lease will bear interest until paid at the Bank of America prime rate plus three percent (3%), or the maximum rate permitted by law, whichever is less (the "Default Rate"). Notwithstanding anything to the contrary contained in any Laws, with respect to any damages that are certain or ascertainable by calculation, interest will accrue from the day that the right to the damages vests in Landlord, and in the case of any unliquidated claim, interest will accrue from the day the claim arose.

23. BANKRUPTCY. [SEE EXHIBIT "F"]

24. GENERAL PROVISIONS.

24.1 Holding Over. Tenant will not hold over in the Premises after the end of the Lease term without the express prior written consent of Landlord. Tenant will indemnify Landlord for, and hold Landlord harmless from, any and all Labilities arising out of or in connection with any holding over, including, without limitation, any claims made by any succeeding tenant and any loss of rent suffered by Landlord. If, despite this express agreement, any tenancy is created by Tenant's holding over, except as specifically set forth in the next sentence the tenancy will be a tenancy at sufferance terminable immediately at Landlord's sole option on written notice to Tenant, but otherwise subject to the terms of this Lease, except that the most recent annual base rent will be increased by fifty percent (50%), Tenant will have no rights to lease any additional space in the Project or extend the term, and notwithstanding anything to the contrary Landlord will incur no Liabilities of any type to Tenant or its Affiliates during any holdover period. all of such Liabilities hereby being waived by Tenant. Nothing in this Article or elsewhere in this Lease permits Tenant to hold over or in any way limits Landlord's other rights and remedies if Tenant holds over.

24.2 Entry By Landlord.

(a) Subject to the terms of this Section 24.2(a), Landlord and its Affiliates at all times have the right to enter the Premises, and Landlord will retain (or be given by Tenant) keys to unlock all the doors to or within the Premises, excluding doors to Tenant's vaults and files and Tenant's limited high-security areas. Landlord in good faith will attempt to give Tenant oral or written notice at least one (1) day prior to entering the Premises and will use commercially reasonable efforts to avoid disturbing or interfering with the conduct of Tenant's business by such entry more than is reasonably necessary under these circumstances. But, Landlord need not give notice and will have the right to use any means necessary to enter the Premises if Landlord believes there is an emergency or that entry is necessary to prevent damage or Injury or protect health, safety or property, although Landlord still will attempt to avoid disturbing or interfering with the conduct of Tenant's business by such entry more than is reasonably necessary under these circumstances (although Tenant acknowledges that emergency situations may result in material interference). Entry to the Premises and the exercise of Landlord's rights will not, under any circumstances, be deemed to be a default, a forcible or unlawful entry into or a detainer of the Premises or an eviction of Tenant from the Premises or any portion thereof, nor will it subject Landlord to any Labilities or entitle Tenant to any compensation, abatement of rent or other rights and remedies.

(b) Notwithstanding anything to the contrary, Landlord reserves from the rights granted to Tenant in this Lease, and Tenant agrees to permit, the right of emergency egress through the Premises for Landlord and other tenants and occupants of the Building (and their respective Affiliates). To accommodate this emergency egress, Landlord will have the right to use existing (or if not already existing or to be part of Landlord's Work, at its cost install new) doors, hardware and locking devices in the Premises and to comply with applicable Laws in providing this access, and all of this work will be performed in a good and workmanlike manner and so as not to disturb the conduct of Tenant's business more than is reasonably necessary under the circumstances.

24.3 Brokers. Tenant and Landlord each represents and warrants that it has not employed or engaged any agent, broker, finder or other person who is or might be entitled to a

commission or other fee from the other in connection with this Lease, and each of them will indemnify the other and its Affiliates for, and defend and hold them harmless from, any Liabilities incurred in connection with any breach or inaccuracy in its representation or warranty.

24.4 Quiet Enjoyment. So long as Tenant pays all rent and performs; its other obligations as required, Tenant may quietly enjoy the Premises without hindrance or molestation by Landlord or any person lawfully claiming through or under Landlord, subject to the terms of this Lease and the terms of any Superior Leases and Mortgages, and all other agreements or matters of record or to which this Lease is subordinate.

24.5 Security. Tenant is solely responsible for providing security for the Premises and Tenant's personnel. Without limiting the generality of this Article, Tenant agrees that although Landlord now provides and now intends to continue lo provide limited security for the Project: (a) Landlord may, but will not be required to, supply security personnel and systems for the Premises, the Common Area or the rest of the Project and remove or restrain unauthorized persons and prevent unauthorized acts; (b) Landlord will incur no Liabilities for failing to provide security personnel or systems or, if provided, for acts, omissions or malfunctions of the security personnel or systems (and all of such Liabilities are hereby waived by Tenant); and (c) Landlord and its Affiliates make no representations or warranties of any kind in connection with the security or safety of the Premises, the Common Area or the rest of the Project

24.6 Obligations; Successors; Recordation. If Tenant consists of more than one person or entity, the obligations and liabilities of those persons or entities are joint and several. Subject to the terms of this Lease, time is of the essence of this Lease. Subject to the restrictions in Article 18, this Lease inures to the benefit of and binds Landlord, Tenant and their respective successors and assigns. Tenant will not have the right or power to record a notice, abstract or memorandum of this Lease or any portion thereof, except that Tenant may, at its cost, record a notice of this Lease, but only if recordation is statutorily required in order to protect Tenant's rights hereunder against third parties. This notice will contain only the minimum information statutorily required and its form will be subject to Landlord's prior written approval, which will not be unreasonably withheld, conditioned or delayed, and such a notice will be promptly executed and delivered by Landlord. Tenant will provide Landlord with a copy of the recorded notice promptly after it is received. Prior to and as a condition to recording this notice, Tenant will deliver to Landlord an executed termination in recordable form sufficient in Landlord's reasonable judgment to terminate this notice and remove it from record title. Landlord will have the right to record this termination only when this Lease expires or otherwise terminates.

24.7 Late Charges. If any rent or other amounts payable by Tenant are not received within ten (10) days after the due date, Tenant will pay to Landlord on demand a late charge equal to three percent (3%) of the overdue amount, and if not received within ten (10) days after notice, the amounts also will bear interest from the due date until paid at the Default Rate, Collection of these late charges and interest will not: be a waiver or cure of Tenant's default or failure to perform; be deemed to be liquidated damages, an invalid penalty or an election of remedies; or prevent Landlord from exercising any other rights and remedies.

24.8 Accord and Satisfaction. Neither endorsements nor statements on any check or any letter accompanying any check or payment, nor payment by Tenant or acceptance by Landlord of less than the full amount of rent or any other amount due, will be binding on Landlord nor will they be deemed to be a waiver, settlement, or accord and satisfaction.

Amounts received by Landlord will be deemed to be on account of amounts due and may be applied in such order and to such obligations as Landlord determines in its sole discretion, Landlord may accept any check or payment without prejudice to any of Landlord's rights and remedies, including, without limitation, the right to recover the full amount due.

24.9 Prior Agreements; Amendments; Waiver. This Lease is an integrated document and contains all of the agreements, conditions, representations and warranties and other terms between the parties in connection with the Project or the leasing of the Premises or any other parts of the Project or any other matter covered or mentioned in this Lease, and supersedes all prior agreements or understandings. This Lease may not be amended except by an agreement in writing signed and delivered by the parties. Except as may be specifically set forth in this Lease, all waivers must be in writing. Landlord will not be bound by any purported waiver (including, without limitation, any purported waiver in connection with a Transfer) unless the waiver is in writing, specifies the obligation, term, condition, act, omission, or agreement to be waived, and is executed and delivered by Landlord, and for example (but not by way of limitation), Landlord's acceptance of less than the full amount of rent due, acceptance of funds from any other source, collection of a late charge, application of a security deposit, failure to notify, failure to pursue rights and remedies, or failure to insist on strict performance will not be a waiver, whether or not Landlord has knowledge of a breach or default and regardless of the passage of time or continuation of conduct Landlord's waiver of any obligation, term, condition, act, omission, or agreement will not be deemed to be a waiver of any other, or subsequent, obligation, term, condition, act, omission, or agreement, whether similar or dissimilar, nor of any of Landlord's rights and remedies.

24.10 Representations; Inability to Perform. Tenant is not relying on and was not induced to sign this Lease as a result of any statements, information, projections, representations or warranties of any kind, express or implied, with respect to the Premises, the Project or this transaction, and instead Tenant entered into this Lease based on its own independent investigation and assessment. Landlord will not be in default nor incur any Liabilities if it can't fulfill any of its obligations, or is delayed in doing so, because of accidents, breakage, strike, labor troubles, war, sabotage, governmental regulations or controls, inability to obtain materials or services, acts of God, or any other cause, whether similar or dissimilar, beyond Landlord's reasonable control (sometimes referred to as "force majeure").

24.11 Legal Proceedings. In any action or proceeding involving or relating in any way to this Lease, the court or other person or entity having jurisdiction in such action or proceeding will award to the party in whose favor judgment is entered the actual attorneys' fees and costs incurred. Tenant also will indemnify Landlord for, and hold Landlord harmless from and against, all Liabilities incurred by Landlord if Landlord becomes or is made a party to any proceeding or action: (a) involving Tenant and any third party, or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant; or (b) necessary to protect Landlord's interest under this Lease in a proceeding under the Bankruptcy Code that involves Tenant or its Affiliates. Unless prohibited by law, Tenant and Landlord each waives the right to trial by jury in all actions involving or related to this Lease, the Project or any collateral or subsequent agreements between the parties, and Tenant waives any right to impose a counterclaim in any proceeding brought for possession of the Premises as a result of Tenant's default (although Tenant will retain whatever rights it may have to bring a separate claim against Landlord and will have the right to interpose compulsory counterclaims that cannot be brought in a separate action and that would be irrevocably lost if not brought in the action for possession). Tenant and Landlord each also submits to and agrees not to contest the

sole and exclusive jurisdiction of the state and federal courts located in Massachusetts to adjudicate all matters in connection with this Lease and agrees that it will bring all suits and actions only in such Massachusetts courts and not to seek a change of venue. Service on any one or more of the individuals comprising Tenant will conclusively be deemed service on all of those individuals. In any circumstance where a party is obligated to indemnify or hold harmless the other party under this Lease, that obligation also will run in favor of the other party's partners, and the other party's and its partners' respective shareholders, directors, officers, employees, agents, and affiliated entities (collectively, the "Indemnified Affiliates" of a party), and will include the obligation to protect the other party and its Indemnified Affiliates, and defend them with counsel acceptable to the other party or, at the other party's election, the other party and its Indemnified Affiliates may employ their own counsel and the indemnifying party will pay when due all attorneys' fees and costs. The property manager(s) will be deemed to be one of the Indemnified Affiliates of Landlord. These obligations to indemnify, hold harmless, protect and defend will survive the expiration or termination of this Lease.

24.12 Ownership; Invalidity; Remedies; Choice of Law. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Premises. Upon each conveyance (whether voluntary or involuntary) of fee title, the conveying party will be relieved of all Liabilities and obligations contained in or derived from this Lease or arising out of any act, occurrence or omission occurring after the date of such conveyance. Landlord may Transfer all or any portion of its interests in this Lease, the Premises, or the Project without affecting Tenant's obligations and Liabilities under this Lease. Tenant has no right, title or interest in the name of the Building or the Project, and may use these names only to identify its location. Any provision of this Lease which is invalid, void or illegal will not affect, impair or invalidate any of the other provisions and the other provisions will remain in full force and effect. Landlord's rights and remedies are cumulative and not exclusive. This Lease is governed by the laws of Massachusetts applicable to transactions to be performed wholly therein.

24.13 Expense; Consent. Unless otherwise provided in this Lease, a party's obligation will be performed at that party's sole cost and expense, except when Landlord is performing Tenant's obligations because of Tenant's default or failure to perform or as otherwise permitted in this Lease, Landlord has agreed in a number of instances in this Lease to consent, approve or exercise its judgment reasonably. Therefore. to avoid potential misunderstandings, except where it is expressly provided that Landlord will not unreasonably withhold its consent or approval or exercise its judgment reasonably, Landlord may grant or withhold its consent or approval and exercise its judgment arbitrarily and in its sole and absolute discretion. In any dispute involving Landlord's withholding of consent or exercise of judgment, the sole right and remedy of Tenant and its Affiliates is declaratory relief (i.e., that such consent should be granted), and Tenant and its Affiliates waive all other rights and remedies, including, without limitation, claims for damages.

24.14 Presumptions; Exhibits; Submission; Net Lease. This Lease will be construed without regard to any presumption or other rule requiring construction or interpretation against the party drafting the document. The titles to the Articles and Sections of this Lease are not a part of this Lease and will have no effect on its construction or interpretation. Whenever required by the context of this Lease, the singular includes the plural and the plural includes the singular, and the masculine, feminine and neuter genders each include the others, and the word "person" includes individuals, corporations, partnerships or other entities. All exhibits, addenda and riders attached to this Lease are incorporated in this Lease by this reference. The

submission of this Lease to Tenant or its broker, agent or attorney for review or signature is not an offer to Tenant to lease the Premises or the grant of an option to lease to Premises. This Lease will not be binding unless and until it is executed and delivered by both Landlord and Tenant. This Lease is intended to be a completely " triple net" lease, unless specifically otherwise provided in this Lease,

24.15 Cooperation. Tenant will cooperate reasonably with Landlord in connection with this Lease, Landlord's ownership, operation, management, improvement, maintenance and repair of the Premises and the rest of the Project, and Landlord's exercise of its rights and obligations under this Lease. If necessary, this cooperation will include, without limitation, moving machinery or equipment within the Premises and allowing Landlord sufficient space within the Premises to enable Landlord to perform any work that Landlord is required or has the right to perform under this Lease.

24.16 Notices. Unless otherwise specified in this Lease, all notices, demands or communications required or permitted under this Lease ("Notices") will be in writing and will be delivered in person. by recognized overnight national courier (such as Federal Express or the equivalent), by certified mail, return receipt requested, postage prepaid, or by telecopy (and if delivered by telecopy, a copy of the Notice also must be sent by one of the other methods above within one (1) business day thereafter). Before Tenant takes occupancy of the Premises, Notices to Tenant will be delivered to the address for Tenant in Section 1.1. After Tenant takes occupancy of the Premises, Notices to Tenant will be delivered to the address of the Premises (or such other address as Tenant may specify) and such other addresses as are listed in Section 1.1 as receiving copies of Notices to Tenant. If Tenant consists of one or more persons or entities, Notices to any one of them will be deemed Notices to all of them. Notices to Landlord will be delivered to the addresses for Landlord in Section 1.1 and such other addresses as are listed in Section 1.1 as receiving copies of Notices to Landlord. A party may change the addresses to which Notices directed to it are to be delivered by written Notice to the other party in accordance with these terms, Notices will be deemed given and received on the earlier of delivery or refusal to accept delivery, and if delivered by telecopy when receipt is confirmed electronically, provided that a copy is also delivered by one of the other methods described above as and when required.

24.17 Letter of Credit.

(a) Concurrently with its execution of this Lease, Tenant will obtain and deliver to Landlord an irrevocable, clean, unconditional standby letter of credit in accordance with the terms and conditions of this Section 2417 (the "Letter of Credit"). The Letter of Credit will be in the amount of Two Hundred Fifty Thousand Dollars ($250,000), will be issued initially by Fleet Bank, or if Tenant wishes or is required to replace the initial Letter of Credit, by a bank that meets the criteria in Section 24.17(d). The Letter of Credit will name the then-current Landlord (or, at Landlord's request from time to time, one or more then-current lenders to Landlord) as the beneficiary thereof, will have an initial term of at least one (1) year, will renew automatically unless Landlord receives written notice from the issuer at least thirty (30) days prior to its expiration, and with renewals will expire no earlier than sixty (60) days after the expiration date of the Lease. Tenant will renew or replace the Letter of Credit in accordance with this Section 24.17 at least thirty (30) days prior to its expiration. The form and content of the Letter of Credit will be as set forth in this Section 24.17 and otherwise as may be acceptable to the beneficiary thereof. The beneficiary will have the right to draw under the Letter of Credit on one or more occasions from time to time (either total or partial draws) and in accordance with the terms hereof simply upon presentation to the issuer of a sight draft executed by the

beneficiary or its authorized representative requesting payment and without further condition or certification, and the issuer will pay upon presentation of such draft without deduction or offset of any type. The Letter of Credit will be assignable in whole but not in part, and at Landlord's request from time to time, it will be reissued in favor of a new beneficiary in accordance with the terms of this Lease.

(b) If Tenant defaults or fails to pay or perform its Liabilities under this Section 24.17 or the rest of this Lease as and when required (including, without limitation, failing to renew or replace the Letter of Credit as and when required), the beneficiary thereafter may, but will not be obligated to, draw under the Letter of Credit on one or more occasions and hold or apply the proceeds thereof to any amounts owed and/or damages incurred or resulting therefrom and/or in such other manner or order as the beneficiary may determine in its sole discretion, and the beneficiary's draw(s) under or failure to draw down all or any portion of the Letter of Credit in any particular instance will not be deemed to be a waiver or election of any rights and remedies of any type of Landlord or the beneficiary, a limitation on Landlord's or the beneficiary's right to damages or the amount thereof, a payment of liquidated damages or an accord or satisfaction. Notwithstanding the foregoing, the beneficiary may not apply the proceeds of the Letter of Credit in amounts materially in excess of the damages actually or reasonably expected to be incurred by the beneficiary (but the parties specifically agree that the beneficiary's rights to draw under and/or apply the proceeds of the Letter of Credit will not be subject to any stays "caps" or limitations on damages in the Bankruptcy Code or otherwise affected by an Event of Bankruptcy).

(c) If any portion of the Letter of Credit is drawn on, Tenant will within ten (10) days after written notice either: deposit cash with Landlord so that the combination of cash and the undrawn portion of the Letter of Credit equal the original amount of the Letter of Credit; or cause the Letter of Credit to be reinstated or reissued so that the amount thereof equals the original amount of the Letter of Credit. If the Letter of Credit has not been drawn on and Tenant is not in default and has not committed an act or omission that with the passage of time or the giving of notice (or both) would constitute a default, Tenant may at its cost reduce the face amount of the Letter of Credit to One Hundred Twenty-five Thousand Dollars ($125,000) if prior thereto: (i) Tenant has met the following financial criteria for one full calendar year: revenue (excluding venture or other funding) of at least $73.8 Million; cost of goods sold not exceeding 29% of revenue; operating expenses not exceeding 38% of revenue; and operating income of at least $25 Million and at least 34% of revenue; and (ii) Tenant delivers to Landlord: financial statements prepared in accordance with GAAP and audited by an independent certified public accountant showing that these financial criteria have been met; and an unconditional written certification from such accountant and Tenant's President or CFO certifying that these financial criteria have been met.

(d) Tenant will promptly cause the Letter of Credit to be replaced by a Letter of Credit issued by another recognized United States money-center bank in good standing with a branch located in the Boston, Massachusetts metropolitan area of the United States that meets the financial criteria described below and is otherwise reasonably acceptable to the beneficiary: (i) on demand by the beneficiary if the issuer ever fails to meet the financial criterion described below; or (ii) if Tenant wishes to replace the Letter of Credit with a Letter of Credit issued by another bank. The financial criteria referred to above are the issuer's maintenance of credit quality ratings from Fitch, Inc., Moody's and Standard & Poor's at least equal to those enjoyed by the initial issuer of the Letter of Credit when the Letter of Credit was initially issued. Tenant will be responsible for documenting such compliance if required. The beneficiary will have

the immediate right thereon and thereafter to draw under the Letter of Credit for all or any portion thereof if the Letter of Credit is not replaced as and when required by an issuer meeting the financial criterion referred to above. Tenant will be solely responsible for all costs in connection with any issuance, reissuance, reinstatement, assignment, modification, transfer or renewal of the Letter of Credit in accordance with this Section.

24.18 Other Defined Terms.

(a) "Affiliates" means: partners, directors, officers, shareholders, agents, employees, parents, subsidiaries, affiliated parties, licensees, concessionaires, contractors, subcontractors. successors, assigns, subtenants, and representatives.

(b) "Cafeteria Charges" means an amount payable by Tenant if and for so long as Landlord causes or permits a cafeteria or food service facility to be operated in the Building that can be used by Tenant's employees. Cafeteria Charges will be payable together with and as part of Operating Costs, in monthly installments, and Tenant's Percentage thereof will be deemed to equal the "Annual Amount" multiplied by the Rentable Area of the Premises. The "Annual Amount" means One Dollar and Twenty-five Cents ($1.25) per annum, increased at the beginning of each calendar year during the term by one and one-half percent (1.5%) over the previous amount.

(c) "Landlord's Mortgagees" means the lessors or mortgagees under the Superior Leases and Mortgagees and their successors and assigns. The current Landlord's Mortgagee is General American Life Insurance Company.

(d) "Laws" means: all applicable laws, codes, decisions, ordinances, rules, regulations, licenses, permits, approvals and directives of legislative, judicial, quasi-judicial, governmental or quasi-governmental agencies, authorities or officers , including, without limitation, those relating to building and safety, fire prevention, health, energy conservation, hazardous substances and environmental protection.

(e) "Liabilities" means: all costs, damages, claims, injuries, liabilities and judgments, including, without limitation, reasonable attorneys' fees and costs (whether or not suit is commenced or judgment entered).

(f) "Superior Leases and Mortgages" means all present and future ground leases, underlying leases, mortgages, deeds of trust or other encumbrances, and all renewals, modifications, consolidations, replacements or extensions thereof and advances made thereunder, affecting all or any portion of the Premises or the Project.

(g) "Systems and Equipment" means: when used generally, all HVAC, plumbing, mechanical, electrical, lighting, water, gas, sewer, safety, sanitary and any other utility or service facilities, systems and equipment, and all associated pipes, ducts, poles, stacks, chases, conduits, wires and facilities; and when used specifically, a specified installation or type of equipment or utility service and all associated pipes, ducts, poles, stacks, chases, conduits, wires and facilities.

25. HAZARDOUS SUBSTANCES.

Without limiting the generality of any portion of this Lease, Tenant and its Affiliates will:

(a) Not store, handle, transport, use, process, generate. discharge, dispose of or remediate any hazardous, toxic, corrosive, dangerous, explosive, flammable or noxious substances, gasses or waste, as now or hereafter defined under any applicable Laws or otherwise, including, without limitation, animal, biological or chemical products, byproducts or waste products (collectively, "hazardous substances"), from in or about the Premises or the rest of the Project, or create any release or threat of release of any hazardous substances except strictly in accordance with applicable Laws and the terms of this Article. If Tenant or its Affiliates fail to comply with the foregoing or the rest of this Article, or if Landlord reasonably and in good faith believes that Tenant or its Affiliates have failed to comply or that their actions or omissions likely will lead to noncompliance, in addition to any other rights and remedies of Landlord (all of which are cumulative and not exclusive), Tenant and its Affiliates immediately will cease the acts or omissions and at Landlord's written request take such actions as may be required by Laws and as Landlord reasonably may direct to cure or prevent the problem, Tenant and its Affiliates will comply fully with all Laws and insurance requirements in connection with or related to hazardous substances, whether now or hereafter existing, including, without limitation, CERCLA, SARA, RCRA , TSCA, CWA, Chapter 21E of Massachusetts General Laws and any other Laws promulgated by the EPA, OSHA or Commonwealth of Massachusetts.

(b) Immediately pay, and indemnify Landlord for and hold Landlord harmless from, all Liabilities in connection with or arising directly or indirectly from any breach by Tenant or its Affiliates of their obligations in this Article and/or any Liabilities incurred by Landlord as a result of or in connection with the handling, transportation, use, processing, generation, discharge or disposal of any hazardous substances by or on behalf of Tenant or its Affiliates, including, without limitation, reasonable attorneys' fees and costs and the costs of any of the following, if required by Landlord, applicable Laws or insurance requirements, or if otherwise undertaken by Tenant: any "response actions" or "responses"; any surveys, "audits", inspections, tests, reports or procedures reasonably deemed necessary or desirable by Landlord or governmental or quasi-governmental authorities to determine the existence or scope of any hazardous substances or Tenant's compliance with this Article, and any actions recommended to be taken in connection therewith; compliance with any applicable Laws and insurance requirements: any requirements, directives or plans for the prevention, containment, processing, storage, clean-up, remediation or disposal of hazardous substances; the release and discharge of any resulting liens; and any other injury or damage. On the expiration or earlier termination of this Lease, Tenant will leave the Premises free of hazardous substances, except to the extent that such hazardous substances are present in the Premises as of the date hereof.

(c) Immediately deliver to Landlord copies of any material notices, information, reports, and communications of any type received or given in connection with hazardous substances, including, without limitation, notices of violation and settlement actions from or with governmental or quasi-governmental authorities, reports from Tenant's engineers or consultants, and the results of any analyses conducted by or for Tenant. Tenant specifically grants Landlord the right to participate in all discussions and meetings regarding actual or potential violations, settlements or abatements.

Tenant's failure to comply with the requirements of this Article within five (5) days after Tenant becomes aware of a breach or a potential breach (whether because of written notice or otherwise) will be a material default under this Lease. All of Tenant's obligations under this Article will survive the expiration or earlier termination of this Lease.

26. OTHER LEASE; SNDA

(a) On or about the date hereof, Tenant and 30 Minuteman Limited Partnership have entered into or will enter into a lease for a building to be constructed at 30 Minuteman Road, Andover. Massachusetts (as amended, the "Other Lease"). If the Other Lease is validly terminated pursuant to Sections 2(c) or 2(d) thereof (i.e., the Other Lease actually terminates and expires after the valid exercise of termination rights under either of those Sections), Tenant, at its sole election and as its sole right and remedy, may terminate this Lease without liability to either Landlord or Tenant by delivering unconditional written notice thereof to Landlord within thirty (30) days after such termination of the Other Lease. If Tenant does so terminate this Lease, Landlord will return the Letter of Credit to Tenant. If Tenant does not so terminate this Lease, the face amounts of the Letter of Credit required under Sections 24.17(a) and (c) will be deemed increased to $500,000 and $250,000, respectively, from $250.000 and $125,000, Tenant will promptly will cause the Letter of Credit to be amended accordingly, this Lease will continue in full force and effect subject to its terms, and Tenant will promptly confirm all of this in writing to Landlord.

(b) If by June 30, 2004 the existing Landlord's Mortgagee does not deliver its written agreement to promptly enter into a Subordination, Non-disturbance and Attornment Agreement with Tenant in a form that meets the requirements of Section 191, or in a form that is otherwise reasonably acceptable to Tenant, Tenant, at its sole election and as its sole right and remedy, may terminate this Lease without liability to either Landlord or Tenant by delivering unconditional written notice thereof to Landlord within five (5) business days thereafter. If Tenant does so terminate this Lease, Landlord will return the Letter of Credit to Tenant. lf Tenant does not so terminate this Lease , this condition will be deemed waived by Tenant, this Lease will continue in full force and effect subject to its terms, and Tenant will promptly confirm all of this in writing to Landlord.

[Signature on Next Page]

SIGNATURE

IN WITNESS WHEREOF, intending to be legally bound, each party has executed this Lease as a sealed instrument as of the date first set forth above on the date specified below next to its signature.

Executed: June 25, 2004

"LANDLORD"

WITNESS:

200 MINUTEMAN LIMITED PARTNERSHP

/s/ David Miller
Name Printed: David Miller

By: Niuna-200 Minuteman, Inc., general partner

By: /s/ John Kusmiersky
Name:
Title:
Authorized Signatory

Executed: June 23, 2004

"TENANT"

WITNESS:

TRANSMEDICS, INC., a Delaware corporation

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: President & CEO
Authorized Signatory

WITNESS:

/s/ Jon C. Trachtenberg

By: _____
Name:
Title:
Authorized Signatory

EXHIBIT "A"
"SITE PLAN OF THE PROJECT"
(WITH PARKING AREAS SHOWN)
200 MINUTEMAN ROAD
ANDOVER, MASSACHUSETTS

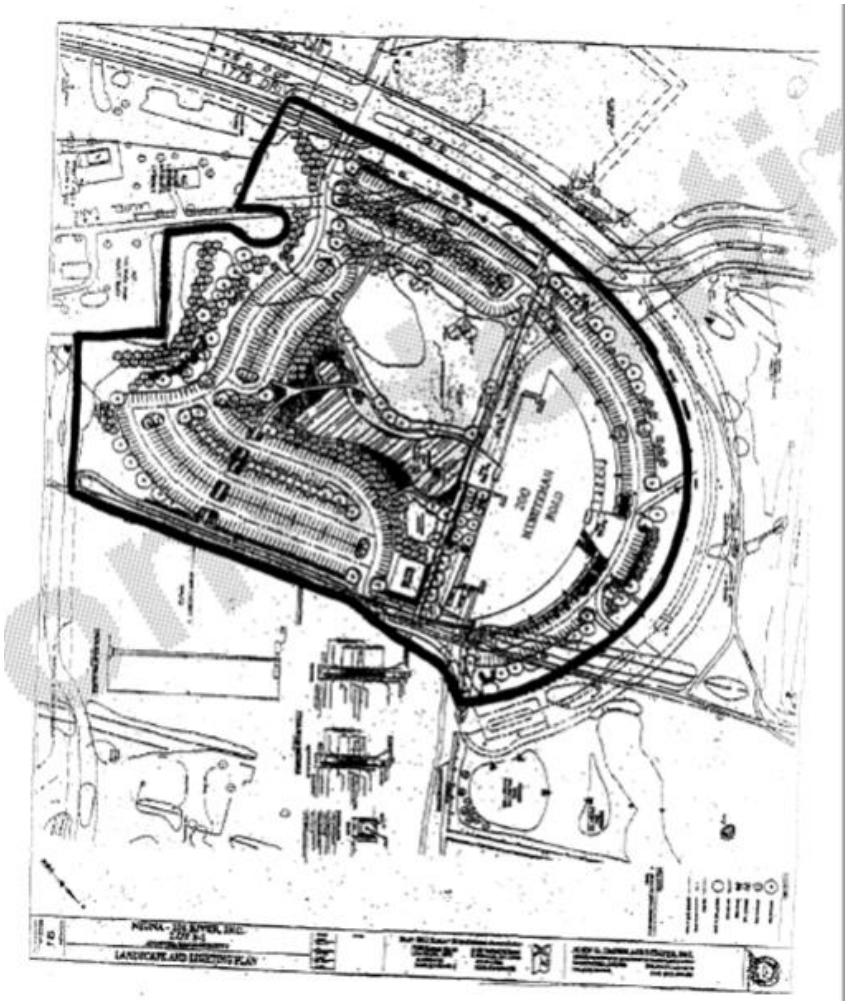

EXHIBIT "A"
"SITE PLAN OF THE PROJECT"

EXHIBIT "B"
"PREMISES"
200 MINUTEMAN ROAD
THIRD FLOOR – WEST
ANDOVER, MASSACHUSETTS

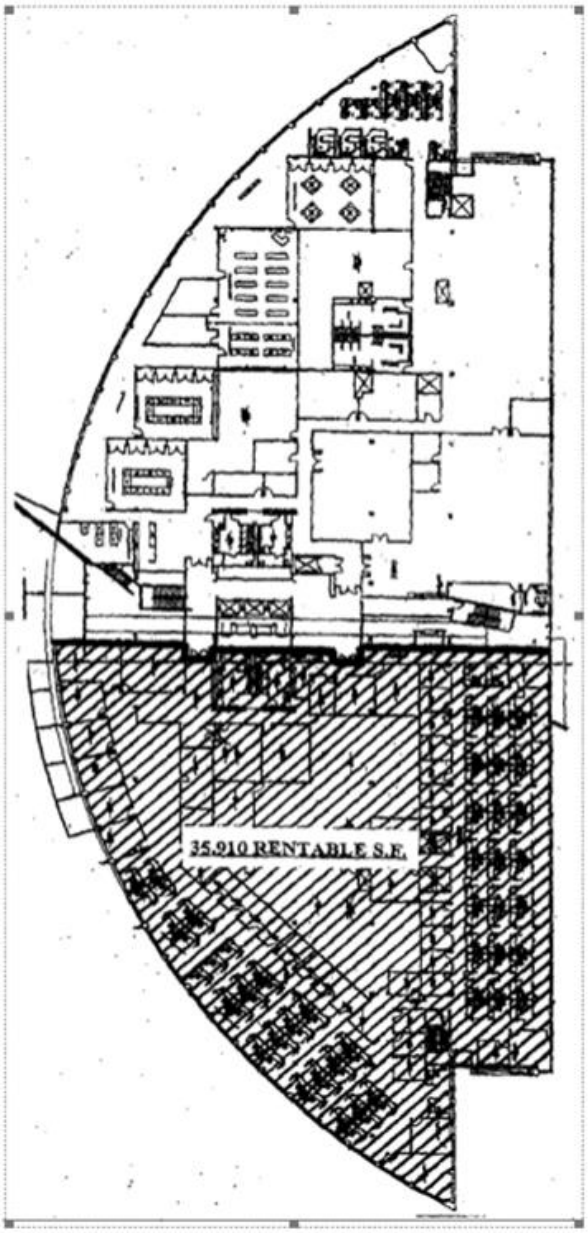

EXHIBIT "B"
"PREMISES"

EXHIBIT C

WORKLETTER

1. General Conditions.

1.1 "Landlord's Work" means any work that Landlord may perform in or for the Premises or the Building (Landlord Is not required to perform any Landlord's Work).

1.2 All labor, services, materials, systems and equipment, installation and hookups, and all necessary modifications thereto or occasioned thereby, all design, architectural and engineering work, and all required permits, licenses, approvals and compliance work (including, without limitation, a final unconditional Certificate of Occupancy for the Premises issued by the Town of Andover), and all installations and systems and equipment to or for the occupancy of the Premises are referred to as "Tenant's Work," and will be performed by Tenant at Tenant's sole cost and expense, diligently and in a good and workmanlike manner, subject to and in compliance with all Laws and subject to the rest of the terms of this Workletter and this Lease, Tenant will indemnify, defend and hold Landlord and its Affiliates harmless from all Liabilities resulting from or in connection with Tenant's Work, subject to the last sentence of Section 14.1,

1.3 Tenant and its contractors will have the right to enter the Building to perform Tenant's Work before the Rent Commencement Date.Landlord and its representatives will control all scheduling and coordination of Tenant's Work and Landlord's Work and will attempt to amicably resolve any disputes that may arise.However, Tenant and its contractors will not interfere in any way with or delay any Landlord's Work or interfere with the other tenants or the operation of the Building and if there are any conflicts or disputes that are not amicably resolved, Landlord's Work will have priority. After any entry by Tenant or its contractors, all of Tenant's Lease obligations will be immediately effective except for the obligation to pay base rent, Taxes and Operating Costs. Provided that occupancy is legally permitted, Tenant may occupy the Premises before completion of Tenant's Work. Without limiting the generality and applicability of the rest of this Workletter or this Lease, Tenant and its contractors will comply with Sections 13.3, 13.4 and 13.5 of this Lease.

1.4 When Tenant signs this Lease, it will, pursuant to written notice to Landlord, appoint a representative, at Tenant's sole cost and expense, who will be available to meet and consult with Landlord and its representatives on a continuing basis at the Premises concerning Landlord's Work and Tenant's Work. The appointed representative will be authorized to render prompt, binding decisions on behalf of Tenant as Tenant's agent in connection with issues involving Landlord's Work and Tenant's Work under this Lease, and Landlord will have the right to rely on those decisions.

1.5 The layout of Tenant's Premises, and the location of the various facilities therein, will generally conform to the layout attached hereto as Exhibit ''C-1", and will be equivalent in fit, finish and quality to the Premises as delivered to Tenant, unless otherwise approved by Landlord. Tenant's Work will also be performed: in accordance with final plans and specifications first approved by Landlord in writing, which plans and specifications will be stamped and initially prepared (and subsequently modified, if modifications are required by Landlord) by a Massachusetts-licensed architect and engineer selected by Tenant and reasonably approved by Landlord: and by a Massachusetts-licensed and bondable general contractor selected by Tenant and reasonably approved by Landlord. Tenant's Work must not

affect the windows, the exterior of the Building, or any portion of the Building or the rest of the Project outside of the Premises; affect the strength, structural integrity or load-bearing capacity of any portion of the Building; or adversely affect the Systems and Equipment in the Premises or the rest of the Building. Subject to the foregoing and to their compliance with the rest of this Lease. Landlord will not unreasonably withhold or delay its approval of the Tenant's plans and specifications. Construction will commence promptly after such approvals and will be completed diligently by Tenant Without limiting the generality of Tenant's obligations hereunder or under the rest of this Lease, Tenant understands and acknowledges that there are tenants on the first and second floors of the Building and that their ability to continuously operate without interruption by Tenant or its Affiliates is critical, so Tenant will take all commercially reasonable steps to ensure that the performance of Tenant's Work will not cause such an interruption. Landlord will have approval over but no responsibility for the means and methods of Tenant's Work, and will have the right to inspect Tenant's Work and to reject work that does not comply with applicable Laws or this Lease. Landlord's review or approval of Tenant's plans, specifications, means or methods is solely for Landlord's benefit and will not be considered a representation or warranty to Tenant as to safety, adequacy, efficiency, compliance with Laws or any other matter nor may Tenant rely thereon, and under all circumstances compliance will remain Tenant's responsibility.

1.6 Provided that Tenant does not default under the Lease, Landlord will pay to Tenant, as an inducement to enter into this Lease, the sum of Two Hundred Fifty-one Thousand Three Hundred Seventy Dollars ($251,370) as follows:

(a) One Hundred Twenty-five Thousand Dollars ($125,000) will be paid to Tenant within thirty (30) days after Tenant satisfactorily completes at least one-half of the scope of Tenant's Work and delivers to Landlord lien waivers from its contractors and subcontractors for such work, together with requisitions for work in place of at least One Hundred Twenty-five Thousand Dollars ($125,000) and invoices, certifications and other documentation from Tenant and its contractors and architects, all in the form customarily required for disbursements by institutional construction lenders in the greater Boston area.

(b) The balance of the Inducement will be paid to Tenant within thirty (30) days after the following conditions are satisfied: Tenant satisfactorily completes Tenant's Work and delivers to Landlord final lien waivers from its contractors and subcontractors tor such work together with requisitions for work in place of at least the balance of the Inducement and invoices, certifications and other documentation from Tenant and its contractors and architects, all in the form customarily required for disbursements by institutional construction lenders in the greater Boston area; Tenant obtains a final Certificate of Occupancy for the Premises from the Town of Andover: Tenant occupies substantially all of the Premises to conduct business and pays its first month's rent under the Lease: and Tenant delivers its unconditional written certification to Landlord that the Rent Commencement Date has occurred as set forth in Section 1.1 (c) and that Tenant accepts the Premises in all respect.

EXHIBIT C

EXHIBIT "C-1"

"LAYOUT OF TENANT'S PREMISES"
200 MINUTEMAN ROAD
THIRD FLOOR – WEST HALF
ANDOVER, MASSACHUSETTS

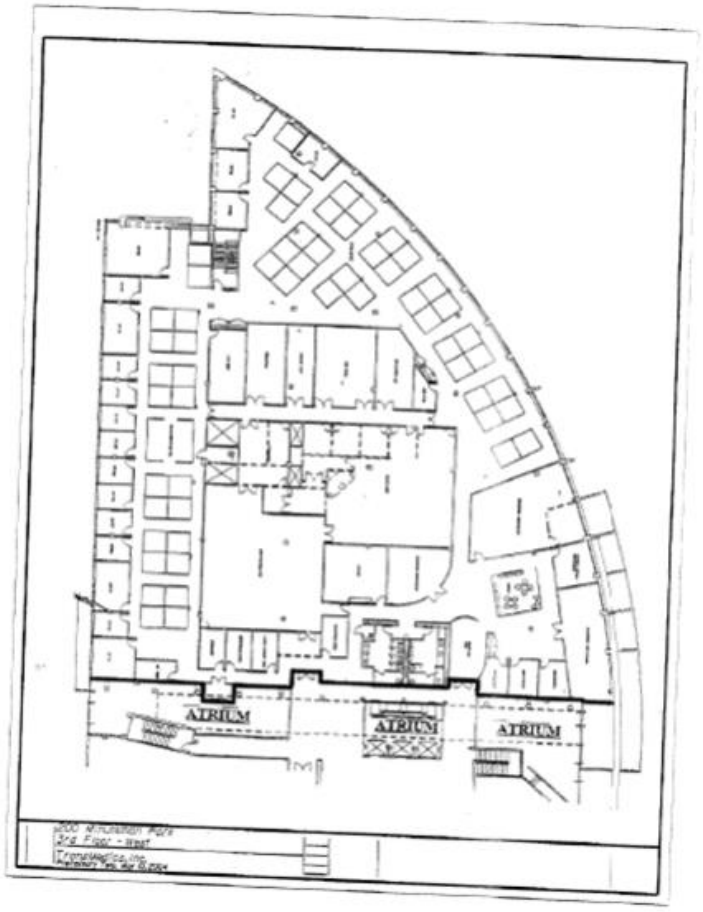

EXHIBIT "C-1"

EXHIBIT “D”

BASE RENT

For the first Lease Year, the annual base rent will be Six Dollars ($6.00) per square foot of Rentable Area (i.e., $6,00 multiplied by the number of square feet of Rentable Area in the Premises). For the second Lease Year, the annual base rent will be Twelve Dollars ($12.00) per square foot of Rentable Area in the Premises. For the third Lease Year, the annual base rent will be Twelve Dollars ($12.00) per square loot of Rentable Area in the Premises. For the fourth Lease Year, the annual base rent will be Twenty Dollars and Thirty-nine Cents per square feet of Rentable Area in the Premises. Starting as of the first day of the fifth Lease Year and as of the first day of each Lease Year thereafter during the term, the annual base rent per square foot of agreed rentable area in the Premises will increase by one and one-half percent (1.5%) over the annual base rent per square foot of agreed rentable area for the prior Lease Year. For example, during the fifth Lease Year it will be Twenty Dollars and Sixty-nine Cents ($20.69) per square loot of Rentable Area in the Premises, during the sixth Lease Year it will be Twenty-one Dollars and One Cents ($21.01) per square foot of Rentable Area in the Premises, etc. As an additional example, assuming that Tenant does not lease additional space In the Building, during the first Lease Year Tenant’s annual base rent will be Two Hundred Fifteen Thousand Four Hundred Sixty Dollars ($215,460), and its monthly base rent will be Seventeen Thousand Nine Hundred Fifty-five Dollars ($17,955).

The base rent described above is subject to the terms of Addendum #1 and Addendum #3 of this Lease, if and when those Addenda are applicable.

EXHIBIT “D”

EXHIBIT “E”

RULES AND REGULATIONS

1. Fire exits and stairways are for emergency use only, and they will not be used for any other purposes. Tenant will not encumber or obstruct, or permit the encumbrance or obstruction of or store or place any materials on any of the sidewalks, plazas, entrance, corridors, elevators, fire exits or stairways of the Project. The Landlord reserves the right to control and operate the public portions of the Project and the public facilities, as well as facilities furnished for the common use of the tenants, and access thereto, in such manner as it reasonably deems best.

2. The cost of repairing any damage to the public portions of the Project or the public facilities or to any facilities used in common with other tenants caused by Tenant or its Affiliates will be paid by Tenant.

3. Any person whose presence in the Project at any time will, in the judgment of the Landlord, be prejudicial to the safety, character, reputation and interests of the Project or its tenants may be denied access to the Project or may be ejected therefrom. In case of invasion, riot, public excitement or other commotion the Landlord may prevent all access to the Project or the Building during the continuance of the same, by closing the doors or otherwise, for the safety of the tenants and protection of property. The Landlord will in no way be liable to any tenant for damages or loss arising from the admission, exclusion or ejection of any person to or from Tenant’s premises or the Project under the provisions of this rule.

4. No awnings or other projections over or around the windows will be installed by Tenant and only such window blinds as are permitted by the Landlord will be used in Tenant’s premises.

5. Hand trucks will not be used in any space, or in the public halls of the Building in the delivery or receipt of merchandise, except those equipped with rubber tires and side guards. Tenant will repair all damage to floors both in the Premises and the Common Area caused by its use of material-handling equipment and, if requested by Landlord, Tenant will install at its expense suitable floor covering to protect the floors and will remove such floor covering (and repair any damage caused by the removal) at its expense at the expiration or earlier termination of this Lease. All air compressors, electric motors and other machinery and equipment will be shock-mounted so as not to transmit vibrations,

6. All entrance doors in Tenant’s premises will be kept locked when Tenant’s premises are not in use. Entrance doors will not be left open at any time. All windows in Tenant’s premises will be kept closed at all times and all blinds therein above the ground floor will be lowered when and as reasonably required because of the position of the sun, during the operation of the air conditioning system to cool or ventilate the tenant’s premises.

7. Nothing will be done or permitted in Tenant’s premises which would impair or interfere with any of the Systems or Equipment or the proper and economic servicing of the Building or the Premises, or the use or enjoyment by any other tenant of any other premises, nor will there be installed by Tenant any Systems or Equipment or other equipment of any kind which, in Landlord’s judgment, could result in such impairment or interference. If necessary in Landlord’s judgment, Landlord may install, relocate, remove, use, maintain, repair and replace Systems and Equipment within or serving the Tenant’s premises or other parts of

the Project, and perform other work and alterations within the Tenant's premises. Tenant waives any rights or claims against Landlord or its Affiliates in connection with any loss, theft, damage or destruction of property owned or leased by Tenant or its Affiliates.

8. Whenever Tenant will submit to Landlord any plan, agreement or other document for Landlord's consent or approval, such tenant agrees to pay Landlord as additional rent, on demand, a processing fee in a sum equal to the reasonable out-of-pocket fees payable to any architect, contractor , engineer and attorney employed by Landlord to review said plan, agreement or document. Within fifteen (15) days after Landlord's request from time to time, Tenant will deliver to Landlord Tenant's financial statements, including a balance sheet, income statements and bank references.

9. [INTENTIONALLY OMITTED]

10. No signs, advertisements, notice or other lettering will be exhibited, inscribed, painted or affixed by Tenant on any part of the outside or inside the premises or the Building without the prior written consent of Landlord or as otherwise are specifically permitted under this Lease. The Tenant will cause the exterior of any permitted sign to be kept clean, properly maintained and in good order and repair throughout the term of its lease. In the event of the violation of the foregoing by Tenant, Landlord may remove the same without any liability, and may charge the expense incurred by such removal to Tenant. Landlord will have the right to prohibit any advertising by Tenant which impairs the reputation of the Building or the Project, and upon written notice from Landlord, Tenant will refrain from or discontinue such advertising.

11. Tenant's employees will not loiter around the hallways, stairways, elevators, front, roof or any other part of the Building used in common by the occupants thereof.

12. Unless caused by other tenants, if the premises become infested with vermin, Tenant, at its sole cost and expense, will cause its premises to be exterminated, from time to time, to the satisfaction of Landlord, and will employ such exterminators therefor as will be approved by Landlord.

13. All movers used by Tenant will be appropriately licensed and will maintain reasonable insurance coverage (proof of such coverage will be delivered to Landlord prior to movers providing service in and throughout the Building). Tenant will protect the premises and the rest of the Building from damage or soiling by Tenant's movers and contractors and will pay for the reasonable cost of extra cleaning or replacement or repairs by reason of Tenant's failure to do so.

14. The premises will not be used for lodging or sleeping or for any immoral or illegal purposes.

EXHIBIT E

EXHIBIT “F”

BANKRUPTCY PROVISIONS

This Article is incorporated into the Lease as Article 23:

23. BANKRUPTCY OR INSOLVENCY.

23.1 Tenant’s Interest Not Transferable. Neither Tenant’s interest in this Lease nor any estate hereby created in Tenant nor any interest herein or therein will pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law except as may specifically be provided pursuant to the Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the “Bankruptcy Code”).

23.2 Default and Termination. If:

(a) Tenant or Tenant’s Guarantor, if any, or its executors, administrators, or assigns, admit in writing its inability to pay its debts, or will make a general assignment for the benefit of creditors; or

(b) Tenant or Tenant’s Guarantor, If any, will commence any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or

(c) Tenant or Tenant’s Guarantor, if any will take any corporate partnership or other action to authorize or in furtherance of any of the actions set forth above in subsection (a) or (b); or (d)

(d) Any case, proceeding or other action against Tenant or Tenant’s Guarantor, if any, will be commenced seeking to have an order for relief entered against it as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action: results in the entry of an order for relief against it which is not fully stayed within seven (7) business days after the entry thereof; or remains undismissed for a period of sixty (60) days, then it will be a default hereunder and this Lease and all rights of Tenant hereunder will automatically cease and terminate as if the date of such event were the original expiration date of this Lease and Tenant will vacate and surrender the Premises but will remain liable as herein provided.

Any of the foregoing are sometimes called an “Event of Bankruptcy’ under this Lease.

23.3 Rights and Obligations Under the Bankruptcy Code.

(a) Upon the filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as debtor and as debtor in possession, and any trustee who may be appointed agree as follows: (i) to perform all obligations of Tenant under this Lease, including, but not limited to, the covenants regarding the operations and uses of the Premises until such time as

this Lease is either rejected or assumed by order of the United States Bankruptcy Court; (ii) to pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Premises an amount equal to al! base rent and other rent otherwise due pursuant to this Lease·, (iii) to reject or assume this Lease within sixty (60) days of the filing of a petition under any Chapter of the Bankruptcy Code or under any Law relating to bankruptcy, insolvency, reorganization or relief of debtors (any such rejection being deemed an automatic termination of this Lease): (iv) to g·1ve Landlord at least thirty (30) days prior written notice of any proceeding relating to any assumption of this Lease; (v) to give at least thirty (30) days prior written notice of any abandonment of the Premises (any such abandonment being deemed a rejection and automatic term·1nation of this Lease): (vi) to do all other things of benefit to Landlord otherwise required under the Bankruptcy Code or under any Law relating to bankruptcy, insolvency, reorganization or relief of debtors: (vii) to be deemed to have rejected this Lease in the event of the failure to comply with any of the above: and (viii) to have consented to the entry of an order by an appropriate United States Bankruptcy Court providing all of the above, waiving notice and hearing of the entry of same.

(b) No default under this Lease by Tenant, either prior to or subsequent to the filing of such petition, will be deemed to have been waived unless expressly done so in writing by Landlord.

(c) Included within and in addition to any other conditions or obligations Imposed upon Tenant or its successor in the event of assumption and/or assignment are the following: (i) the cure of any monetary defaults and the reimbursement of pecuniary loss by the time of the entry of the order approving such assumption and/or assignment (pecuniary loss will include, without limitation, any attorneys' fees and costs and expert witness fees incurred by Landlord in protecting its rights under this Lease, Including representation of Landlord in any proceeding commenced under the Bankruptcy Code or under any Law relating to bankruptcy, insolvency, reorganization or relief of debtor); (ii) the deposit of an additional sum equal to three (3) months' base rent; (iii) the use of the Premises only as set forth in this Lease: (iv) the reorganized debtor or assignee of such debtor in possession or of Tenant's trustee demonstrates in writing that it has sufficient background including, but not limited to, substantial experience in operating businesses in the manner contemplated in this Lease and meet all other reasonable criteria of Landlord as did Tenant upon execution of this Lease; (v) meet all other criteria of 11 U.S.C. Section 365(b)(3): and (v) the prior written consent of any mortgagee to which this Lease has been assigned as collateral security; and (vi) the Premises at all times remains a single unit and no Alterations or physical changes of any kind may be made unless in compliance with the applicable provisions of this Lease.

(d) Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code will be deemed without further act or deed to have assumed all of the obligations arising under this Lease on or after the date of such assignment. Any such assignee will upon demand execute and deliver to Landlord an instrument confirming such assumption.

23.4 Construction. The terms of this Article will be in addition to, but not exclusive of, any rights or remedies of Landlord in Article 22 and elsewhere in this Lease or otherwise available at law or in and will not be deemed to limit Landlord, except as may be required by law.

EXHIBIT "F"

EXHIBIT “G”

LANDLORD’S FURNITURE

Conference Room Furniture:
Large Conference Room containing: one (l) 5’ wide x 30’ long maple veneer conference room table with solid maple edge banding and black steel legs; twenty three (23) black leather swivel-tilt chairs with black frames.

Small Conference Room containing: one (1) 3’ wide x 6’ long wood grain plastic laminate covered conference room table with plastic laminate edge banding and black steel legs; seven (7) guest chairs with black steel frames and padded, blue fabric covered seats and backs.

Reception Area Furniture:
One (l) 96” wide x 90” deep AU-shaped dark cherry reception desk; one (1) 5’ wide blue fabric covered sofa; two (2) padded black leather chairs; two (2) 20’’ diameter end tables with maple tops and black steel frames; one (l) rolling swivel-tilt office chair with black frame and padded blue covered fabric seat arid back.

Presentation Room Furniture:
Twelve (12) 42” square plastic laminate covered tables with plastic laminate edge banding and black steel bases; one (1) 42” diameter plastic laminate covered table with plastic laminate edge banding and black steel base; ninety five (95) low black tubular steel frame chairs with molded wood seats and backs; one (1) cherry podium; five (5) high black tubular steel frame chairs with molded wood seats; eight (8) black tubular steel frame guest chairs with padded blue fabric covered seats and backs .

Miscellaneous Loose Furniture:
Twenty five (25) black tubular steel frame guest chairs with padded blue fabric covered seats and backs; nine (9) rolling swivel-tilt office chairs with (clack frames and padded blue fabric covered seats and backs; two (2) 42” diameter cherry veneer covered tables; one (1) 5’ wide blue fabric covered sofa; two (2) lateral file cabinets; one (1) wardrobe cabinet.

Workstations in Open Areas:
Ninety seven (97) workstations in open areas, consisting of: 65” high blue fabric covered panels; one (1) 8’ wide x 8’ long AL-shaped work-surface; one (1) 5’ x 13” deep long panel mounted black steel shelf with 48” long fluorescent light; one (1) 5’ long x 13” deep x 18” high black steel shelf with front door and 48” long fluorescent light; one (1) under work-surface file cabinet with two (2) small drawers and one (1) letter file drawer; one (1i under work-surface file cabinet with two (2) letter file drawers; one (1) black tubular steel frame guest chair with padded blue fabric covered seat and back; one (1) rolling swivel-tilt office chair with black frame and padded blue fabric covered seat and back.

Office Type #l:
Seventeen (17) type #1 offices, each containing light cherry modular furniture, consisting of; one (l) 36” x 54” AL@ shaped work-surface; one (1) 24” x 54” work-surface; one (1) 30” + x 72” sculpted work-surface; one (1) 18” wide x 24” deep x. 68” high wardrobe cabinet; one (1) 72” wide x 15” deep x 18” high wall mounted storage cabinet (s) with four (4) wood and opaque glass doors and fluorescent light underneath; one (1) under work-surface two (2) drawer file cabinet; one (l) under work-surface three (3) drawer file cabinet; one (1) black tubular steel

frame guest chair with padded blue fabric covered seat and back; one (1) rolling swivel-tilt office chair with black frame and padded blue fabric covered seat and back.

Office Type #2:
Five (5) type #2 management offices, each containing light cherry modular furniture, consisting of: one (1) 36" x 54" AL_ shaped work-surface; one (1) 24" x 72" work-surface; one (1) 30" + x 72" sculpted work-surface; one (1) 108" wide is 15" deep x 18" high wall mounted storage cabinet(s) with six(6) wood and opaque glass doors and fluorescent lights underneath; one (1) 18" wide x 24" deep x 68" high wardrobe cabinet; one (1) under work-surface two (2) drawer file cabinet; one (1) under work-surface three (3) drawer file cabinet one (1) 36" wide x 24" deep x 29" high lateral file cabinet; one (1) 42" diameter table with black steel base; six (6) black tubular steel frame quest chairs with padded frame and padded blue fabric covered seat and back

Office Type #3:
Two (2) type #3 executive offices, each containing dark cherry modular furniture, consisting of: one (1) 24" x 72" work-surface; one (1) 30" + 72" trapezoidal shaped work-surface; one (1) 90" wide x 36" high x 13" deep wall mounted cabinets and shelves; one (1) two (2) drawer under work-surface lateral file cabinet; one (1) under work-surface three (3) drawer file cabinet; one (1) 18" wide x 24" deep x 68" high wardrobe cabinet; one (1) 42" wide x 7' long conference table; six (6) padded black leather swivel-tilt office chair with black bases; two (2) padded black leather guest chairs with black bases, two (2) black tubular steel frame guest chairs with padded blue fabric covered seats and backs.

EXHIBIT "G"

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT made as of this _____ day of _____, 2004, between GENERAL AMERICAN LIFE INSURANCE COMPANY, a Missouri corporation ("Lender") and TRANSMEDICS, INC., a Delaware corporation ("Tenant").

RECITALS:

WHEREAS, Tenant has entered into that certain Lease dated _____, 2004 (the "Lease") for premises ("Premises") located at 200 Minuteman Road, Andover, Essex County, Massachusetts, all as more particularly described in the Lease.

WHEREAS, Lender is the holder of a Mortgage and Security Agreement ("Mortgage") between 200 MINUTEMAN LIMITED PARTNERSHIP, a Massachusetts limited partnership ("Landlord"), and Lender, dated 12/22/1998 and recorded on 12/23/1998 with the Recorder of Deeds for Essex County, Massachusetts, as Instrument No. 44048, encumbering certain property more particularly described in the Mortgage ("Property"), and a Collateral Assignment of Leases and Rents between the same parties, dated 12/22/1998 and recorded on 12/23/1998 with the Recorder of Deeds for Essex County, Massachusetts, as Instrument No. 44049 ("Assignment"), assigning the Lease. Both the Mortgage and the Assignment secure a loan or loans evidenced by a Promissory Note from Landlord to Lender dated 12/22/1 998.

WHEREAS, Each party hereto has requested that the other party enter into this Agreement.

AGREEMENTS:

NOW, THEREFORE, in consideration of the above Recitals and the agreements of the parties set forth below, and for One Dollar ($1.00) and other good and valuable consideration, the parties hereto agree as follows:

1. [Intentionally Omitted)

2. Lease Subordinate to Mortgage. The Lease and each and every term and each and every condition thereof, and any extensions, renewals, replacements or modifications thereof, and all of the right, title and interest of Tenant in and to the Premises are and shall be subject and subordinate to the Mortgage and the Assignment and to all of the terns and conditions contained therein, all advances made or to be made thereunder, and to any renewals, modifications, supplements, replacements, consolidations, increases or extensions thereof.

3. Nondisturbance. Lender agrees that in the event of foreclosure of the Mortgage or other enforcement of the terms and conditions of the Mortgage or the exercise by Lender of its rights under the Assignment, or in the event Lender comes into possession or acquires title to the Premises as a result of foreclosure or the threat thereof, or as a result of any other means, such action:

(a) shall not result in either a termination of the Lease or a diminution or impairment of any of the rights granted to Tenant in the Lease (except as set forth below) or in an increase

in any of Tenant's obligations under the Lease, including but not limited to provisions in the Lease dealing with condemnation, fire and other casualties, so long as Tenant is not in default in the payment of any monetary obligation or performance of any material non-monetary term or condition of the Lease beyond any applicable grace period and continues to observe and perform all of Tenant's obligations under the Lease; and

(b) [INTENTIONALLY OMITTED]

4. Attornment. Tenant agrees with Lender that if the interest of Landlord in the Premises shall be transferred to Lender by reason of foreclosure or other proceedings, or by any other manner, or in the event of a foreclosure sale of the Premises to any other person, firm, or corporation, then in any of said events, Tenant shall be bound to Lender or such purchaser, grantee or other successor to Landlord's interest ("Successor Landlord") under all of the terms, covenants and conditions of the Lease for the balance of the term remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if the Successor Landlord were the landlord under the Lease. Tenant does hereby agree to attorn to the Successor Landlord.

5. Successor Landlord. Tenant agrees that a Successor Landlord shall not be:

(a) liable for any act or omission of any prior landlord under the Lease, except to the extent such acts or omissions continue after Successor Landlord becomes landlord under the Lease (unless Successor Landlord does not have the legal capacity or authority to take corrective action with any such acts or omissions);

(b) bound by any base rent or additional rent which Tenant may have paid for more than the current or next succeeding month to any prior landlord;

(c) subject to any offsets or defenses which Tenant might be entitled to assert against any prior landlord;

(d) bound by any amendment or modification made without Lender's consent;

(e) responsible for the return of any security deposit delivered to Landlord under the Lease and not subsequently received by Successor Landlord;

(f) liable for any obligations, payments or liabilities owing in connection with the Letter of Credit obtained by Tenant pursuant to the terms of the Lease unless actually received by Successor Landlord; or

(g) liable for any tenant improvement work, leasing commissions, or any other expenses incurred by or on behalf of Tenant.

6. Notice by Tenant. Tenant will notify Lender of any default of Landlord under the Lease which Tenant believes would entitle it to cancel the Lease or abate the base rent or additional rent payable thereunder, and agrees that no notice of cancellation thereof nor any such rent abatement shall be effective against Lender unless Lender has received the notice aforesaid and has failed to cure the default within the longer of thirty (30) days after such notice or such period of time following such notice as Landlord has to cure the default which gives rise to such alleged right of cancellation or abatement ('Lender Cure Period"); however, to the extent the Landlord's default pertains to a nonmonetary obligation which cannot be cured by Lender

EXHIBIT "H"

without being in possession of the Property, the Lender Cure Period shall be extended by the period of time necessary to enable Lender to obtain possession of the Property (which may include a suit to foreclose the Mortgage), provided Lender uses reasonable diligence to so obtain possession, provided further, however, that in no event shall such period of time exceed one hundred eighty (180) days. All such notices shall be in writing and delivered personally or deposited in the United States mail, certified or registered, postage prepaid, addressed as follows:

General American Life Insurance Company
700 Market Street
St. Louis, MO 63101
Attention: Mortgage Loans and Real Estate

7. Rent Payments to Lender. If Lender sends written notice to Tenant to direct its Rent payments under the Lease to Lender instead of Landlord, then Tenant agrees to follow the instructions set forth in such written instructions and deliver Rent payments to Lender; however, Lender agrees that Tenant shall be credited under the Lease for any Rent payments sent to Lender pursuant to such written notice.

8. Acknowledgment of Assignment. Tenant hereby acknowledges receipt of notice of the Assignment and agrees to be bound by the terms thereof and agrees that it will, upon Lender's written demand therefor, thereafter pay directly to Lender all amounts thereafter payable by Tenant to the Landlord under the Lease.

9. Miscellaneous. This Agreement shall bind and inure to the benefit of the parties hereto, their successors and assigns. As used herein, the term "Tenant" shall include the Tenant, its successors and assigns as permitted under the Lease; the words "foreclosure" and "foreclosure sale" as used herein shall be deemed to include the acquisition of Landlord's estate in the Premises by voluntary deed (or assignment) in lieu of foreclosure; and the word "Lender'' shall include the Lender specifically named herein and any of its successors and assigns, including any Successor Landlord.

EXHIBIT "H"

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the month, day and year first above written.

LENDER

GENERAL AMERICAN LIFE INSURANCE COMPANY, a Missouri corporation

By: _____
Name:
Title:

TENANT:

TRANSMEDICS INC., a Delaware corporation

By: _____
Name:
Title:

EXHIBIT "H"

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

On this_____ day of _____ before me, the undersigned Notary Public, personally appeared known personally by me and known to be the Vice President of GENERAL AMERICAN LIFE INSURANCE COMPANY, a Missouri corporation (or, respectively, of Conning Asset Management Company, a Missouri corporation, and, as such, authorized to act on behalf of the said General American Life Insurance Company) and who acknowledged under oath that he executed the within instrument in such capacity as the free act and deed of GENERAL AMERICAN LIFE INSURANCE COMPANY.

_____
Notary Public

My Commission expires: _____

STATE OF MASSACHUSETTS)
) SS
CITY OF ST.)

On this _____ day of _____, _____, before me, the undersigned Notary Public, personally appeared known personally by me and known to be the of TRANSMEDICS, INC., a Delaware corporation, and who acknowledged under oath that he executed the within instrument in such capacity as the free act and deed of TRANSMEDICS, INC.

_____
Notary Public

My Commission expires: _____

EXHIBIT "H"

ADDENDUM#1

EXTENSION OPTION

This Addendum is incorporated into the Lease.

1. Landlord grants to Tenant one (1) extension option (the "Option") to extend the Lease term for an additional term of five (5) years on the same terms and conditions as this Lease, except that there will be no further right to extend and except as set forth below. The Option can be exercised only by Tenant complying with this Addendum and delivering unconditional written notice of exercise to Landlord no earner than twenty-four (24) months and no later than eighteen months (18) months before the expiration of the initial term. If for any reason Tenant does not so comply or Landlord does not actually receive this unconditional written notice of exercise when required, the Option will lapse and become void and there will be no further right to extend the Lease term, unless Landlord specifically agrees otherwise in writing. TIME IS ABSOLUTELY OF THE ESSENCE IN THIS ADDENDUM.

2. The Option is personal to the Tenant originally named in this Lease and may not be exercised by or for anyone else except by a valid assignee of Tenant's interest in this Lease. The Option will lapse and become void if, before the beginning of the Option term, Tenant fails to occupy or conduct business in more than one half (1/2) of the area of the Premises or if when Tenant attempts to exercise the Option Tenant is then subleasing or has otherwise Transferred more than one quarter (1/4) of the area of the Premises or an interest therein, or Tenant or Landlord has exercised any right to terminate this Lease, unless Landlord specifically elects otherwise in writing. The Option is granted to and may be exercised by Tenant on the express condition that at the time of the exercise and at all times between the notice of exercise and the beginning of the Option term, Tenant is not in default : unless Landlord specifically agrees otherwise in writing.

3. Landlord will not be required to perform or pay for any work or other improvement to the Premises, and Tenant will accept the Premises in its then "as is" condition in all respects as of the beginning of the Option term.

4. If Tenant has validly exercised the Option, the base per square foot of Rentable Area in the Premises for each year of each Option term will be the greater of: (a) the base rent per square foot determined pursuant to Exhibit "D" hereto, or the base rent per square foot payable for any part of the Premises as otherwise may have been agreed to in writing by Landlord and Tenant (e.g., as set forth in Exhibit "D"), whichever is greater (in any case, the "Scheduled Rent'); or (b) the base rent per square foot determined in accordance with Section 5 below.

5. (a) Notwithstanding anything to the contrary, at any time after Tenant has exercised the Option but before the beginning of the Option term, Landlord will have the right, but not the obligation, to deliver written notice to Tenant electing the Scheduled Rent as the base rent for that Option term, and if Landlord does so, the Scheduled Rent will be the base rent for that Option term and there will be no further obligations under this Addendum with respect to the Option term, except to pay any required fees to appraisers. Within thirty (30) days after Tenant validly exercises an Option, Landlord will have the right, but not the obligation, to deliver to Tenant a written notice setting forth a proposed base rent for the Option term (the "Landlord Proposed Rent"). Within fifteen (15) days after delivery of Landlord's notice, Tenant will deliver a written notice to Landlord either agreeing to the Landlord

Proposed Rent, or rejecting it in good faith and proposing its own base rent for the Option term. If Tenant fails to deliver this written notice as and when required, or if its notice does not reject the Landlord Proposed Rent and propose its own base rent for the Option Term, then the base rent for the Option term will be the greater of the Landlord Proposed Rent or the Scheduled Rent, If the Landlord Proposed Rent is not agreed to or deemed to have been agreed to as set forth above, it will not be binding on Landlord or Tenant and will not be deemed to limit or adversely affect Landlord or Tenant in any way in any further determinations of fair rental value (it being acknowledged that the Landlord Proposed Rent may be different from the actual fair rental value as an inducement to Tenant to agree or otherwise).

(b) If the base rent for the Option term has not been determined as set forth in Section 5(a) above at least seventeen (17) months before the beginning of the Option term, then unless otherwise agreed in writing by Landlord and Tenant, Landlord and Tenant will confer and try to agree in writing on a single appraiser within fifteen (15) days thereafter, and if they agree, then that appraiser will determine "fair rental value" for the Option term as set forth below. If Landlord and Tenant can't agree on a single appraiser within this time period, then Landlord and Tenant each will appoint one appraiser, in writing, not later than sixteen (16) months before the beginning of the Option term. Within fifteen (15) days after their appointment, the two appointed appraisers will appoint a third appraiser, in writing, If the two appraisers can't agree, a third appraiser will be appointed by the American Institute of Real Estate Appraisers (or if this organization refuses to act in a timely manner or no longer exists, then by an organization deemed by Landlord to be reasonably equivalent) not later than fifteen (15) months before the beginning of the Option term. Each appraiser will deliver its final written determination of the fair rental value to all parties not later than thirteen (13) months before the beginning of the Option term. If either Landlord or Tenant fails to appoint its appraiser within the prescribed time period, the single appraiser appointed will determine the fair rental value and that determination will be binding. If both parties fail to appoint appraisers within the prescribed time period, the base rent for the Option term will be the Scheduled Rent Except as set forth below, Landlord and Tenant each will pay the fees for the appraiser it appoints as set forth above, and will share equally the fees for the single appraiser jointly appointed or the third appraiser appointed as set forth above. Appraisers must have at least five (5) years' experience in the appraisal of office property in the area in which the Project is located, be unaffiliated with Landlord or Tenant, as applicable, and be members of professional organizations such as the American Institute of Real Estate Appraisers or the general equivalent

(c) If three appraisers are validly appointed and Landlords appraiser and Tenant's appraiser deliver their written determinations as required above, the fair rental value for the Option term will be the arithmetic average of the two (2) determinations of fair rental value that are closest in amount. If three appraisers are validly appointed but either Landlord's or Tenant's appraiser delivers its written determination after the prescribed time period, its determination will be ignored and the fair rental value for the Option term will be the arithmetic average of the other two (2) determinations of fair rental value.

(d) If the appraisal process has been undertaken pursuant to Section 5(b) above, and if the base rent has not yet otherwise been determined under Section 5(a) above, Tenant may rescind its exercise of the Option by delivering written notice to Landlord at any time before the earlier of: ten (10) days after the fair rental value for the Option term has been determined under Sections 5(b) and/or (c) above; and twelve (12) months before the beginning of the Option term. If Tenant so rescinds it will pay the costs for all of the appraisers and this Lease will terminate at the expiration of the initial term (unless terminated earlier in accordance

ADDENDUM #1

with this Lease). If for any reason Tenant does not deliver this rescission notice as and when required, Tenant will be bound by the determination of base rent for the Option term in accordance with this Lease, if for some reason the base rent for the Option term has not been determined by the beginning of the Option term, then starting as of the beginning of the Option term the base rent will be the Scheduled Rent until the fair rental value is determined. When the fair rental value is determined, Landlord will notify Tenant, and Tenant will pay to Landlord, within thirty (30) days after receipt of such notice, any difference between the base actually paid by Tenant to Landlord and the new base rent determined hereunder (if the new base rent is higher).

(e) For purposes of this Lease, the term "fair rental value" means: the base rent per square foot of Rentable Area in the Premises that a hypothetical, ready and willing tenant would pay as net rent during the Option term to a ready and willing landlord of the Premises, assuming that the Premises was exposed for lease on the open market for a reasonable period of time, could be used for any lawful use (but not retail or residential use), was improved to its then-existing level, and market-rate construction allowances/inducements/rent abatements/tenant concessions were offered to and received by that hypothetical tenant (even though they will not actually be paid or credited to Tenant). The appraisers may use other recent leases in the Project or recent fair market renewals of other leases in the Project or in Minuteman Park as comparables, with appropriate adjustments if necessary, in addition to or in place of leases at other facilities.

ADDENDUM #1

ADDENDUM #2

ROOFTOP TELECOMMUNICATIONS

This Addendum is incorporated into the Lease.

Subject to the following and compliance with the Workletter and the rest of this Lease, and subject to Landlord's prior written approval as to size, specification, method of installation and location(s), such approval not to be unreasonably withheld, conditioned or delayed, as part of Tenant's Work Tenant at its cost may install HVAC equipment, penetration vents and two telecommunications dishes and/or antennae (collectively, with associated Systems and Equipment, the "Telecommunications Equipment") on the roof of the Building. The Telecommunications Equipment sometimes is referred to herein collectively as the "Rooftop Equipment" Tenant at its cost will be solely responsible for securing all federal, state and local permits in connection with the installation and operation of the Rooftop Equipment and for complying with all Laws applicable thereto, Before commencing installation or relocation, Tenant at its cost will secure: from the membrane roofing manufacturer written certification that the installation method to be used by Tenant is compatible with all design requirements and that the installation will not void the existing roof warranty (Landlord will reasonably cooperate with Tenant's attempt to obtain this certification provided that there is no cost or liability to Landlord); and from Landlord's engineers written certification that the installation method to be used by Tenant will not require any structural modifications to the roof or the Building and is otherwise reasonably acceptable (and if that in fact is the case, such certification will not be unreasonably withheld or delayed). Tenant also will use only a manufacturer- authorized roofing contractor for any work that requires the penetration of the existing membrane roofing system, and contractors reasonably approved by Landlord, supervised by Landlord's engineers (at Tenant's cost), forth rest of the installation. On the expiration or earlier termination of this Lease, Tenant, at its expense, will remove the Rooftop Equipment if and to the extent requested by Landlord and repair all damage. Tenant will use the Telecommunications Equipment solely for its own telecommunications purposes and will not allow anyone else to use them or their transmission capabilities. Tenant will not permit the Telecommunications Equipment and the transmissions therefrom to cause any measurable interference with other communications equipment on the Building's roof or elsewhere in the Building that exists as of the date of Tenant's installation, and will take commercially reasonable steps to reduce as much as possible, or eliminate, interference with communications equipment installed thereafter. Notwithstanding anything to the contrary, Tenant, and not Landlord, will be responsible for, and will indemnify and defend Landlord for and hold it harmless from, all costs, expenses and other Liabilities in connection with the Rooftop Equipment, including, without limitation, installation, removal, operation, maintenance, utilities, insurance, taxes and other costs and fees, and any necessary alterations or improvements to the Building in connection therewith. While on the roof, Tenant and its Affiliates must walk on walking pads placed on the roof, and not on the roof itself, and access to the roof is granted to Tenant and its Affiliates only If and to the extent that they are accompanied by a representative of Landlord. Landlord, at its cost, will have the right at any time to relocate some or all of the Rooftop Equipment to other locations on the roof, provided that such relocation does not materially degrade or reduce Tenant's beneficial use of the Rooftop Equipment.

ADDENDUM #2

ADDENDUM #3

RIGHT OF OFFER TO LEASE

1. "Expansion Space" means all other space now leased or held for lease in the Building, Notwithstanding anything to the contrary herein or elsewhere in this Lease, all of Tenant's rights to lease and Landlord's obligations to Tenant in connection with the Expansion Space pursuant to this Addendum are subject and subordinate to: any rights in that space that already have been granted to existing tenants in the Project who currently lease or have otherwise been granted rights in connection with the Expansion Space (including, without limitation, rights of first offer, expansion rights and other rights), and tenants who lease all or any portion of the Expansion Space after Tenant fails to validly exercise its right to lease that Expansion Space hereunder, or their respective sublessees, successors or assigns (singularly or collectively, the "Other Tenants"), Landlord will have the right to permit the exercise of any or all of the rights in the Expansion Space that have been granted to the Other Tenants, and/or to renew, extend or modify any lease(s) with the Other Tenants and/or all other leases validly entered into, in each case without being subject to Tenant's rights in this Addendum and without incurring any Liabilities to Tenant hereunder or otherwise All rights of the Other Tenants may be exercised by or for their benefit or the benefit of their sublessees, successors and assigns,

2. As long as there are at least five (5) Lease Years remaining in the Lease term (as the same may be extended pursuant to the Option), and subject to Section 1 above and the other terms of this Addendum, before entering into another new lease of the Expansion Space not otherwise permitted hereunder, Landlord will notify Tenant in writing of the lease term and base rent that Landlord intends to accept and/or offer for that Expansion Space, If Tenant wishes to exercise its right to lease that Expansion Space, It must deliver an unconditional written notice of acceptance of those terms to Landlord within twenty (20) days after receipt of Landlord's notice, Tenant may not lease less than the entire space offered, TIME IS ABSOLUTELY OF THE ESSENCE, and if for any reason Landlord does not receive Tenant's unconditional written notice of acceptance as and when required, Tenant's rights under this Addendum with respect to that Expansion Space will lapse and become null and void, except only as described in Section 4 below.

3. If Tenant validly exercises its right to lease the Expansion Space as described in Section 2 above, when Landlord tenders possession of that Expansion Space to Tenant it will become part of the Premises and subject to the terms of this Lease (as modified by the terms of the offer notice delivered by Landlord to Tenant pursuant to Section 2 above with respect to that Expansion Space [e.g., the lease term for the Premises, including the Expansion Space, will be extended to match the expiration date for the Expansion Space term, if it is longer, although under no circumstances will the lease term be shortened]) and the Rentable Area of the Premises will be increased by the Rentable Area of the Expansion Space, Notwithstanding the foregoing or anything else to the contrary, the annual base rent for the Expansion Space will be the greater of the highest annual base rent payable for any other part of the Premises as otherwise set forth in the Lease, or the annual base rent for the Expansion Space set forth in Landlord's offer notice to Tenant There will be no abatement of rent with respect to the Expansion Space unless specifically so stated in Landlord's initial offer notice to Tenant. At Landlord's option, Landlord may require Tenant to enter into a separate lease with respect to the Expansion Space, and that separate lease will be cross-defaulted with this Lease.

ADDENDUM #3

4. If Tenant fails to validly exercise its right to lease the Expansion Space after receipt of Landlord's offer notice, then in addition to the rights described in Section 1 above Landlord will be free to again lease that Expansion Space (as it may be increased by up to 10%) to anyone else without incurring any obligations or Liabilities to Tenant However, except tor and subject to Landlord's rights described in Section 1 above and the limitations on Tenant described in Section 2 above, and assuming that Tenant's rights under this Addendum have not lapsed for any reason other than Tenant's failure to validly exercise, Landlord may not enter into a lease for the Expansion Space (other than as permitted above) for an average base rent per square foot over the term that is less than ninety-five percent (95%) of the average base rent per square foot specified in Landlord's offer notice without first reoffering the Expansion Space to Tenant in accordance with the terms of this Addendum. If Tenant wishes to exercise its rights to lease the Expansion Space after it has been reoffered to Tenant, it must do so as described in Sections 2 and 3 above, except that Tenant must notify Landlord within five (5) days after receipt of Landlord's new offer notice, and if it does not, Tenant's rights under this Addendum will lapse and become null and void, unless Landlord otherwise specifically elects in writing.

5. Tenant's rights under this Addendum are personal to the Tenant originally named in this Lease and may not be exercised by or for anyone else except a valid assignee of this Lease. This Addendum, including Tenant's rights and Landlord's obligations, will lapse and become void if, before Tenant's exercise or before Expansion Space is delivered to Tenant, Landlord or Tenant validly exercises any right to terminate this Lease or Tenant fails to occupy or conduct business in more than one quarter (1/4) of the area of the Premises or if at the time the Expansion Space becomes available or the Offer Notice is delivered to Tenant, Tenant is subleasing or has otherwise Transferred all or any portion of the Premises or an interest therein, unless Landlord specifically elects otherwise In writing. These rights are granted to and may be exercised by Tenant on the express condition that, at the time of the exercise and at all times before the Expansion Space is delivered to Tenant, Tenant is not in default, unless Landlord specifically agrees otherwise in writing.

ADDENDUM #3

Exhibit 10.9

FIRST AMENDMENT TO LEASE
200 Minuteman

This First Amendment to Lease (this "Amendment") is entered into as of the 28th day of September, 2004 by and between 200 Minuteman Limited Partnership (the "Landlord") and TransMedics, Inc. (the "Tenant").

Background

A. Landlord and Tenant have entered into that certain Lease dated as of June 25, 2004 (the "Lease") for property located at 200 Minuteman Drive, Andover, Massachusetts, as more particularly described therein. Capitalized terms used and not defined herein shall have the meaning given to them in the Lease.

B. Under Section 26(a) of the Lease Tenant had the right to terminate the Lease if Landlord or Tenant exercised its right to terminate that certain Lease dated as of June 25, 2004 for property located at 30 Minuteman Drive (the "Other Lease") pursuant to Sections 2(c)(i), 2(c)(iii) or 2(d) of the Other Lease.

C. As of this date, Tenant and Landlord have agreed that Landlord's and Tenant's rights to terminate the Other Lease under Sections 2(c)(i) and 2(c)(iii) thereof have expired without having been exercised.

D. Under Section 26(b) of the Lease, Tenant had the right to terminate the Lease if the existing Landlord's Mortgagee did not timely agree to enter into a Subordination, Non-disturbance and Attornment Agreement in a form that met the requirements of Section 19.1 of the Lease or that was otherwise reasonably acceptable to Tenant (the "SNDA").

E. The existing Landlord's Mortgagee timely agreed to (and actually did) enter into the SNDA with Tenant.

F. The parties have agreed to amend the Lease to reflect the expiration of the termination rights set forth in: (1) Section 26(a) of the Lease, as they pertain to Sections 2(c)(i) and 2(c)(iii) of the Other Lease only and not to Section 2(d) thereof; and (2) Section 26(b) of the Lease.

Agreement

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Paragraphs A through F above are incorporated herein by reference.

2. Tenant's right to terminate the Lease under Section 26(a) of the Lease by reason of the termination of the Other Lease pursuant to Sections 2(c)(i) and 2(c)(iii) of the Other Lease has expired without Tenant exercising such right; provided, however, that Tenant's right to terminate

the Lease (pursuant to Section 26(a) thereof) by reason of its termination of the Other Lease pursuant to Section 2(d) of the Other Lease remains in full force and effect.

3. Tenant's right to terminate the Lease pursuant to Section 26(b) thereof has expired without Tenant having exercised such right to terminate.

4. Neither Landlord nor Tenant is in default under the Lease; nor are there any set of circumstances which, with the passage of time or giving of notice, or both, would constitute a default under the Lease.

5. The Lease is in full force and effect, and other than as set forth above, it remains unchanged.

EXECUTED under seal as of the first date written above.

200 Minuteman Limited Partnership

By: Niuna-200 Minuteman, Inc., general partner

By: /s/ Martin Spagat
Name: Martin Spagat
Title: VP
Authorized Signature:

TransMedics, Inc.

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: President
Authorized Signature:

Exhibit 10.10

SECOND AMENDMENT TO LEASE
200 Minuteman

This Second Amendment to Lease (this "Amendment") is entered into as of the 29th day of November , 2005 by and between 200 Minuteman Limited Partnership (the "Landlord") and TransMedics, Inc. (the "Tenant").

Background

A. Landlord and Tenant have entered into that certain Lease dated as of June 25, 2004 (as amended, the "Lease") for a portion of the property located at 200 Minuteman Drive, Andover, Massachusetts, as more particularly described therein. Capitalized terms used and not defined herein shall have the meaning given to them in the Lease.

B. Under Section 5 of the Lease, Tenant pays base rent to Landlord as set forth in Exhibit D of the Lease. Landlord has requested that Tenant increase the base rent due under the Lease from and after December 1, 2005 through June 30, 2007 in consideration of a one-time payment to be paid by Landlord to Tenant in the amount of $435,208.00 (the "Landlord Payment").

C. The parties have agreed to amend the Lease to reflect the change in base rent.

Agreement

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Paragraphs A through C above are incorporated herein by reference.

2. As of the date hereof, Landlord has paid the Landlord Payment to Tenant. Tenant hereby confirms receipt of the Landlord Payment.

3. Exhibit D to the Lease is hereby deleted and replaced in its entirety by Exhibit D attached hereto.

4. Other than as set forth above, the Lease remains unchanged.

EXECUTED under seal as of the first date written above.

200 Minuteman Limited Partnership

By: Niuna-200 Minuteman, Inc., general partner

By: /s/ Martin Spagat
Name: Martin Spagat
Title: VP
Authorized Signature:

TransMedics, Inc.

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: President & CEO
Authorized Signature:

EXHIBIT "D"

BASE RENT

From December 1, 2005 through June 30, 2006 (the remainder of the Second Lease Year) the annual base rent will be Nineteen Dollars and Seventy-Nine Cents ($19.79) per square foot of Rentable Area (i.e., $19.79 multiplied by the number of square feet of Rentable Area in the Premises). For the third Lease Year, the annual base rent will be Twenty Dollars and Nine Cents ($20.09) per square foot of Rentable Area in the Premises. For the fourth Lease Year, the annual base rent will be Twenty Dollars and Thirty-Nine Cents ($20.39) per square foot of Rentable Area in the Premises. Starting as of the first day of the fifth Lease Year and as of the first day of each Lease Year thereafter during the term, the annual base rent per square foot of Rentable Area will increase by one and one-half percent (1.5%) over the annual base rent per square foot of Rentable Area for the prior Lease Year. For example, during the fifth Lease Year, it will be Twenty Dollars and Sixty-Nine Cents ($20.69) per square foot of Rentable Area, during the sixth Lease Year, it will be Twenty-One Dollars and One Cent ($21.0 I) per square foot of Rentable Area, etc. As an additional example, assuming that Tenant does not lease additional space in the Building, during the third Lease Year, Tenant's annual base rent will be Seven Hundred Twenty One Thousand Four Hundred Thirty-One Dollars and Ninety Cents ($721,431.90) and its monthly base rent will be Sixty Thousand One Hundred Nineteen Dollars and Thirty-Three Cents ($60,119.33).

The base rent described above is subject to the terms of Addendum #1 and Addendum #3 of the Lease, if and when those Addenda are applicable.

THIRD AMENDMENT TO LEASE
200 Minuteman

This Third Amendment to Lease (this "Amendment") is entered into as of the 12th day of June, 2006 by and between 200 Minuteman LLC, successor to 200 Minuteman Limited Partnership (the "Landlord") and TransMedics, Inc. (the "Tenant").

Background

A. Landlord and Tenant have entered into that certain Lease dated as of June 25,2004 (as amended, the "Lease") pursuant to which the Tenant currently leases 35,910 square feet of space the "Original Premises") on the third floor of the Building located at 200 Minuteman Drive, Andover, Massachusetts, as more particularly described therein. Capitalized terms used and not defined herein shall have the meaning given to them in the Lease.

B. Tenant and Landlord have agreed to expand the Original Premises to also include 7,900 rentable square feet of space located on the first floor of the Building as shown on Exhibit A attached hereto (the "Additional Premises") and to amend the Lease to reflect the Additional Premises.

Agreement

NOW, Therefore, in consideration of the agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree:

1. Expansion. Effective as of the Expansion Commencement Date (defined below), Landlord hereby agrees to lease to Tenant and Tenant hereby agrees to lease from Landlord the Additional Premises. Tenant's lease of the Additional Premises shall be on all of the same terms and conditions as the Original Premises, except as otherwise specified herein. Effective as of the Expansion Commencement Date, the Additional Premises shall be made a part of the Premises under the Lease and Tenant will be leasing a total of 43,810 rentable square feet in the Building.

2. Permitted Uses. Section 1.1 (i) of the Lease is amended to allow shipping, receiving and distribution as Permitted Uses of the Additional Premises.

3. Expansion Commencement Date. The Expansion Commencement Date shall be the date of this Amendment. Landlord shall deliver the Additional Premises to Tenant on the Expansion Commencement Date free of all tenants and occupants (including their personal property and trade fixtures), in broom clean condition, good working order and compliance in all material respects with applicable laws, codes, ordinances, rules and regulations.

4. Base Rent for the Additional Premises. Commencing on the earliest of: September 1, 2006; or the date that Tenant conducts business in the Additional Premises; or the substantial completion of Tenant's Initial Construction pertaining to the Additional Premises as determined by the contractor or a Certificate of Occupancy (in any of these cases, the "Additional Premises Rent Commencement Date") and continuing through the Term (as may be extended), Tenant shall pay base rent for the Additional Premises in the amounts set forth in Exhibit B, which

shall be due and payable in equal monthly installments in advance in the same manner as for the rest of the Premises. For purposes of base rent payments for the Additional Premises: the first Lease Year (defined in Section 4 of the Lease) will begin on the Additional Premises Rent Commencement Date and end 12 consecutive calendar months plus the partial month thereafter; and each successive Lease Year will be for 12 consecutive calendar months after the prior Lease Year. Notwithstanding anything herein to the contrary, Tenant shall not be "conducting business" in the Additional Premises for purposes of this paragraph 4 solely as a result of Tenant's storage of items therein that are intended to be used for fit-up of the Additional Premises.

5. Additional Rent. Commencing on the Additional Premises Rent Commencement Date and continuing through the Term (as may be extended), Tenant's Percentage shall be increased to 21.19%.

6. Additional Premises Improvement Allowance. Landlord shall reimburse Tenant for actual third-party costs incurred by Tenant to make improvements to the Additional Premises in an amount up to Fifty Thousand Dollars ($50,000) (the "Additional Premises Improvement Allowance"), such work to be performed by Tenant and reimbursement to be paid by Landlord in accordance with the provisions of Exhibit C of the Lease. Landlord will not be responsible to pay for or perform any work for the Additional Premises except if necessary to comply with Section 3 above. Landlord and Tenant acknowledge that Tenant continues to be entitled to $251,370 for Tenant's Work to be completed in the Original Premises subject to the satisfaction of the conditions to such payment as set forth in the Lease.

7. Brokerage. Tenant and Landlord each represents and warrants to the other that it has had no dealings with any broker or agent in connection with this Third Amendment. Tenant and Landlord each covenants to pay, hold harmless and indemnify the other from and against any and all costs, expense or liability for any compensation, commissions, and charges claimed by any broker or agent claiming through such party, with respect to this Third Amendment or the negotiation thereof arising from a breach of the foregoing warranty.

8. Ratification. Except as set forth herein, the terms of the Lease are hereby ratified. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, taken together, be deemed to be one instrument Tenant and Landlord each represents that the person executing this Amendment on behalf of such party is folly authorized to execute this Amendment and to bind the Landlord or Tenant, as applicable. This Amendment may be exchanged by and between the parties via facsimile or electronic mail.

EXECUTED under seal as of the first date written above.

200 Minuteman LLC

By: Minuteman Master LLC, Sole Member

By: 150 Minuteman Limited Partnership, Managing Member

By: Niuna-150 Minuteman, Inc., General Partner

By: /s/ Martin Spagat
Name: Martin Spagat
Title: Vice President
Authorized Signature:

TransMedics, Inc.

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: President & CEO
Authorized Signature:

EXHIBIT "A"

ADDITIONAL PREMISES

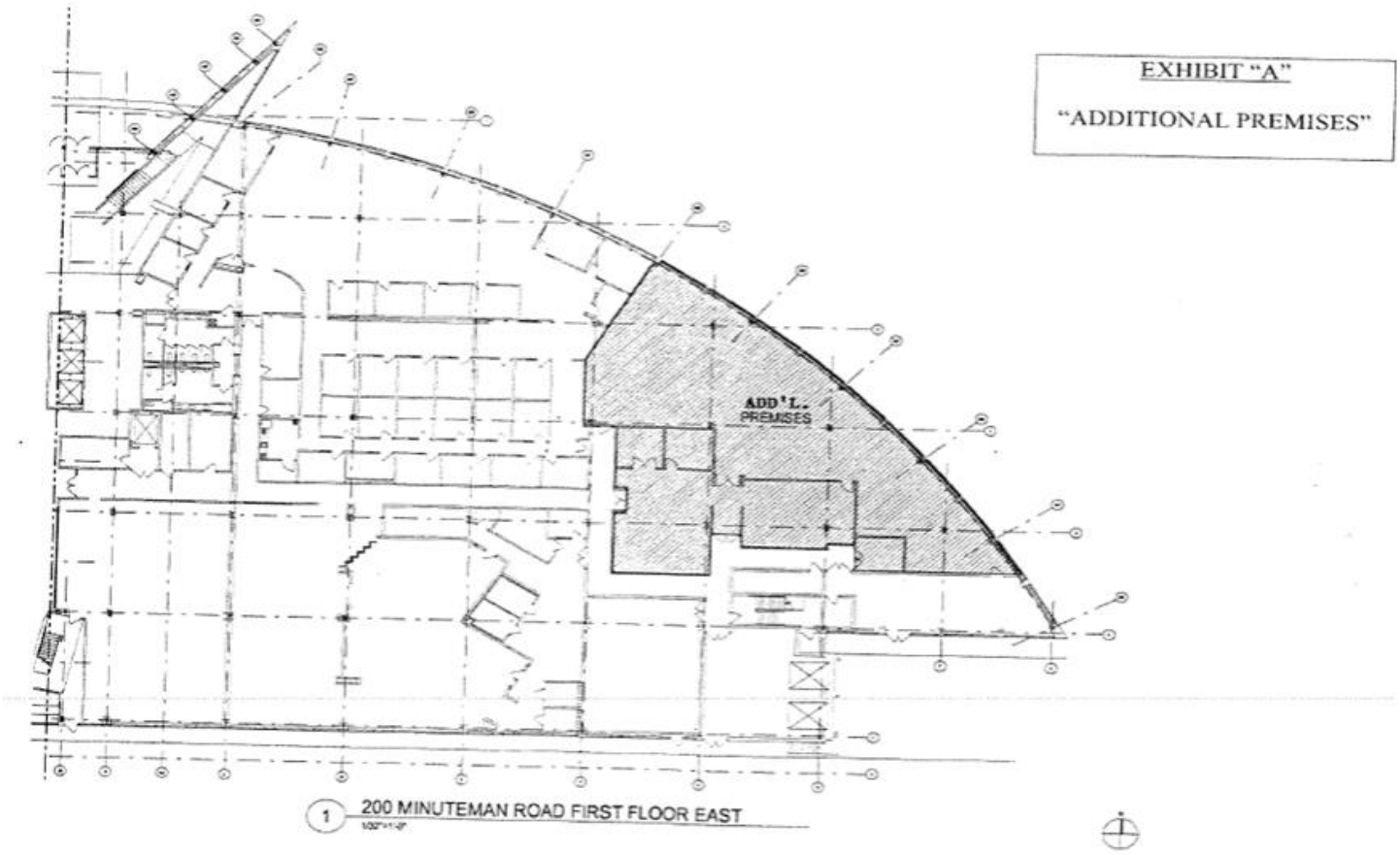

EXHIBIT B

Base Rent for Additional Premises

The annual base rent for each Lease Year for the Additional Premises will be as follows: for the first Lease Year it will be $9,00 per square foot of rentable area in the Additional Premises (i.e., $9.00 x 7,900 s.f. = $71,100); and (b) for each Lease Year thereafter it will increase by $1.00 per square foot of rentable area. For example, for the second Lease Year it will be $10.00 per square foot ($79,000), for the third Lease Year it will be $11.00 per square foot ($86,900), etc. This schedule is subject to the terms of Addendum #1 to the Lease (Extension Option) if and when that Addendum is applicable.

FOURTH AMENDMENT TO LEASE
200 Minuteman

This Fourth Amendment to Lease (this "Amendment") is entered into as of February 1, 2007 by and between 200 Minuteman LLC ("Landlord") and TransMedics, Inc. ("Tenant").

Background

A. Landlord and Tenant entered into that certain Lease dated as of June 25, 2004 (as amended, the "Lease") for space in the property located at 200 Minuteman Drive, Andover, Massachusetts, as more particularly described the rein. Capitalized terms used and not defined herein shall have the meaning given to them in the Lease.

B. The parties have agreed to amend the Lease to confirm that as of this date the agreed rentable area of the Premises will increase by 75 square feet as described below, and to confirm certain other related matters.

Agreement

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree and the Lease is amended as follows:

1. As of this date, the agreed rentable area of the original Premises on the 3rd Floor is increased by 75 s.f. to 35,985 s.f. (and thus the agreed rentable area of the entire Premises is increased to 43,885 s.f.), and Tenant's Percentage is increased to 21.23%.

2. The terms of the Lease, as amended hereby, are hereby ratified. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, taken together, be deemed to be one instrument. This Amendment may be exchanged by and between the parties via facsimile or electronic mail.

EXECUTED under seal as of the first date written above.

200 Minuteman LLC

By: Minuteman Master LLC, Sole Member

By: 150 Minuteman Limited Partnership, Managing Member

By: Niuna-150 Minuteman, Inc., General Partner

By: /s/ Martin Spagat
Name: Martin Spagat
Title: Vice President
Authorized Signature

TransMedics, Inc.

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: President & CEO
Authorized Signature:

FIFTH AMENDMENT TO LEASE
200 Minuteman

This Fifth Amendment to Lease (this "Amendment") is entered into as of April 30, 2010 by and between 200 Minuteman LLC ("Landlord") and TransMedics, Inc. ("Tenant").

Background

A. Landlord and Tenant entered into that certain Lease dated as of June 25, 2004 (with existing and future amendments, the '"Lease") for space in the property located at 200 Minuteman Road, Andover, Massachusetts, as more particularly described therein. Capitalized terms used and not defined herein shall have the meaning given to them in the Lease.

B. The parties have agreed to amend the Lease to change the base rent, extend the Lease term, and confirm certain other matters.

Agreement

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree and the Lease is amended as follows as of this date notwithstanding anything to the contrary:

1. Starting as of May 1, 2010, base rent for the entire Premises will be payable at the rates set forth in Exhibit D attached to this Amendment and incorporated by this reference, and the existing Exhibit D to the Lease will be deemed deleted.

2. In lieu of exercising its five-year Extension Option, the Lease Term is now extended for seven (7) years, so it expires on December 31, 2021 unless terminated earlier in accordance with the Lease. Tenant has no further rights to extend the Lease Term, and Addendum #1 to the Lease (Extension Option), all references to it in the Lease, and Tenant rights thereunder (which were never exercised) are deleted from the Lease.

3. Tenant irrevocably waives any rights it may have under the Lease (in Addendum #3 to the Lease or elsewhere) to lease, or be offered the opportunity to lease, additional space on the Building's 2nd floor. Without limiting the previous sentence, the Expansion Space under Addendum #3 no longer includes the Building's 2nd floor.

4. The Lease is now cross-defaulted with the lease between 30 Minuteman LLC, an entity under common control with Landlord, and Tenant, dated as of June 25, 2004, for the property located at 30 Minuteman Road (with existing and future amendments, the "30 Minuteman Lease") as follows: Section 21(f) of the Lease is deleted and the following is substituted in its place as a Lease default: "(f) Tenant's default and failure to cure within applicable grace periods (if any) under the 30 Minuteman Lease for so long as the landlord under the 30 Minuteman Lease is an entity controlling, controlled by or under common control with Landlord;".

5. (a) The portion of the Premises consisting of 7,900 rentable square feet of space located on the first floor of the Building is referred to in this Section 5 as the "Potential Give Back Space." If a replacement tenant is obtained for the Potential Give Back Space satisfactory to

Landlord in its sole and arbitrary discretion, and both Landlord and that replacement tenant execute and deliver a final and binding lease for the Potential Give Back Space on terms satisfactory to Landlord in its sole and arbitrary discretion, then Landlord and Tenant shall enter into an amendment to the Lease which shall include (unless otherwise agreed by them in writing), the following terms, among others as may be agreed on: (i) the Potential Give Back Space will be relinquished by Tenant and surrendered in accordance with Paragraph 3 of the Lease ("Possession and Surrender of Premises") as of the effective date of the new lease with the replacement tenant, thus removing the Potential Give Back Space from the definition of the Premises as of that date; (ii)as of the date under such new lease that such replacement tenant commences paying rent (the "Rent Start Date"), Tenant's Percentage will be reduced pro rata; (iii) Tenant will not be required to pay a surrender fee or other fee for such amendment; and (iv) starting as of the Rent Start Date, Exhibit D of the Lease ("Base Rent"), which is attached to this Amendment, will be recalculated as set forth in Section 5(b) below (and Tenant will pay all rent due under the Lease for the Potential Give Back Space until the Rent Start Date).

(b) Exhibit D will be recalculated as follows: (i) the Base Rent payable for the Premises for each applicable period under the Lease will be *reduced* pro rata by the reduction in rentable area due to the surrender of the Potential Give Back Space, and (ii) for the same period, the Base Rent payable will be *increased* by an amount equal to the difference between (x) the Base Rent that otherwise would have been payable for the Potential Give Back Space under this Exhibit D absent its surrender, less (y) the Base Rent that formerly would have been payable for the Potential Give Back Space under the Lease absent the increases added by this Amendment (but assuming increases at the scheduled rate throughout the Lease Term).

6. Each of Landlord and Tenant represents and warrants that it has had no dealings with any broker or brokerage agent in connection with this Amendment that is due a fee or other consideration from the other. Each of Landlord and Tenant covenants to pay, hold harmless and indemnify the other from and against any and all costs; expense or liability for any compensation. commissions and charges claimed by any broker or brokerage agent claiming though such party, with respect to this Amendment or the negotiation thereof arising from a breach of the foregoing warranty.

7. The terms of the Lease. as amended hereby, are hereby ratified and the Lease is in full force and effect. Tenant confirms that Landlord has paid all inducements and other sums owed to Tenant as and when required and that to Tenant's actual knowledge Landlord has not breached the Lease. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall, taken together, be deemed to be one instrument. This Amendment may be exchanged by and between the parties via facsimile or electronic mail.

EXECUTED under seal as of the first date written above.

200 Minuteman LLC

By: Minuteman Master LLC, Sole Member

By: 150 Minuteman Limited Partnership, Managing Member

By: Niuna-150 Minuteman, Inc., General Partner

By: /s/ Martin Spagat
Name:
Title:
Authorized Signature

TransMedics, Inc.

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: CEO
Authorized Signature:

Exhibit D

Monthly Base Rent Starting as of May 1, 2010 for Entire Premises

Lease Period	Monthly Base Rent
05/01/10-10/31/10	0.00
11/01/10-04/30/11	15,229.55
05/01/11-06/30/11	25,382.58
07/01/11-07/31/11	25,718.44
08/01/11-10/31/11	25,948.86
11/01/11-04/30/12	33;362.82
05/01/12-06/30/12	91,933.57
07/01/12-07/31/12	92,893.17
08/01/12-06/30/13	93,551.50
07/01/13-07/31/13	94,541.09
08/01/13-06/30/14	95,199.42
07/01/14-07/31/14	96,189.01
08/01/14-12/31/14	96,847.34
01/01/15-12/31/15	98,033.14
01/01/15-12/31/15	98,033.14
01/01/16-12/31/16	99,236.73
01/01/17-12/31/17	100,458.37
01/01/18-12/31/18	101,698.34
01/01/19-12/31/19	102,956.91
01/01/20-12/31/20	104,234.35
01/01/21-12/31/21	105,530.96

Exhibit 10.14

30 MINUTEMAN ROAD
ANDOVER, MASSACHUSETTS

LEASE

LANDLORD:	30 MINUTEMAN LIMITED PARTNERSHIP, a Massachusetts Limited Partnership
TENANT:	TRANSMEDICS, INC., a Delaware corporation
DATE:	June 25, 2004
BUILDING NO.:	30
LEASE:	30a

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EXHIBIT LIST

LEASE

THIS LEASE, dated as of June 25, 2004, is between 30 MINUTEMAN LIMITED PARTNERSHIP, a Massachusetts Limited Partnership ("Landlord"), and TRANSMEDICS, INC., a Delaware corporation (Tenant).

Landlord leases the Premises to Tenant and Tenant teases the Premises tram Landlord on the following terms and conditions:

1. BASIC LEASE PROVISIONS.

1.1 Summary.

(a) Premises: All of the leasable area in the Building. "Rentable Area" means 10,500 square feet, regardless of the actual size of the Premises.

(b) Term: This Lease is tending and effective as of the date hereof, and the Lease term begins on the Rent Commencement Date and ends December 31,2014, unless terminated earlier or extended in accordance with this Lease,

(c) Rent Commencement Date: When Landlord's Work is deemed to have been substantially completed in accordance with the terms of this Lease, or when Tenant occupies fie Premises to conduct business, whichever is earlier. Tenant wilt promptly confirm the actual Rent Commencement Date in writing at Landlord's request, but Tenants failure to do so will not affect the actual Rent Commencement Date,

(d) Building: The building to be constructed on fie land in accordance with this Lease, to be known as 30 Minuteman Road.

(e) Project: The land, and the Building and other improvements and appurtenances to be constructed in accordance with this Lease, which will be commonly known as 30 Minuteman Road, Andover, Massachusetts, as generally depicted on Exhibit "A."

(f) Base Rent (see Exhibit "D").

(g) Tenants Percentage: 100%,

(gg) Lease Year As defined in Section 4

(h) Letter of Credit: See Section 24,17

(i) Use of Premises: As offices and for medically-related light assembly and testing of electronics and plastics (the "Devices"), and medically-related training and research aid development and other uses ancillary or incidental thereto, including, without limitation, use of a portion of the Premises as a show room for the Devices. Landlord acknowledges aid agrees that Tenant may install a "clean room" in the Premises for fie assembly of products aid its medically-related training and research aid development The Premises will not be used for manufacturing or retail sales. Animals (and animal parte or carcasses) and animal surgery will be permitted in the Premises, subject to the terms hereof,

(j) Notice to Tenant (prior to the Rent Commencement Date):

600 West Cummings Park
Suite 3050
Woburn, Massachusetts 08108
Attn: Waleed H. Hassanein, M.D.

With a Copy to:

Piper Rudnick
One international Place
Boston, MA 02110
Attn: Barbara A. Trachtenberg

(k) Notice to Landlord:

200 Minuteman limited Partnership
200 Minuteman Road
Andover, Massachusetts 01810
Attn: Martin Spagat

With a Copy to:

Brickstone Properties Incorporated
The Plaza at Continental Park
Suite 5252
2101 Rosecrans Avenue
El Segundo, California 90245-4742
Attn: John G. Baker, Esq.

(l) Guarantor: None.

(m) Tenant's Broker: None

(n) Certain Other Defined Terms: [See Section 24,18]

1.2 Conflict. If there is a conflict between this summary and fie rest of this Lease, toe rest of this Lease will control.

2. CONSTRUCTION OF PREMISES.

(a) Landlord will diligently perform "Landlord's Work" and Tenant will diligently perform "Tenant's Work" as described in the Workletter attached as Exhibit "C" in accordance with the Workletter and the rest of this Lease. Landlord's Work will be deemed substantially completed even if Landlord has not completed "punch list" or other minor items. Tenant's final punch list will be submitted to Landlord within fifteen (15) days after Landlord notifies Tenant that Landlord's Work is substantially completed. Landlord will complete the approved punch list items within ninety (90) days after Tenant submits its written punch list to Landlord, except for those items that cannot reasonably be completed within that period (e.g., landscaping), and as to such items Landlord will continue to use commercially reasonable and diligent efforts to complete them. Substantial completion of Landlord's Work will be deemed to have occurred on date as of which Landlord's architect certifies in good faith that Landlord's Work has been substantially completed in substantial conformance with the Final Plans and Specifications (as defined in Exhibit "C") (or the date as of which such substantial completion reasonably would have occurred but for any Tenant Delays [as defined in Exhibit "C"] or Tenant's Work for which Tenant is responsible which actually result in a delay in substantial completion) and the applicable governmental authorities have issued a temporary or final certificate of occupancy for the Premises {or the date as of which such a certificate of occupancy reasonably could have been issued but for any delays or Tenant's Work for which Tenant is responsible).

(b) [Intentionally Omitted]

(c) (i) "Building Permit" means a Building Permit issued by the Town of Andover or one of its agencies permitting Landlord or its Affiliates to build the Building substantially in accordance with this Lease or as may otherwise be approved in writing by Landlord and Tenant. If the Building Permit has not been issued on or before August 31, 2004, thereafter each party, as its sole right and remedy, will have the right to terminate this

Lease without liability to either party if it delivers unconditional written notice of termination to the other party on or before the date that the Building Permit is issued (the "Building Permit Issue Date"). Landlord will use diligent and commercially reasonable efforts to obtain the Building Permit by the date set forth above, but Landlord will not be required to file suit or bring any legal challenge or proceedings of any kind. If this Lease is so terminated, Landlord will return to Tenant any amounts paid by Tenant to Landlord under Section 2(c)(iii).

(ii) [Intentionally Omitted]

(iii) Exhibit "C-2" hereto describes certain items of work that otherwise would have been Tenant's Work under Exhibit "C" but that Landlord has agreed to perform on Tenant's behalf as part of Landlord's Work (collectively, the "Tenant items"). The aggregate cost of the Tenant Items is agreed to be $322,900. Tenant will have the right, in its sole discretion, to substitute for, modify or delete the Tenant Items by written notice to Landlord given on or before June 24, 2004. Tenant Items not substituted for, modified or deleted in writing by that date will be deemed approved by Tenant. The Tenant Items as so substituted, modified or deleted as of June 24, 2004 are called the "Final Scope." Landlord and Tenant will attempt to agree in writing on the cost of the Final Scope on or before June 24, 2004, and if they so agree, that amount will be deemed to be the "Tenant's Contribution." If for any reason Landlord and Tenant are unable to agree on Tenant's Contribution by June 24, 2004, each party, as its sole right and remedy, will have the right to terminate this Lease without liability to either party if it delivers unconditional written notice of termination to the other party on or before the earlier of the date that both parties agree or July 1, 2004. If the parties cannot agree on the Tenant's Contribution but this Lease is not so terminated, Landlord's written determination of the amount of the Tenant's Contribution will be deemed to be correct and binding on both parties. If the parties agree or are deemed to have agreed on the Tenant's Contribution, Tenant will fund the entire amount to Landlord within fourteen (14) days after delivery of Landlord's invoice for the amount of the Tenant's Contribution, in addition to any other amounts payable by Tenant under this Lease. Landlord will hold the Tenant's Contribution and will not apply it until the Building Permit Issue Date.

(d) If neither party validly terminates this Lease under Section 2{c), when Landlord obtains the Building Permit it will use commercially reasonable and diligent efforts to substantially complete Landlord's Work not later than during the month of January, 2005. If the Rent Commencement Date has not occurred on or before May 31, 2005 (subject to day-for-day extension for delays for which Tenant is responsible and/or force majeure), Tenant, as its sole right and remedy, will have the right to terminate this Lease if: Tenant does not default and Tenant delivers an unconditional written notice of termination to Landlord specifying a new termination date for the Lease that is not earlier than thirty (30) days thereafter; and the Rent Commencement Date has not occurred on or before that new termination date. If these conditions are satisfied, the Lease will terminate without liability to either party as of that new termination date, and Landlord will return to Tenant any amounts paid by Tenant to Landlord under Section 2(c)(iii). However, if the Rent Commencement Date occurs before the new termination date, Tenant's termination notice will be deemed null and void and this Lease will continue in full force and effect. At Tenant's written request from time to time, Landlord will provide periodic updates on the status of and schedule for obtaining the Building Permit and performing Landlord's Work.

3. POSSESSION AND SURRENDER OF PREMISES.

When this Lease expires or otherwise terminates, Tenant will remove all of its signs, movable trade fixtures and equipment, inventory and other personal property owned by Tenant or its Affiliates ("Tenant's Property"). Tenant's Property remaining after termination will be deemed abandoned and Landlord may keep, sell, destroy or dispose of it without incurring any Liabilities to Tenant or its Affiliates. Notwithstanding anything to the contrary, Tenant will not remove, lease, finance, subject to a security interest or otherwise encumber or Transfer, or damage, any other items that are attached to the Premises or areas of the Building or realty in such a manner that they are deemed to be "fixtures" under applicable Laws or that are attached in such a manner that their removal would cause substantial damage to or adversely affect the proper and continuing functioning of the Building or its Systems or Equipment. However, notwithstanding the foregoing to the contrary, Tenant will remove those items at the end of the Lease term to the extent that Landlord specifies removal in any written consent to alterations or installation given by Landlord. Tenant will repair all damage caused by such removal or Tenant's occupancy {reasonable wear and tear and casualty damage excepted) and surrender the Premises broom clean and otherwise in the same condition as on the Rent Commencement Date and as improved in accordance with this Lease (reasonable wear and tear and casualty damage excepted), unless such requirement is specifically waived in writing by Landlord.

4. TERM.

(a) Subject to Addendum #1, the term of this Lease is as set forth in Section 1.1(b). A "Lease Year" is a period of twelve (12) consecutive calendar months during the Lease term, starting with the Rent Commencement Date. However, the first Lease Year is the first twelve (12) full calendar months plus the partial month (if any) after the Rent Commencement Date if the Rent Commencement Date is not the first day of the month, and the last Lease Year may be less than twelve (12) months if the expiration or termination date of this Lease is not the last day of a Lease Year.

5. RENT.

Tenant will pay the base rent as shown in Exhibit "D" in equal monthly installments in advance beginning as of the Rent Commencement Date and thereafter on the first day of each month during the term, prorated for any portion of a month. The term "rent" includes base rent, additional rent and all other amounts to be paid by Tenant under this Lease, whether or not specifically described as rent. All rent will be paid to Landlord without demand, deduction, counterclaim or offset of any type in good funds and lawful U.S. legal tender at The Plaza at Continental Park, Suite 5252, 2101 Rosecrans Avenue, El Segundo, California 90245-4742, Attn: Accounting Dept., or to such other person or place as Landlord may from time to time designate.

6. TAXES.

6.1 Definition of Taxes. "Taxes" means all taxes, assessments, levies, charges and fees imposed against, for or in connection with all or any portion of: the Project; the use, ownership, leasing, occupancy, operation, management, repair, maintenance, demolition or improvement of the Project; Landlord's right to receive, or the receipt of, rent, profit or income from the Project; improvements, utilities and services, whether because of special assessment districts or otherwise; the value of Landlord's interest in the Project; a reassessment due to any change in ownership or other transfer of all or any portion of the Project or an interest therein; and fixtures, equipment and other real or personal property used in connection with the Project. Taxes also include, without limitation, capital and value-added taxes, penalties, interest and costs incurred in contesting taxes (subject to the rest of this Section 6.1), and any charges or taxes in addition to, in substitution or in lieu of, partially or totally, any taxes or charges previously included within this definition, including taxes or charges completely unforeseen by the parties and collected from whatever source. **Taxes do not include**: Landlord's federal or state net income (including capital gains), franchise, excise, inheritance, deed stamp, transfer, gift or estate taxes, nor will they include penalties or interest unless Tenant fails to pay its share of Taxes as and when required.

6.2 Payment of Taxes. Subject to Article 8: starting as of the Rent Commencement Date, Tenant will pay its Tenant's Percentage of Taxes directly to Landlord as additional rent within thirty (30) days after delivery of Landlord's bills from time to time.

6.3 Tenant's Taxes. Tenant will pay before delinquency all taxes assessments, license fees and charges levied, assessed or imposed on Tenant, Tenant's business operations and Tenant's Property and will indemnify and hold Landlord harmless therefrom.

7. OPERATING COSTS.

7.1 Definition of Operating Costs. "Operating Costs" are all costs and expenses incurred in connection with the Project and its ownership, operation, management, maintenance, repair, replacement and improvement, including, without limitation, costs for: services, costs and utilities not otherwise directly paid or reimbursed by tenants; materials, supplies and equipment to the extent used for the Project; insurance deductibles, premiums and costs; wages and payroll, including bonuses, fringe benefits, workers compensation and payroll taxes; professional and consulting fees; management fees equal to 3.5% of the annual gross revenues generated by the Project (including for example all rent and proceeds paid by tenants in the Project and security deposits applied by Landlord, but excluding interest and insurance proceeds, except insurance proceeds that are meant to compensate for rent, such as proceeds from rental loss insurance), or if no managing agent is retained, an amount in lieu thereof not in excess of such amount; complying with any Laws and insurance requirements; an annual audit of Landlord's books and records relating to the Project

and the preparation of Landlord's annual financial statements (but not its tax returns); and snowplowing and landscaping. **Operating Costs do not include**: Taxes or the exclusions therefrom; depreciation; Landlord's loan fees, points, debt service or ground (ease payments or costs incurred in negotiating any of the underlying documents in connection therewith; brokerage commissions, advertising or other marketing expenses; payments to affiliates of Landlord for goods and/or services in excess of what would be paid to non-affiliated parties for such goods and/or services in an arm's length transaction; tenant allowances, inducements or workletter costs or any other costs incurred for the construction of new leasable area in the Project, the construction of structured parking facilities, or the construction or installation of tenant improvements; costs of negotiating or enforcing leases; free rent, rent abatements or similar inducements offered by Landlord to obtain tenants; expenses for repairs or maintenance to the extent reimbursed by warranties, guaranties, service contracts or insurance proceeds; costs for the replacement (as opposed to maintenance and repair) of basic structural members in the Building; costs to defend Landlord's title to or interest in the Project; costs to influence prospective legislation; janitorial services provided for a tenant's leased premises; and costs directly paid or specifically reimbursed by tenants in the Project (other than by an allocation of Operating Costs), such as separately metered electricity payable directly by a tenant to the utility company. If and to the extent that a cost otherwise permitted as an Operating Cost is not incurred solely for the Project, it will be reasonably pro rated by Landlord.

7.2 Payment of Operating Costs. Subject to Article 8: starting as of the Rent Commencement Date, Tenant will pay its Tenant's Percentage of Operating Costs directly to Landlord as additional rent within thirty (30) days after delivery of Landlord's bills from time to time.

7.3 Determining Operating Costs. [Intentionally Omitted]

7.4 Audit Right. At least by April 15th after the end of each calendar year during the term, Landlord will deliver to Tenant a reconciliation of the actual Operating Costs incurred for that calendar year (if Tenant does not receive such a reconciliation by that date then it will notify Landlord in writing, and Landlord will deliver such a reconciliation with twenty (20) days thereafter). Tenant will have the right at its sole cost to audit, with an independent certified public accountant, once during each twelve (12)-month period during the term, the Operating Costs charged to Tenant for the prior calendar year, provided that Tenant delivers written notice to Landlord within six (6) months after receipt of the annual statement of Operating Costs for that calendar year, and has paid the amount of that statement and is not in default. The auditors must be compensated on an hourly basis for time spent and not pursuant to a "contingent fee" arrangement of any type. This audit will take place at the Project during Landlord's normal business hours on at least fourteen (14) days' prior written notice, in a manner that will not unreasonably disrupt Landlord's business operations, and for a period not to exceed fourteen (14) business days. Landlord will not be required to provide analyses or comparisons for Tenant, but will on request cooperate with the auditors by providing, to the extent in Landlord's possession, line item breakdowns of the Operating Costs disputed by Tenant in its notice to Landlord and the invoices therefor, and permitting Tenant's auditors to copy such items at their sole cost. Tenant agrees to keep strictly confidential the results of its audits and any information obtained in connection therewith, as well as any claims, negotiations, proceedings or settlements with Landlord, and will cause its auditors and other Affiliates to comply with these confidentiality requirements. As a condition to conducting an audit or any other review, Landlord may require Tenant and its auditors and other Affiliates to sign and deliver confidentiality agreements for this purpose. If an error has been made in the billing of Operating Costs, whether in favor of Landlord or Tenant, the sole right and remedy of the parties will be to adjust the amount of the discrepancy in cash within thirty (30) days (and if Landlord owes amounts to Tenant Landlord may, at its option, credit those amounts against the rent next due from Tenant, to the extent that rent is due). Notwithstanding anything to the contrary, in addition to the reimbursement described in the preceding sentence, in the event that Tenant's audit reveals that Operating Costs charged by Landlord to Tenant for the calendar year exceeded the actual Operating Costs that should have been charged to Tenant for that calendar year by ten percent (10%) or more, and if in fact Tenant's audit is accurate, Landlord shall reimburse Tenant for the costs of the audit, not to exceed Four Thousand Dollars ($4,000). lf Tenant chooses not to request such an audit within the six (6)-month period described above, the annual statement and the amounts required to be paid thereunder will be considered final and binding on Tenant in all respects, except for intentional fraud by Landlord.

8. MONTHLY PAYMENT OF TAXES AND OPERATING COSTS.

At any time and from time to time, and subject to later change, Landlord may elect to have Tenant pay Tenant's share of Taxes and Operating Costs (or either of them) in equal monthly installments in advance on the first

of each month, based on amounts reasonably estimated by Landlord (as revised from time to time). If these estimated monthly payments are required, after the end of each tax fiscal year, Lease Year or other relevant periods selected by Landlord, Landlord will deliver to Tenant a statement of the actual amounts due for the period. Any additional amounts due from Tenant will be payable as additional rent within thirty (30) days after receipt of Landlord's statement, and any overpayment by Tenant will be refunded by Landlord or, at Tenant's option, deducted from the next monthly installments of rent due from Tenant. At any time or from time to time, Landlord may deliver a bill to Tenant for Tenant's share of Taxes and/or Operating Costs (or specified portions thereof) that have been billed to Landlord for a particular period, and Tenant will pay the amount due to Landlord as additional rent within thirty (30) days after receipt of Landlord's bill. Tenant will receive a credit for any estimated monthly payments or other payments for such charges already paid by Tenant for the period covered by that bill.

9. INSURANCE.

9.1 Tenant's Insurance; Waiver of Subrogation.

(a) Starting before the date (the "Insurance Date") that Tenant or its contractors or other Affiliates first enter the Project to perform any work, and continuing until the end of the term, Tenant will maintain at its cost:

(i) Commercial general liability insurance (ISO Form CG 00 01 07 98, or an equivalent occurrence basis policy form satisfactory to Landlord), with contractual liability, cross-liability and fire legal liability endorsements, protecting against claims and liabilities for personal, bodily and other injuries, death and property loss or damage including, without limitation, broad form property damage insurance, automobile and personal injury coverage. This insurance also will insure Tenant's indemnities. The amount of this insurance will not be less than Five Million Dollars ($5,000,000) combined single limit for each occurrence. If this policy includes a "general aggregate" limit, the limit will be at least twice the combined single limit per occurrence and will apply on a "per location" basis.

(ii) "All risk" casualty insurance, covering all of Tenant's Work, Tenant's Property and all Alterations made by or for the benefit of Tenant that are not fixtures belonging to Landlord. This insurance will be for full replacement value.

(iii) Loss of income and business interruption insurance in an amount that will reimburse Tenant for direct and indirect loss of six (6) months of earnings and other costs attributable to all perils commonly insured against by prudent Tenants in the greater Boston area or attributable to prevention of access to the Premises or to the Building as a result of such perils.

(iv) Employer's liability insurance of not less than One Million Dollars ($1,000,000), and worker's compensation insurance in statutory limits.

(v) If not already provided under one of Tenant's policies mentioned above, Builder's Risk insurance (completed value form) for work required of or permitted to be made by Tenant. The amount of this insurance will be reasonably satisfactory to Landlord and must be obtained before any work is begun.

(b) The initial amounts of commercial general liability insurance and employer's liability insurance described above will be subject to reasonable periodic increase and endorsement (but not more often than annually) based on inflation, increased liability awards and other relevant factors, as reasonably determined by Landlord.

(c) All policies of insurance carried by Tenant must: name Landlord and its designees as additional insureds pursuant to ISO Form 2026 or its equivalent acceptable to Landlord, without modification; contain a waiver by the insurer of any right to subrogation against Landlord and its Affiliates; be written on an "occurrence" basis; be from insurers in good standing and licensed to do business in Massachusetts with a Best's Key Rating of at least A X; contain deductibles not in excess of $5,000 (and all deductibles will be paid and assumed by Tenant); be endorsed to be primary to alt insurance of Landlord and its Affiliates, which will be excess and non-contributing; and

state that the insurers will not cancel, fait to renew or modify the coverage without first giving Landlord and any other additional insureds at least thirty (30) days' prior written notice.

(d) Tenant will supply copies of each paid-up policy or a certificate from the insurer certifying that the policy has been issued and showing coverages and limits that comply with all of the terms of this Article. The policies or certificates will be delivered to Landlord prior to the Insurance Date and renewals provided not less than thirty (30) days before the expiration of the coverage. Landlord always may inspect and copy any of the policies. Tenant waives subrogation and any right to claim or recover against Landlord or its Affiliates for Liabilities in connection with any damage, toss or liability due to a peril covered under the casualty (and similar) insurance policies required to be or actually maintained by Tenant. Tenant may provide this insurance pursuant to "blanket" policies, provided that the coverage required hereunder is not reduced in any manner.

(e) Tenant and its Affiliates will not undertake, fail to undertake or permit any acts or omissions which will in any way increase the cost of, violate, void or make voidable all or any portion of any insurance policies maintained by Landlord, unless Landlord gives its specific written consent and Tenant pays all increased costs directly to Landlord on demand.

9.2 Landlord's Insurance; Waiver of Subrogation. To the extent reasonably commercially available, Landlord will maintain casualty insurance of at least 95% of the full replacement cost of the Building (and Landlord may exclude foundations, footings, below-grade space, any historic items or structures and improvements covered by the insurance of other tenants), commercial general public liability insurance (Broad Form or the functional equivalent) of at least Ten Million Dollars ($10,000,000), and other insurance policies (including, without limitation, rental loss insurance policies covering at least six (6) months of rent), all in such amounts (except as may be specified above), with deductibles (not materially in excess of commercially reasonable amounts) and providing protection against such perils as Landlord determines to be necessary in its sole discretion. All losses on all policies maintained pursuant to this Article will be settled in Landlord's name (or as otherwise designated by Landlord) and proceeds will belong and be paid to or at the direction of Landlord. Landlord hereby waives subrogation and any right to claim or recover against Tenant or its Affiliates for Liabilities in connection with any damage, loss or liability due to a peril covered under the casualty (and similar) insurance policies required to be or actually maintained by Landlord. Landlord makes no representations or warranties as to the adequacy of any insurance to protect Landlord's or Tenant's interests.

10. UTILITIES.

Tenant will pay when due to the furnishing parties all fees and costs for utility services furnished to the Premises and the rest of the Project, including, without limitation, telephone, electricity (including, without limitation, electricity for any heat pump(s) or other portion of the HVAC Systems and Equipment), sewer, water and gas furnished). Landlord will install meters, submeters or Intellimeters to the extent provided in Exhibit "C" if a utility or service is not payable directly by Tenant to the utility provider, Tenant will pay all of such costs directly to Landlord as additional rent within thirty (30) days after receipt of Landlord's bills from time to time. Landlord is not responsible for any Liabilities incurred by Tenant or Tenant's Affiliates nor may Tenant abate rent, terminate this Lease or pursue any other right or remedy against Landlord or Landlord's Affiliates as a result of any malfunction, failure to restore, interruption or suspension of any utilities, services or associated Systems and Equipment, except as set forth in the next sentence. If there is an interruption in utility service directly caused by Landlord's negligence or willful misconduct that is not otherwise addressed by the terms of Article 16 and that renders the Premises untenantable for more than two (2) consecutive business days, then the terms of Sections 16.2 and 16.3 will apply as if the interruption were a casualty, and rent will abate in accordance with Section 16.3 until service is restored. Landlord specifically retains (and if necessary Tenant hereby grants to Landlord) the sole and exclusive right to determine the electricity and other utility provider(s) for the Premises and the rest of the Project. Subject to the foregoing, force majeure, and the performance of repairs and maintenance, Tenant will have the right to access the HVAC Systems and Equipment 24 hours per day, seven days per week during the Lease term.

11. USE OF PREMISES.

Tenant will:

(a) Operate its business in a manner customary to and compatible with first class office and research and development buildings and not permit any objectionable or unreasonable noises, vibrations, odors or fumes in or to emanate from the Premises, nor commit or permit any waste, improper, immoral or offensive use of the Premises, any public or private nuisance or anything that disturbs the quiet enjoyment of the other tenants, licensees, occupants or customers of the Project, and use and occupy the Premises throughout the term and only for the purposes described in Section 1.1 (i), but for no other purpose. All deliveries and pickups must be conducted at times and in the manner reasonably prescribed by Landlord, and only in those loading docks or areas reasonably specified by Landlord. All trash and waste products must be stored, discharged, processed and removed in the manner reasonably prescribed by Landlord and in accordance with applicable Laws, and so as not to be visible to other tenants or create any health or fire hazard. Without limiting the generality of the rest of this Section 11 or this Lease, Tenant wilt at its expense deliver, transport, house, handle, maintain, feed, treat, process and perform procedures on animals, and dispose of animal parts or carcasses or animal-related waste products, in a manner that complies fully with all applicable Laws and the most current applicable standards promulgated by the American Association for Accreditation of Laboratory Animal Care and the Institutional Animal Care and Use Committee and their successors, is not visible or audible to other tenants or occupants in the rest of Minuteman Park. In order to comply with the foregoing, Tenant will at its expense cause all animals and animal parts or carcasses to be transported in containers and vehicles that do not disclose that they carry such cargo, and will enclose and if necessary soundproof the loading dock areas in a commercially reasonable manner (and other areas, if reasonably necessary), and schedule deliveries and pickups of animals and animal parts or carcasses before or after business hours. Tenant will not have more than fifteen (15) animals in the Building at any time, and at no time will live animals be permitted in the Project outside of the Building.

(b) Install only window coverings and treatments approved by Landlord (building standard window coverings are hereby approved) and, once installed, keep them sufficiently closed to shield from outside view any rooms, machinery or other equipment that Landlord reasonably determines is unsightly or inconsistent with that portion of the Project. Tenant will vent and drain only in a manner mutually agreed on by Tenant and Landlord.

(c) Not: permit any coin or token operated vending, video, pinball, gaming or other mechanical devices on the Premises, except for telephones and vending machines solely for use by Tenant’s employees; sell lottery or raffle tickets; operate a restaurant; engage in the business of banking or selling or purchasing securities; permit diplomatic, governmental or quasi-governmental agencies to occupy the Premises; use the Premises for retail or wholesale sales purposes, or as doctors’ offices (other than for the training of doctors or medical personnel), or as living or sleeping quarters; store, sell or distribute obscene, graphic, sexually-explicit, lewd or pornographic materials (as reasonably determined in Landlord’s judgment) or engage in related businesses in or from the Premises; or conduct any auction, or any distress, fire, bankruptcy or going out of business sale; or engage in retail sales. Notwithstanding the foregoing, Tenant may use a portion of the Premises as a show room for the Devices.

(d) Comply with: Laws and insurance requirements affecting the Premises, the Project or any use and occupancy thereof (including, without limitation, making required improvements to the Premises, but not any modifications or improvements to the base-building life-safety system or the Building structure unless required because of Tenant’s specific use or manner of use of the Premises); and Landlord’s rules and regulations and reasonable changes thereto that do not materially adversely affect Tenant’s access to or use of the Premises in accordance with this Lease. Tenant will, at its expense, obtain and maintain all licenses, permits and approvals necessary to conduct its business in accordance with applicable Laws (and will conduct its business in accordance with applicable Laws as described herein and above), specifically including, without limitation, those required in connection with the delivery, transportation, housing, handling, maintenance, treatment, care and feeding of animals, procedures performed on animals, and the processing and disposal of animal parts or carcasses or animal-related waste products, including biological and chemical waste and hazardous substances if ever generated, but none of those licenses, permits, approvals or variances will be binding on or in any way affect or restrict Landlord, any other tenants in the Project or the Project itself.

(e) If it wishes, at its expense: install signs or lettering on the entry doors to the Premises identifying its tenancy in the manner customary to first-class office buildings and on a monument provided by Landlord outside the Building. Tenant will conform to standards established by Landlord from time to time for these signs or lettering and submit for Landlord’s prior approval a plan or sketch of Tenant’s proposed sign or lettering together with a list of materials and specifications and the proposed manner of attachment. AH other signs, lettering, awnings, canopies or other decorations require Landlord’s prior written approval.

(f) Not use any advertising or other media or other device which can be heard or experienced outside the Premises (except as permitted in subparagraph (e) above), including without limitation, lights or audio or visual devices. Tenant will not distribute handbills or advertising, promotional or other materials anywhere in the Project or solicit business in the Project other than within its own Premises.

12. MAINTENANCE AND REPAIRS.

12.1 Landlord's Obligations. Landlord will provide snowplowing, landscaping, and cause to be repaired and maintained the Outside Area, the exterior of the Building, the roof, floor and load-bearing and exterior walls and glass of the Building (but not the interior surfaces, and Tenant will be responsible if it breaks the glass), the floor slab, the foundation, the steel frame of the Building, gutters, and downspouts. However, Tenant will be responsible for at! repairs and maintenance resulting from Tenant's Alterations or the negligent or intentional acts or omissions of Tenant or its Affiliates and, in accordance with Section 12.2, repairs and maintenance of the Systems and Equipment even if they are in the Outside Area. Landlord will make its repairs in a good and workmanlike manner and in compliance with applicable Laws, and within a reasonable time following Tenant's notification that the repairs are required, and Landlord will attempt in good faith not to disturb the conduct of Tenant's business more than is reasonably necessary under the circumstances. Landlord's obligations are subject to the provisions of Articles 16 and 17 and the rest of this Lease.

12.2 Tenant's Obligations. Except for Landlord's obligations in Section 12.1, Tenant will clean, maintain and repair the Premises and all of the Systems and Equipment serving the Premises and/or the rest of the Project (including, without limitation, life safety, security, HVAC, electrical, plumbing, sanitary sewer, water, telecommunications, any backup power or and other Systems and Equipment), and keep those Systems and Equipment and the Premises in good order and condition, including, without limitation, Tenant's Property, all doors, window treatments, wall coverings, floor coverings, non-structural portions of the ceiling, floor and walls (unless otherwise requested by Landlord), Tenant will maintain maintenance contracts with licensed contractors reasonably approved by Landlord to provide for the periodic maintenance and repair of these items. At Landlord's written election, and on at least fifteen (15) days' prior notice (although Landlord wilt not be required to give any prior notice if it believes in good faith that there Is an emergency), if Tenant fails to perform periodic or other maintenance as required, in addition to any other rights and remedies, on prior written notice to Tenant Landlord may engage the contractor(s) and bill and collect from Tenant the reasonable cost thereof. Tenant will make its repairs in a good and workmanlike manner and in compliance with applicable Laws. Tenant's obligations are subject to the provisions of Articles 16 and 17 and the rest of this Lease.

13. ALTERATIONS.

13.1 Landlord's Consent. "Alterations" means Tenant's alterations, additions, improvements, remodeling, repainting, decorations or other changes, but do not include Tenant's Work, which will be governed by Exhibit "C" of this Lease. Tenant may make nonstructural Alterations to the interior of the Premises without Landlord's consent as long as the Alterations comply otherwise comply with the terms of this Lease and do not: affect the windows, the exterior of the Building, or any portion of the Building or the rest of the Project outside of the Premises; affect the strength, structural integrity or load-bearing capacity of any portion of the Building; adversely affect the Systems and Equipment or materially increase Tenant's usage; require Landlord to pay for or perform any work or cause it to be in violation of any applicable Laws as a result thereof; or, in Landlord's reasonable judgment, cost more than a total of Five Dollars ($5.00) per square foot of Rentable Area in the Premises in any Lease Year when combined with the cost of other Alterations made in that Lease Year (this monetary limitation will not apply with respect to the initial Alterations contemplated by Tenant for its occupancy of the Premises). All other Alterations require Landlord's prior written consent, but if Alterations proposed by Tenant otherwise comply with this Section 13 and the rest of this Lease but do not comply with the monetary limitation above, Landlord will not unreasonably withhold or delay its written consent Whether or not Landlord's consent is required, Alterations are subject to the rest of this Article.

13.2 Notice. Tenant will notify Landlord not less than fifteen (15) days before beginning any Alterations. Together with Tenant's notice, Tenant will give Landlord copies of the necessary permits and approvals and, if Landlord deems it necessary, plans and specifications for the Alterations (but not for minor, non-structural Alterations such as wall coverings, wall hangings, built-in cabinetry, movable partitions and painting). Landlord's review or

approval of Tenant's plans and specifications is solely for Landlord's benefit and will not be considered a representation or warranty to Tenant as to safety, adequacy, efficiency, compliance with Laws or any other matter, or a waiver of any of Tenant's obligations. Except for items of Tenant's Property, ail Alterations will be deemed Landlord's property and part of the realty, and will be surrendered with the Premises at the end of this Lease, unless otherwise requested by Landlord within thirty (30) days after receiving Tenant's written notice of the Alteration. However, except as set forth in Article 3, if Landlord specifically agrees in writing at the time Landlord consents to an Alteration, Tenant will not be obligated to remove that Alteration at the end of this Lease.

13.3 Compliance with Laws. Alterations will comply in all respects with this Lease and applicable Laws and insurance requirements. Alterations will be done in a manner customary to first-class office and research and development buildings and equivalent to the fit, finish and specifications of the rest of the Building, using first quality materials, and so as not to materially interfere in any way with Landlord or any other tenant in the Project, cause labor disputes, disharmony or delay, or impose any Liabilities on Landlord. Alterations will be performed only by experienced, licensed and bonded contractors and subcontractors approved in writing by Landlord, which approval will not be unreasonably withheld or delayed. Tenant will cause its contractors and subcontractors to carry commercial general liability insurance with the same attributes and subject to the same requirements as those set forth in Section 9.1(a)(i), in the amount of at least One Million Dollars ($1,000,000) combined single limit for each occurrence (subject to reasonable increase during the term at Landlord's request), naming Landlord and its designees as additional insureds, employer's liability insurance of at least $1,000,000, and workmen's compensation insurance in statutory limits.

13.4 Liens. Tenant will pay when due all claims for labor, materials and services claimed to be furnished for Tenant or Tenant's Affiliates or for their benefit. Tenant will keep the Premises (and the fixtures therein), the Project, (and title thereto) and the rest of Landlord's personal property and fixtures (and title thereto) free from ail claims, liens, security interests and encumbrances resulting from Tenant's acts, omissions, agreements, and all claims for labor, materials or services claimed to have been furnished for Tenant or Tenant's Affiliates or for their benefit ("Liens"). Tenant will indemnify Landlord for, and hold Landlord harmless from, all Liens, the removal of all Liens and any related actions or proceedings, and all Liabilities incurred by Landlord in connection therewith. NOTICE IS HEREBY GIVEN TO ALL PERSONS FURNISHING LABOR OR MATERIALS TO TENANT THAT NO MECHANICS', MATERIALMEN'S OR OTHER LIENS SOUGHT ON THE PREMISES WILL IN ANY MANNER AFFECT LANDLORD'S RIGHT, TITLE OR INTEREST.

13.5 Labor Harmony. Tenant will not, directly or indirectly, employ or permit the employment of any contractor, shipper, mechanic or laborer or permit any items or materials to be brought into the Premises or the rest of the Project, if it would create any work slow down, sabotage, strike, wild-cat strike, picketing or jurisdictional dispute, or would in any way disturb the peaceful and harmonious operation, management, maintenance, cleaning, security or improvement of the Project or Minuteman Park or any part thereof (in any case, a "Labor/Disturbance Incident"). Tenant will be solely responsible for all Liabilities resulting from any such Labor/Disturbance Incident, and, without limiting any other rights and remedies of Landlord, upon demand of Landlord Tenant at its cost immediately will cause all contractors, shippers, mechanics, laborers, items or materials that are the subject or cause of such Labor/Disturbance Incident to be removed from the Project.

14. INDEMNITY; SATISFACTION OF REMEDIES.

14.1 Indemnification. In addition to any other indemnities in this Lease, Tenant will indemnify Landlord for and hold Landlord harmless from Liabilities arising from or In connection with: acts or omissions of Tenant or its Affiliates, or the conduct of Tenant's business, or injuries, death or damage occurring in or on the Project; Tenant's breach of or default under this Lease; claims made by Tenant's Affiliates against Landlord if Tenant has waived those claims in this Lease or Landlord would not be responsible to Tenant for such claims if such claims were made by Tenant in accordance with this Lease; and claims by Tenant's Affiliates or other persons if Landlord declines to consent to any act, event or document requiring Landlord's consent under this Lease (although, subject to the terms of this Lease, this will not prevent Tenant from making its own claim solely for its own benefit and on its own behalf if Landlord declines to consent where Landlord is required to consent under the terms of this Lease). Notwithstanding the foregoing, Tenant will not be required to indemnify Landlord for Liabilities to the extent that they arise from the negligence or willful misconduct of Landlord in breach of this Lease (and Tenant will bear the burden of proof as to the cause of such Liabilities).

14.2 Damage to Persons or Property. Subject to the rest of this Section and the rest of this Lease, Landlord will be liable for damages if and to the extent directly caused by its own negligence or willful misconduct in breach of this Lease, but Landlord will not be liable for any special, indirect, consequential, punitive or similar damages (including, without limitation, any loss of use or revenue by Tenant or any other person) under any circumstances, or for any Liabilities arising from or in connection with: acts or omissions of Tenant, any third parties, or their Affiliates, including, without limitation, burglary, vandalism, theft, or other criminal or illegal activity; war, terrorism, riot, force majeure, civil disturbance or executive or governmental or quasi-governmental order or directive; explosion, fire, steam, electricity, gas, mud, snow, hail, ice, water, rain, seepage, leakage, condensation, flood, wind, lightning, or otherwise by reason of the elements; pollution, contamination, mold, hazardous substances, motor vehicles or any casualties; breakage, cracking, leakage, malfunction, obstruction or other defects in Systems and Equipment or the roof, walls, floors, surfaces or structure, or of any services or utilities; any work, demolition, maintenance or repairs permitted under this Lease; any exercise of Landlord's rights under any Laws or under this Lease, including any entry by Landlord or Its Affiliates on the Premises in accordance with this Lease; or any of the matters described in Section 24.5. Tenant and Tenant's Affiliates assume the risk of all of these Liabilities and waive all claims against Landlord in connection therewith. Tenant also waives any Laws or rights that would permit Tenant to terminate this Lease (except as and if specifically set forth in this Lease), perform repairs or maintenance in lieu of Landlord (or on Landlord's behalf), or offset or withhold any amounts due because of damage to or destruction of the Premises, any repairs or maintenance, or for any other reason (abatements of rent if and to the extent specifically permitted under this Lease will not be deemed to be an offset or withholding by Tenant). The foregoing is not meant to alter Landlord's obligations to repair, maintain or rebuild to the extent Landlord is otherwise specifically required to do so by the other terms of this Lease. Tenant promptly will notify Landlord of any damage or injury to persons or property and any events which could be anticipated to give rise to any of the foregoing Liabilities. Notwithstanding anything to the contrary in this Lease or elsewhere, Landlord and its Affiliates will have no Liabilities of any type with respect to Tenant's Property and any other property owned by Tenant or its Affiliates, and all of such Liabilities are hereby waived by Tenant These exculpations of Landlord and all of Tenant's waivers in this Lease will apply to all of Tenant's Affiliates to the greatest extent possible. If and to the extent that these exculpations and waivers do not apply directly to Tenant's Affiliates because they have not signed this Lease, Tenant will indemnify Landlord for and hold Landlord free and harmless from all Liabilities incurred by Landlord to or in connection with Tenant's Affiliates as if they had signed this Lease and freely agreed to such waivers, subject to the last sentence of Section 14.1.

14.3 Satisfaction of Remedies. Notwithstanding anything in this Lease or elsewhere to the contrary: Tenant and its Affiliates wilt look solely to Landlord's Interest in the Project (including its interest in any insurance proceeds payable with respect to the Project) to satisfy any claims, rights or remedies, and Landlord and its partners and their respective Affiliates (including any property managers), at every level of ownership and interest, have no personal or individual liability of any type, whether for breach of this Lease or their negligence or otherwise (and such Liabilities are hereby waived by Tenant), their assets will not be subject to lien or levy of any type, nor will they be named individually in any suits, actions or proceedings of any type.

15. OUTSIDE AREA AND PARKING.

15.1 Outside Area. "Outside Area" means all areas and improvements within the Project that are outside of the Building. Tenant may use the Outside Area during the term of this Lease. Subject to the foregoing, Landlord reserves all rights in connection with the Outside Area, including, without limitation, the right to change, relocate, add to, improve or demolish portions of the land and/or improvements and the layout thereof and promulgate rules and regulations with respect thereto, limit the use of any portion of the Outside Area by Tenant or its Affiliates, and place certain portions of the Outside Area off limits to Tenant and its Affiliates, including, without limitation, janitorial, maintenance, equipment and storage areas, and entrances, and parking areas (specifically subject to Section 15.2 and the last sentence of this Section 15.1), Landlord reserves the space above hung ceilings, below the floor and within the walls of the Premises, and the right to install, relocate, remove, use, maintain, repair and replace Systems and Equipment within or serving the Premises or other parts of the Building or the Project, and in such cases Landlord will use commercially reasonable efforts avoid disturbing or interfering with the conduct of Tenant's business more than is reasonably necessary under the circumstances. Except during emergencies or by reason of force majeure or necessary maintenance, repair or construction, Landlord's exercise of the rights in this Article will not ever prevent Tenant from having access to or the use of the Premises or a loading dock or the base building HVAC provided by Landlord, all or which are granted 24 hours per day, seven days per week, but such exercise will not under any

circumstances require Landlord to compensate Tenant in any way, result in any Liabilities to Landlord, entitle Tenant to abate rent, or reduce Tenant's Lease obligations.

15.2 Parking.

(a) During the term, Tenant may park thirty-five (35) of its passenger vehicles in assigned spaces or on a non-exclusive basis or a combination thereof, as determined by Landlord, in the areas designated by Landlord from time to time for Tenant's parking (see Exhibit "A"). If Tenant does not use all of its parking spaces, Landlord may allow others to use those spaces at no charge, subject to Tenant's right to promptly reclaim those spaces as and when legitimately needed for Tenant's parking.

(b) Tenant understands and agrees that Landlord wilt not be responsible for, and will not incur any Liabilities to Tenant or its Affiliates with respect to, and Tenant waives all claims against Landlord and its Affiliates in connection with and assumes the risk of, any acts or omissions occurring within the parking areas or any entrances and exits thereto or therefrom, Including, without limitation, any injuries, death, or loss or damage to cars or other property, and Tenant will not name Landlord or its Affiliates, or bring any actions of any kind against them, in connection therewith or as a result thereof,

(c) Tenant may not sublease, assign or otherwise Transfer any parking rights except to a permitted assignee or sublessee as part of such permitted assignment or sublease. In addition to Landlord's rights as set forth in Section 15.1, Landlord may: reasonably limit access to portions of the parking areas; change signs, lanes and the direction of traffic within the parking areas; change, eliminate or add parking spaces or areas devoted to parking; designate the area (or space) within which each authorized automobile may be parked and change any such designation from time to time; establish alternative means of identifying and controlling authorized parking; promulgate rules and regulations; construct additional and/or structured parking; and take any other actions deemed necessary by Landlord, provided that Tenant's authorized parking spaces wit! not be reduced nor will Tenant be charged for parking over and above its share of Taxes and Operating Costs related thereto (although if Landlord ever builds structured parking it may condition the use of that facility on the payment of additional parking charges from Tenant, but if Tenant refuses to pay the additional charges it will not be required to park in that facility unless Landlord waives those additional charges),

16. DAMAGE OR DESTRUCTION.

16.1 Repairs. Subject to the rest of this Article and the rest of this Lease, Landlord will repair damage to the Premises and the Project caused by casualties Insured against under the casualty policies that Landlord is required to maintain hereunder. However, Landlord is not obligated to repair damage for which Landlord has no liability under other provisions of this Lease (e.g., Tenant's Property) or for improvements installed by or for the benefit of any other tenants. Except as may otherwise be required by then-applicable Laws, Landlord will attempt to restore the damaged portions to their prior condition, but Landlord is not required to undertake repairs unless insurance proceeds are available, spend more than the net insurance proceeds it actually receives and is permitted to retain (or would have received and been permitted to retain if Landlord had maintained the insurance policies it is required to maintain under Section 9.2) for any repair or replacement, or repair or replace any damage to Tenant's Work, Tenant's Property or fixtures or any Alterations. Landlord will begin repairs within a reasonable time after receiving notice of the damage, required building permits or licenses and the insurance proceeds payable on account of the damage.

16.2 Election to Terminate.

(a) Landlord has the option either to repair the casualty damage, or terminate this Lease by delivering written notice within seventy-five (75) days after the damage occurs, if: the damage occurs during the last year of the term; or Tenant is in default; or the repairs would take more than one hundred eighty (180) days to complete or cost more than the insurance proceeds allocable to such repairs that Landlord reasonably determines it will receive; or the casualty damages more than fifty percent (50%) of: the Building; or the parking area.

(b) Tenant also has the option to terminate this Lease by delivering written notice to Landlord if: the casualty damages the Premises or access thereto and thus renders the Premises untenantable, Landlord is

required or elects to repair and the repairs that Landlord is required to make are not substantially completed within ten (10) months after the damage occurs (subject to extension of this period for up to an additional two [2] months for delays caused by force majeure); the damage was not caused by the acts or omissions of Tenant or its Affiliates and Tenant is not in default; and Tenant delivers its written termination notice to Landlord within thirty (30) days after the end of Landlord's repair period and Landlord fails to substantially complete within thirty (30) days after receiving this notice. Under these circumstances, this Lease wilt terminate at the end of this latter thirty (30)-day period.

16.3 Abatement of Rent. Subject to Section 16.2, if the Premises or access thereto are damaged by casualty so as to render the Premises materially unusable for Tenant's permitted use for more than two (2) consecutive business days, base rent and Tenant's share of Taxes and Operating Costs will abate until Landlord has substantially completed the repairs it is required to perform and given Tenant access to the Premises, or Tenant reoccupies part of the Premises, or the Premises otherwise are rendered tenantable, whichever is earliest, if Tenant continues to occupy or reoccupies the Premises before substantial completion of these repairs but cannot occupy substantially all of the Premises because of these ongoing repairs, base rent and Tenant's share of Taxes and Operating Costs will abate in proportion to the degree to which Tenant's use of the Premises is impaired, as reasonably determined by Landlord. This rent abatement will not exceed the annual base rent that otherwise would have been payable by Tenant for the Lease Year in which damage occurs. The abatement of base rent and Tenant's share of Taxes and Operating Costs described above, and Tenant's rights under Section 16.2(b), are Tenant's sole rights, remedies and compensation in connection with any damage, destruction or repairs.

17. CONDEMNATION.

If all or any significant portion of the Premises are condemned, taken or appropriated by any public or quasi-public authority under the power of eminent domain, police power or otherwise, or if there is a sale in lieu thereof ("Condemned"), this Lease will terminate when title or possession is taken by the condemning authority or its designee. If:

(a) A portion of the Premises is Condemned so that the Premises are thereby rendered materially unusable for Tenant's use, either Landlord or Tenant may terminate this Lease when title or possession is taken by the condemning authority or its designee by delivering written notice to the other within fifteen (15) days thereafter. Landlord also may terminate this Lease if more than fifty percent (50%) of the parking area is Condemned.

(b) Part of the Premises is Condemned and this Lease is not terminated, Landlord will attempt to make the necessary repairs so that, to the extent reasonably possible, the remaining part of the Premises will be a complete architectural unit. Otherwise, Landlord's restoration will be conducted as described in Section 16.1, except that Landlord will not be required to begin repairs until a reasonable time after it receives any necessary building permits and substantially all of the proceeds of any awards granted for the Condemnation. After the date title or possession is taken by the condemning authority or its designees, base rent and Tenant's share of Taxes and Operating Costs will be reduced in proportion to the area of the Premises Condemned.

All proceeds, income, rent, awards and interest in connection with any Condemnation will belong to Landlord, whether awarded as compensation for diminution of value to the leasehold improvements, or the unexpired portion of this Lease, or otherwise. Tenant waives all claims against Landlord and the condemning authority with respect thereto, although if this Lease is terminated as a result of a condemnation Tenant may assert a separate claim in a separate proceeding against the condemning authority for costs of relocation, provided that such claim and any award therefor will not reduce or otherwise affect Landlord's award in any way.

18. ASSIGNMENT AND SUBLETTING.

18.1 Landlord's Consent Required. Subject to Section 18.3, Tenant will not, and does not have the right or power to, voluntarily, involuntarily or by operation of any Laws, sell, convey, mortgage, subject to a security interest, license, assign, sublet or otherwise transfer or encumber ail or any part of Tenant's interest in this Lease or the Premises, or allow anyone other than Tenant's employees to occupy the Premises (singularly or collectively, "Transfer"), without, first obtaining Landlord's prior written consent in each case (except where consent is not required as specifically set forth in Section 18.5(c)) and complying with this Article and any attempt to do so without

this consent and compliance will be null and void and a default, unless otherwise specifically elected by Landlord in writing.

18.2 Notice. Tenant will notify Landlord in writing at least fifteen (15) business days before any proposed or pending Transfer and will deliver to Landlord such information as Landlord may reasonably request in connection with the proposed or pending Transfer and the proposed Transferee, including, without limitation, a copy of the final executed Transfer documents (including, if applicable, a sublease that complies with the terms of this Article 18) (except that proposed Transfer documents may be delivered instead if the final executed documents are the same as the proposed documents delivered to Landlord in ail material respects in Landlord's reasonable determination), certified current financial statements and balance sheets, a current Dun & Bradstreet report (if available), banking and accounting references and other relevant financial information for the proposed Transferee, and information as to the type of business and business experience of the proposed Transferee. All of this information must be suitably authenticated.

18.3 Reasonable Consent. Except as otherwise set forth in this Section 18, Landlord will not unreasonably withhold or delay its consent to an assignment or sublease by Tenant (and it will have at least fifteen (15) business days after delivery of the information required in Section 18,2), but Landlord may withhold its consent arbitrarily and in its sole discretion to any hypothecation, assignment for security purposes or other Transfer or to any requested assignment or sublease before Tenant has occupied and begun to conduct business in substantially all of the Premises, has confirmed in writing the correct Rent Commencement Dates and that it has accepted the Premises and Landlord's Work in ail respects, and Tenant has paid its first full month's rent for the Premises. Tenant agrees that Landlord's withholding of consent to a proposed sublease or assignment will be deemed reasonable if Tenant is in default or any of the other terms and conditions of this Article have not been complied with, or if any of the following conditions are not satisfied: (a) the Transfer does not violate any terms of this Lease, the subtenant or assignee will use the Premises only for the uses permitted in Section 1.1 (i) and otherwise in accordance with this Lease and such use will not increase the risk of possible contamination by hazardous substances in Landlord's reasonable judgment; (b) the subtenant or assignee is as reputable and creditworthy as Tenant and has the independent financial ability to perform the obligations of Tenant under this Lease (if the Transferee is an assignee) or its obligations under its sublease (if the Transferee is a sublessee) without undue financial burden in Landlord's reasonable judgment/and neither it nor its predecessors in interest is then subject to a bankruptcy or reorganization, or then has a receiver appointed to manage its affairs or in connection with any of its assets, or has been subject to material criminal judgments, sanctions, consent decrees or similar actions by the SEC or other governmental or quasi-governmental authorities; (c) the rent per square foot proposed to be payable by the Transferee is at least 85% of the rent then currently charged by Landlord for comparable space in the Project or under this Lease, whichever is greater; (d) if the Transfer is a sublease it must prohibit the Transferee and Tenant from exercising any right to extend, renew or lease additional space or exercising similar rights under this Lease; (e) Landlord's Mortgagees consent (if their consent is required); and (f) there will be no more than one sublease of the Premises and such sublease will be for the entire Premises. These conditions are not exclusive and Landlord may consider other factors reasonably deemed to be relevant in determining if Landlord should grant or reasonably withhold its consent.

18.4 No Release of Tenant. Whether or not Landlord consents, no Transfer will release or alter the liability of Tenant to pay rent and perform all of Tenants other obligations under this Lease. The acceptance of rent by Landlord from any person other than Tenant is not a waiver by Landlord, Consent to one Transfer will not be deemed to be consent to any subsequent Transfer. If Tenant or any Transferee defaults under this Lease, Landlord may proceed directly against the Transferee and/or against Tenant without proceeding or exhausting its remedies against the other. After any initial Transfer, Landlord may consent to subsequent Transfers of or amendments to or waivers under this Lease without notifying Tenant or any other person, without obtaining consent thereto, and without relieving Tenant of its Liabilities under this Lease (as it may be modified); provided, however, that if the initial Transfer is a sublease, Tenant will not be liable to the extent of any material increase in its obligations under this Lease by reason of such an amendment or subsequent Transfer unless Tenant consents to the amendment or subsequent Transfer in writing.

18.5 Additional Terms.

(a) This Article is binding on and will apply to every Transferee, at every level. The surrender of this Lease or its termination will not be a merger, but Landlord will have the right to terminate all subleases and the

occupancy rights of ail Transferees. Tenant will promptly deliver to Landlord copies of all executed Transfer documents, ail collateral agreements and all later amendments. Tenant will pay Landlord's reasonable out-of-pocket attorneys' fees and other costs in connection with any request for Landlord's consent to a Transfer. A listing of any name other than Tenant's name on the doors or wails of the Premises, on the Building directory or elsewhere in the Project will not be deemed to be an actual or implied consent by Landlord to any sublease, assignment, occupancy or other Transfer nor constitute a waiver of Landlord's right to withhold consent to any Transfer or any other rights and remedies of Landlord.

(b) A Transferee (which for these purposes will exclude any permitted sublessee but will include any assignee by contract, foreclosure, operation of law or otherwise) will be deemed to have assumed all of Tenant's obligations and Liabilities under this Lease (all of which will be deemed to run with the land) and will be deemed to be bound by this Lease, and Tenant and the Transferee will indemnify Landlord and hold it harmless from all Liabilities in connection with the Transfer. To confirm the foregoing, a prospective Transferee (other than a permitted sublessee) will be required to execute and deliver to Landlord an unconditional written assumption of Tenant's Liabilities under this Lease and an unconditional written indemnity as described above, and Tenant and the Transferee will be deemed to be jointly and severally liable for all Liabilities of the tenant under this Lease and any existing and future amendments thereto (although such a written assumption will not be required to establish the full liability of the Transferee for all of Tenant's Liabilities under this Lease). Notwithstanding anything to the contrary in a sublease, each sublease will be deemed to include and incorporate the following provisions: it will be subject and subordinate to this Lease in all respects, and all restrictions and limitations on and obligations of Tenant under this Lease (except with respect to the payment of rent and the length of the term) are incorporated into the sublease; the subtenant will represent that it has reviewed and approved all of the terms of this Lease; any Alterations that require Landlord's consent under this Lease also will require Landlord's consent under the sublease; Tenant and the subtenant will indemnify Landlord and hold it harmless from alt Liabilities in connection with the sublease; the subtenant wilt acquire no rights or claims against Landlord or its Affiliates and will not have the right to exercise any of Tenant's rights or options to renew, extend or (ease additional space in the Project, or any other rights and remedies under this Lease against Landlord; the subtenant will maintain the same insurance as is required to be maintained by Tenant under this Lease endorsed in the same manner to Landlord and its designees, and on their on behalf and on behalf of their insurers, the subtenant and its Affiliates waive subrogation, and they waive, and discharge Landlord and its Affiliates from, all claims in connection with any Liabilities incurred by subtenant or its Affiliates in connection with the sublease, the Premises, or the rest of the Project; there will be no privity of contract or estate between the subtenant and Landlord (except if and to the extent necessary to permit Landlord to enforce its rights and remedies); the subtenant will not have the right or power to further Transfer its subleased space or any interest in the sublease or that space or to amend the requirements in this Lease that are incorporated into the sublease; material amendments to the sublease will require Landlord's prior written approval, which will not be unreasonably withheld or delayed, except that Landlord may arbitrarily withhold its consent to any amendments that conflict with or require changes or waivers of any of the terms of this Lease or that extend the term of the sublease beyond the term of this Lease; Tenant and subtenant will concurrently deliver to Landlord copies of any notices of default or breach or similar notices sent or received by them; and If this Lease terminates pursuant to its terms or by reason of default, operation of law, or agreement between Landlord and Tenant, or Landlord rightfully reenters or repossesses the Premises, Landlord wilt have the right and power (but not the obligation) to terminate the sublease without any incurring any Liabilities (all of which are hereby waived by Tenant, the subtenant and their respective Affiliates), or at its option, permit the sublease to continue with Landlord becoming the sublessor thereunder, in which case the subtenant will attorn to Landlord, but Landlord will not be liable for Tenant's acts or omissions, or any claims, defenses or offsets against or obligations of Tenant, nor will it be bound by any material amendment to the sublease or any amendment that would conflict with or require changes or waivers of this Lease made without Landlord's prior written consent. By entering into a sublease, Tenant and the sublessee agree that if the sublessee breaches an obligation under its sublease which would also constitute a default by Tenant under this Lease if not cured within applicable grace periods, it will be a default under this Lease and then Landlord will have all of the rights and remedies against the subtenant that is also has against Tenant for such a default. Without limiting the generality of the foregoing, Landlord will be permitted (by assignment of the cause of action or otherwise) to join the Tenant in any action or proceeding against subtenant or to proceed against the subtenant directly in the name of Tenant to enforce these rights and remedies. Tenant and subtenant will cooperate with Landlord and execute such documents as may be reasonably necessary to implement the terms, rights and remedies set forth in this Article 18, including, without limitation, including them explicitly or incorporating them by written reference in the sublease at Landlord's election. The exercise of these rights and remedies will not constitute an election of remedies and will not in any way impair Landlord's right to pursue other

or similar rights and remedies directly against Tenant, nor will the grant or exercise of these rights or remedies result in the subtenant acquiring any rights or claims against Landlord or its Affiliates. Tenant and its Affiliates will not, without Landlord's prior written consent, directly or indirectly assign, sublease or otherwise Transfer to, take an assignment, sublease or other Transfer from, or otherwise occupy premises leased to, any then-current tenants of the Project (or any person that was a tenant of the Project within the 6-month period prior to Tenant's request for approval (or any of their Affiliates), nor any person(or any of his Affiliates) to whom Landlord has shown space in the Project or with whom Landlord has negotiated to lease space in the Project within the 6-month period prior to Tenant's request for approval, and any attempt to do so will be null and void and a default. For purposes of the previous sentence, the "Project" refers to and includes the area and buildings commonly known as Minuteman Park (in which the Project is located) in Andover, Massachusetts. Transferees will not have the right or power to make further Transfers, and any attempt to do so will be null and void and a default unless otherwise specifically elected by Landlord in writing. As a material inducement to Landlord to enter into this Lease, Tenant agrees to make each prospective Transferee aware of the terms of this Article and will deliver to each prospective Transferee a true and correct copy of this Lease prior to any Transfer, and each document of assignment, sublease or other Transfer, at every level, will Include or explicitly incorporate the terms of this Article. To fully enforce the terms of this Article 18, Landlord may require reasonable confirming agreements for its protection from Tenant and the Transferee, each of whom agrees to promptly execute and deliver such agreements.

(c) If Tenant is a corporation, partnership, association or limited liability company, the Transfer of fifty percent (50%) or more of Tenant's capital stock, partnership interests, or interests in the association or limited liability company to any person or entity or affiliated persons or entities, or any dissolution, merger, consolidation or other reorganization of Tenant, or the Transfer of all or substantially all of Tenant's assets, whether directly or indirectly, by sale, conveyance, withdrawal or otherwise, or by one or more transactions (other than by unrelated transactions on a public exchange, such as the NYSE or NASDAQ or if shares are issued as fair and reasonable consideration for a bona fide venture capital financing of Tenant that is not a subterfuge to avoid the provisions of this Article), will deemed to be an attempted assignment of this Lease and subject to all of the terms of this Article and the rest of this Lease and the other or surviving party will be deemed to be a prospective assignee. However, an assignment or sublease (or a deemed assignment as described in the previous sentence) by Tenant to its parent corporation or wholly-owned subsidiary, or to an entity that acquires all or substantially all of Tenant's assets, or to an entity into which Tenant is merged or consolidated, will be deemed to be a permitted assignment or sublease, as applicable, where Landlord's consent is not required, provided that it is a bona-fide transaction and not a subterfuge to avoid the consent provisions of this Lease, the rest of this Article is complied with, the Transferee has a net worth, credit rating and financial capability at least equal to Tenant's when Tenant executed this Lease or at the time of the proposed Transfer (for each category, whichever is greater, as certified by Tenant and the other applicable entity and as evidenced by financial statements audited by an independent CPA, or if audited financials are unavailable, then reviewed and certified by an independent CPA), and the Transferee first unconditionally assumes in writing for Landlord's benefit all of Tenant's Liabilities under this Lease.

19. MORTGAGEE PROTECTION.

19.1 Subordination and Attornment. This Lease is subordinate to at! Superior Leases and Mortgages existing on this date, and Tenant will attorn to each person or entity that succeeds to Landlord's interest under this Lease, and if requested to confirm a subordination and/or attornment, Tenant will execute the standard-form subordination and attornment agreements furnished by the existing Landlord's Mortgagees within fifteen (15) days after request. These subordination and attornment provisions will also apply for the benefit of subsequent Landlord's Mortgagees, provided that they agree in writing not to disturb Tenant's rights under this Lease if Tenant is not in default, and at the request of those Landlord's Mortgagees, Tenant will execute the subordination, non-disturbance and attornment agreements provided by those Landlord's Mortgagees to provide for the foregoing if those agreements are not materially more adverse to Tenant with respect to Tenant's material and substantive rights under this Lease than the form in Exhibit "H" hereto. However, if a Landlord's Mortgagee elects in writing, this Lease will be superior to the Superior Leases and Mortgages specified, regardless of the date of recording, and Tenant will execute an agreement confirming this election on request.

19.2 Mortgagee's Liability. The obligations and Liabilities of Landlord, Landlord's Mortgagees or their successors under this Lease will exist only if and for so long as each of these respective parties owns fee title to the Project or is the lessee under a ground lease of the Project, Tenant will be liable to Landlord's Mortgagees or their

successors if any of those parties become the owner of the Project for any base rent paid more than thirty (30) days in advance except to the extent that such rent is actually received by the Mortgagee. Landlord's Mortgagees and their successors will not be liable for: (a) acts or omissions of prior owners; (b) the return of any security deposit not delivered to them; or (c) amendments to this Lease made without their consent (if their consent is required under a Superior Lease or Mortgage).

19.3 Mortgagee's Right to Cure. Notwithstanding anything to the contrary, no act or omission (if any) which otherwise might entitle Tenant under the terms of this Lease or otherwise to be released from any Lease obligations or to terminate this Lease (other than a valid termination by Tenant following a casualty or Condemnation in accordance with Section 16.2(b) or Article 17, respectively) or to make a claim against the owner of the Project will result in or permit such a release, termination or claim unless the act or omission is a material obligation of Landlord under this Lease, Tenant first gives written notice of the act or omission to Landlord and Landlord's Mortgagees of which Tenant has actual knowledge and those parties then fail to correct or cure the act or omission within a reasonable time thereafter (which will not be less than seventy-five (75) days). Nothing in this Section or the rest of this Lease obligates those parties to correct or cure any act or omission or is meant to imply that Tenant has the right to be released from its obligations or terminate or claim under this Lease unless that right is explicitly granted elsewhere in this Lease, and if not so granted those rights are irrevocably waived.

20. ESTOPPEL CERTIFICATES.

Within fifteen (15) days after request by either party, the other party will execute and deliver an estoppel certificate in form satisfactory to the requesting party or its designees which will certify (except as may be truthfully and accurately noted) such information concerning this Lease and associated matters as the requesting party or its designees may reasonably request.

21. DEFAULT.

The occurrence of one or more of the following events will be a default by Tenant under this Lease: (a) If there ever is a Guaranty of any of Tenant's Liabilities under this Lease, a default by a Guarantor thereunder; (b) the failure to pay rent or any other required amount within ten (10) days after written notice that the payment is due, although no such prior written notice will be required if Tenant is late more than twice in any twelve-month period; (c) as provided in Articles 23 (Exhibit "F") and 25; (d) a Transferor attempted Transfer in violation of Article 18; (e) Tenant's failure to maintain its required insurance policies within five (5) days after Tenant becomes aware (by notice or otherwise) that one or more of its insurance policies have lapsed; (f) [Intentionally Omitted]; or (g) Tenant's failure to observe or perform any other obligation, term or condition within the time period specified in this Lease, and if no time period is specified, it wilt be a default if this failure continues for thirty (30) days after written notice from Landlord to Tenant, but if more than thirty (30) days reasonably are required to cure, Tenant will not be in default if Tenant begins to cure within the thirty (30)-day period and then diligently completes the cure as soon as possible but in any case within ninety (90) days after the notice of default is given (in the case of repair or maintenance required under Section 12.2, this cure period may be extended by delays to the extent resulting from force majeure, but the aggregate cure period will not exceed one hundred eighty (180) days. The term "default" or "Tenant default" or similar wording as used in this Lease means a default as defined in this Section 21, but notwithstanding the foregoing or anything else to the contrary, if there is an Event of Bankruptcy as described in Article 23 (Exhibit "F"), Tenant will still be deemed to have been and to be in default if it fails to pay or perform its obligations under this Lease as and when required even if Landlord does not deliver or is prevented from delivering a notice of such failure.

22. REMEDIES FOR DEFAULT.

22.1 General. If Tenant defaults, Landlord may at any time thereafter, with or without notice or demand, choose any or alt of the following remedies or pursue any other right or remedy now or hereafter available to Landlord under this Lease or at law or in equity:

(a) At Landlord's written election the following amounts will become immediately due and payable in advance.

(i) The unpaid rent which has accrued and would have accrued up to the date of payment, plus late charges, plus interest from the dates such rent was due to the date of payment at the Default Rate; plus

(ii) The whole balance of unpaid rent which would have become due had this Lease continued for the balance of the term (discounted to the date of payment at the rate of seven percent (7%) per annum); plus

(iii) The reasonable costs of enforcing the terms of this Lease, including, without limitation, costs for attorneys' fees, investigations and performing Tenant's obligations as necessary, and/or

(b) Landlord may terminate this Lease by written notice to Tenant. If Landlord elects to terminate this Lease under the provisions of this Section, Landlord may recover from Tenant a judgment and Tenant will be liable for damages computed in accordance with the following formula, in addition to Landlord's other remedies:

(i) The unpaid rent which has accrued and would have accrued up to the time of judgment, plus late charges, plus interest from the dates such rent was due to the date of the judgment at the Default Rate; plus

(ii) The amount by which the whole balance of unpaid rent which would have become due had this Lease continued for the balance of the term after the date of judgment (discounted to the date of payment at the rate of seven percent (7%) per annum) exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided (also discounted at the rate of 7% per annum). Tenant will have the burden of proving the amount of rental loss that reasonably could have been avoided, which Tenant agrees will never be more than the scheduled net rental to be received by Landlord until the expiration of the term of this Lease from any reletting of the Premises entered into by Landlord at the time (discounted at the rate of 7% per annum, and excluding from such net rental utility charges and other charges, if any, that must be remitted by Landlord to any governmental or quasi-governmental authority); plus

(iii) The reasonable costs of enforcing the terms of this Lease, repossessing, repairing, altering, performing tenant improvements to and reletting the Premises, reasonable marketing, brokerage and attorneys' fees and costs, and any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease and/or which in the ordinary course would be likely to result therefrom; plus

(iv) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted by applicable Laws.

Notwithstanding the foregoing, to avoid a duplication of payments, if Landlord has actually received payment in full of all accelerated rent for the Lease term and the other amounts as described in Section 22.1(a) above, it cannot thereafter also receive additional amounts under this Section 22.1(b), and/or

(c) Subject to the terms of this Lease, Landlord or Its designees may, without further notice or demand but otherwise subject to law, enter the Premises without being guilty of trespass and without incurring (and Tenant hereby waives) Liabilities for damages for such entry or for the manner thereof, for the purpose of distraint or execution and/or to take possession of the Premises, and/or to terminate Tenant's right of possession and/or to expel Tenant and its Affiliates and remove their property, and/or

(d) Landlord may enforce this Lease in accordance with its terms and Tenant will continue to be responsible for all charges as and when they become due, and/or

(e) After reentry, retaking or recovering of the Premises, on terminating this Lease, but without limiting Landlord's acceleration right or other rights and remedies, Landlord may (but will not be obligated to) relet the Premises or any part(s) thereof to such person(s) upon such terms as may in Landlord's sole discretion seem best

for a term within or beyond the term of this Lease. Any such reletting by Landlord before termination of this Lease will be for Tenant's account, and may be in Landlord's name or Tenant's name, and Tenant will remain liable for all rent and additional rent (including all charges and damages) due at the time of the reletting plus all of such amounts that otherwise would have been due under this Lease for the balance of the term absent any expiration, termination, repossession or reletting, plus all costs of the type described in Sections 22,1(b)(iii) and (iv), as accelerated or, if not accelerated, as they accrue. However, until this Lease expires or is terminated, each month Tenant will receive a credit against its obligations equal to the net rental proceeds (excluding utility charges or other charges, if any, that must be remitted by Landlord to any governmental or quasi-governmental authority), if any, actually paid to Landlord in that month by the party or parties to whom the Premises were relet, but this credit will never be more than the amounts owed by Tenant to Landlord for that month. Further, after a default, Tenant, for itself and its successors and assigns, hereby irrevocably constitutes and appoints Landlord as Tenant's agent to collect the rents due and to become due from all sublessees and Transferees and apply the same to the rent due hereunder without in any way affecting Tenant's obligation to pay any unpaid balance of rent due or to become due hereunder.

Tenant waives the right under any Laws to any notice to remove or quit and any and all rights of redemption or similar rights regardless of the circumstances, and any rights or claims against Landlord or its Affiliates in connection with any loss, theft, damage or destruction of property owned or leased by Tenant or its Affiliates. For the purposes of computing any rent due hereunder, the amounts of additional rent which would have been payable per year under this Lease will be such amounts as were or would have been payable as specified in this Lease or, if not specified, as reasonably estimated by Landlord (in either case without the benefit of any abatement to which Tenant may have been entitled) for the calendar year in which the default occurred, Increasing annually on the first day of each calendar year thereafter at the rate of seven percent (7%) per annum, cumulative and compounded. As used in this Article, the "term" means the initial term of this Lease and any renewals or extensions to which Tenant will have become bound prior to the default.

22.2 Remedies Cumulative. All remedies available to Landlord hereunder and at law and in equity will be cumulative and concurrent No termination of this Lease nor taking or recovering possession of the Premises will deprive Landlord of any remedies or actions against Tenant for rent, for charges or for damages for the breach of any covenant, agreement or condition, nor will the bringing of any such action for rent, charges or breach, nor the resort to any other remedy or right for the recovery of rent, charges or damages for such breach be construed as a waiver or release of the right to insist upon the forfeiture and to obtain possession. No reentering or taking possession of the Premises, or making of repairs, alterations or improvements thereto, or reletting thereof, will be construed as an election by Landlord to terminate this Lease unless specific written notice of such election is given by Landlord to Tenant.

22.3 Performance by Landlord. If Tenant defaults or fails to perform any of its obligations under this Lease, Landlord, without waiving or curing the default or failure, may, but will not be obligated to, perform Tenants obligations for the account and at the expense of Tenant Notwithstanding Article 21, in the case of an emergency or to prevent damage or injury or protect health, safety or property, Landlord need not give any notice before performing Tenant's obligations, although Landlord will give notice to Tenant within a reasonable time thereafter. Tenant will pay on demand all costs and expenses reasonably incurred by Landlord in connection with Landlord's performance of Tenant's obligations, and Tenant will indemnify Landlord for and hold Landlord harmless from all Liabilities incurred by Landlord in connection therewith.

22.4 Post-Judgment Interest. The amount of any judgment obtained by Landlord against Tenant in any legal proceeding arising out of Tenant's default under this Lease will bear interest until paid at the Bank of America prime rate plus three percent (3%), or the maximum rate permitted by law, whichever is less (the "Default Rate"). Notwithstanding anything to the contrary contained in any Laws, with respect to any damages that are certain or ascertainable by calculation, interest wit! accrue from the day that the right to the damages vests in Landlord, and in the case of any unliquidated claim, interest will accrue from the day the claim arose.

23. BANKRUPTCY. [SEE EXHIBIT "F"]

24. GENERAL PROVISIONS.

24.1 Holding Over. Tenant will not hold over in the Premises after the end of the Lease term without the express prior written consent of Landlord. Tenant will indemnify Landlord for, and hold Landlord harmless from, any and all Liabilities arising out of or in connection with any holding over, including, without limitation, any claims made by any succeeding tenant and any loss of rent suffered by Landlord, If, despite this express agreement, any tenancy is created by Tenant's holding over, except as specifically set forth in the next sentence the tenancy will be a tenancy at sufferance terminable immediately at Landlord's sole option on written notice to Tenant, but otherwise subject to the terms of this Lease, except that the most recent annual base rent will be increased by fifty percent (50%), Tenant will have no rights to lease any additional space in the Project or extend the term, and notwithstanding anything to the contrary Landlord will incur no Liabilities of any type to Tenant or its Affiliates during any holdover period, all of such Liabilities hereby being waived by Tenant. Nothing in this Article or elsewhere in this Lease permits Tenant to hold over or in any way limits Landlord's other rights and remedies if Tenant holds over.

24.2 Entry by Landlord.

(a) Subject to the terms of this Section 24.2(a), Landlord and its Affiliates at all times have the right to enter the Premises, and Landlord will retain (or be given by Tenant) keys to unlock all the doors to or within the Premises, excluding doors to Tenant's vaults and files and Tenant's limited high-security areas. Landlord in good faith will attempt to give Tenant oral or written notice at least one (1) day prior to entering the Premises and will use commercially reasonable efforts to avoid disturbing or interfering with the conduct of Tenant's business by such entry more than is reasonably necessary under these circumstances. But, Landlord need not give notice and will have the right to use any means necessary to enter the Premises if Landlord believes there is an emergency or that entry is necessary to prevent damage or injury or protect health, safety or property, although Landlord still will attempt to avoid disturbing or interfering with the conduct of Tenant's business by such entry more than is reasonably necessary under these circumstances (although Tenant acknowledges that emergency situations may result in material interference). Entry to the Premises and the exercise of Landlord's rights will not, under any circumstances, be deemed to be a default, a forcible or unlawful entry into or a detainer of the Premises or an eviction of Tenant from the Premises or any portion thereof, nor will it subject Landlord to any Liabilities or entitle Tenant to any compensation, abatement of rent or other rights and remedies.

(b) [Intentionally Omitted]

24.3 Brokers. Tenant and Landlord each represents and warrants that it has not employed or engaged any agent, broker, finder or other person who is or might be entitled to a commission or other fee from the other in connection with this Lease, and each of them will indemnify the other and its Affiliates for, and defend and hold them harmless from, any Liabilities incurred in connection with any breach or inaccuracy in its representation or warranty.

24.4 Quiet Enjoyment. So long as Tenant pays all rent and performs its other obligations as required, Tenant may quietly enjoy the Premises without hindrance or molestation by Landlord or any person lawfully claiming through or under Landlord, subject to the terms of this Lease and the terms of any Superior Leases and Mortgages, and all other agreements or matters of record or to which this Lease is subordinate.

24.5 Security. Tenant is solely responsible for providing security for the Premises and Tenant's personnel. Without limiting the generality of this Article, Tenant agrees that although Landlord now provides and now intends to continue to provide limited security for the Project: (a) Landlord may, but will not be required to, supply security personnel and systems for the Premises, the Outside Area or the rest of the Project and remove or restrain unauthorized persons and prevent unauthorized acts; (b) Landlord will incur no Liabilities for failing to provide security personnel or systems or, if provided, for acts, omissions or malfunctions of the security personnel or systems (and all of such Liabilities are hereby waived by Tenant); and (c) Landlord and its Affiliates make no representations or warranties of any kind in connection with the security or safety of the Premises, the Outside Area or the rest of the Project.

24.6 Obligations; Successors; Recordation. If Tenant consists of more than one person or entity, the obligations and liabilities of those persons or entities are joint and several. Subject to the terms of this Lease, time is of the essence of this Lease. Subject to the restrictions in Article 18, this Lease inures to the benefit of and binds Landlord, Tenant and their respective successors and assigns. Tenant will not have the right or power to record a notice, abstract or memorandum of this Lease or any portion thereof, except that Tenant may, at its cost, record a notice of this Lease, but only if recordation is statutorily required in order to protect Tenant's rights hereunder against third parties. This notice will contain only the minimum information statutorily required and its form will be subject to Landlord's prior written approval, which will not be unreasonably withheld, conditioned or delayed, and such a notice will be promptly executed and delivered by Landlord. Tenant will provide Landlord with a copy of the recorded notice promptly after it is received. Prior to and as a condition to recording this notice, Tenant will deliver to Landlord an executed termination in recordable form sufficient in Landlord's reasonable judgment to terminate this notice and remove it from record title. Landlord will have the right to record this termination only when this Lease expires or otherwise terminates.

24.7 Late Charges. If any rent or other amounts payable by Tenant are not received within ten (10) days after the due date, Tenant will pay to Landlord on demand a late charge equal to three percent (3%) of the overdue amount, and if not received within ten (10) days after notice, the amounts also will bear interest from the due date until paid at the Default Rate. Collection of these late charges and interest will not: be a waiver or cure of Tenant's default or failure to perform; be deemed to be liquidated damages, an invalid penalty or an election of remedies; or prevent Landlord from exercising any other rights and remedies.

24.8 Accord and Satisfaction. Neither endorsements nor statements on any check or any letter accompanying any check or payment, nor payment by Tenant or acceptance by Landlord of less than the full amount of rent or any other amount due, will be binding on Landlord nor will they be deemed to be a waiver, settlement, or accord and satisfaction. Amounts received by Landlord will be deemed to be on account of amounts due and may be applied in such order and to such obligations as Landlord determines in its sole discretion. Landlord may accept any check or payment without prejudice to any of Landlord's rights and remedies, including, without limitation, the right to recover the full amount due.

24.9 Prior Agreements; Amendments; Waiver. This Lease is an integrated document and contains all of the agreements, conditions, representations and warranties and other terms between the parties in connection with the Project or the leasing of the Premises or any other parts of the Project or any other matter covered or mentioned in this Lease, and supersedes all prior agreements or understandings. This Lease may not be amended except by an agreement in writing signed and delivered by the parties. Except as may be specifically set forth in this Lease, ail waivers must be in writing. Landlord will not be bound by any purported waiver (including, without limitation, any purported waiver in connection with a Transfer) unless the waiver is in writing, specifies the obligation, term, condition, act, omission, or agreement to be waived, and is executed and delivered by Landlord, and for example (but not by way of limitation), Landlord's acceptance of less than the full amount of rent due, acceptance of funds from any other source, collection of a late charge, application of a security deposit, failure to notify, failure to pursue rights and remedies, or failure to insist on strict performance will not be a waiver, whether or not Landlord has knowledge of a breach or default and regardless of the passage of time or continuation of conduct. Landlord's waiver of any obligation, term, condition, act, omission, or agreement will not be deemed to be a waiver of any other, or subsequent, obligation, term, condition, act, omission, or agreement, whether similar or dissimilar, nor of any of Landlord's rights and remedies.

24.10 Representations; Inability to Perform. Tenant is not relying on and was not induced to sign this Lease as a result of any statements, information, projections, representations or warranties of any kind, express or implied, with respect to the Premises, the Project or this transaction, and instead Tenant entered into this Lease based on its own independent investigation and assessment. Landlord will not be in default nor incur any Liabilities if it can't fulfil! any of its obligations, or is delayed in doing so, because of accidents, breakage, strike, labor troubles, war, sabotage, governmental regulations or controls, inability to obtain materials or services, acts of God, or any other cause, whether similar or dissimilar, beyond Landlord's reasonable control (sometimes referred to as "force majeure").

24.11 Legal Proceedings. In any action or proceeding involving or relating in any way to this Lease, the court or other person or entity having jurisdiction in such action or proceeding will award to the party in whose favor judgment is entered the actual attorneys' fees and costs incurred. Tenant also will indemnify Landlord for, and hold Landlord harmless from and against, all Liabilities incurred by Landlord if Landlord becomes or is made a party to

any proceeding or action: (a) involving Tenant and any third party, or by or against any person holding any interest under or using the Premises by license of or agreement with Tenant; or (b) necessary to protect Landlord's interest under this Lease in a proceeding under the Bankruptcy Code that involves Tenant or its Affiliates. Unless prohibited by law, Tenant and Landlord each waives the right to trial by jury in all actions involving or related to this Lease, the Project or any collateral or subsequent agreements between the parties, and Tenant waives any right to impose a counterclaim in any proceeding brought for possession of the Premises as a result of Tenant's default (although Tenant will retain whatever rights it may have to bring a separate claim against Landlord and will have the right to interpose compulsory counterclaims that cannot be brought in a separate action and that would be irrevocably lost if not brought in the action for possession). Tenant and Landlord each also submits to and agrees not to contest the sole and exclusive jurisdiction of the state and federal courts located in Massachusetts to adjudicate ail matters in connection with this Lease and agrees that it will bring all suits and actions only in such Massachusetts courts and not to seek a change of venue. Service on any one or more of the individuals comprising Tenant will conclusively be deemed service on all of those individuals. In any circumstance where a party is obligated to indemnify or hold harmless the other party under this Lease, that obligation also will run in favor of the other party's partners, and the other party's and its partners' respective shareholders, directors, officers, employees, agents, and affiliated entities (collectively, the "Indemnified Affiliates" of a party), and will include the obligation to protect the other party and its Indemnified Affiliates, and defend them with counsel acceptable to the other party or, at the other party's election, the other party and its indemnified Affiliates may employ their own counsel and the indemnifying party will pay when due all attorneys' fees and costs, The property manager(s) will be deemed to be one of the Indemnified Affiliates of Landlord. These obligations to indemnify, hold harmless, protect and defend will survive the expiration or termination of this Lease.

24.12 Ownership; Invalidity; Remedies; Choice of Law. As used in this Lease, the term "Landlord" means only the current owner or owners of the fee title to the Premises. Upon each conveyance (whether voluntary or involuntary) of fee title, the conveying party wilt be relieved of all Liabilities and obligations contained in or derived from this Lease or arising out of any act, occurrence or omission occurring after the date of such conveyance. Landlord may Transfer all or any portion of its interests in this Lease, the Premises, or the Project without affecting Tenant's obligations and Liabilities under this Lease. Tenant has no right, title or interest in the name of the Building or the Project, and may use these names only to identify its location. Any provision of this Lease which is invalid, void or illegal will not affect, impair or invalidate any of the other provisions and the other provisions will remain in full force and effect. Landlord's rights and remedies are cumulative and not exclusive. This Lease is governed by the laws of Massachusetts applicable to transactions to be performed wholly therein.

24.13 Expense; Consent. Unless otherwise provided in this Lease, a party's obligation will be performed at that party's sole cost and expense, except when Landlord is performing Tenant's obligations because of Tenant's default or failure to perform or as otherwise permitted in this Lease. Landlord has agreed in a number of instances in this Lease to consent, approve or exercise its judgment reasonably. Therefore, to avoid potential misunderstandings, except where it is expressly provided that Landlord will not unreasonably withhold its consent or approval or exercise its judgment reasonably, Landlord may grant or withhold its consent or approval and exercise its judgment arbitrarily and in its sole and absolute discretion. In any dispute involving Landlord's withholding of consent or exercise of judgment, the sole right and remedy of Tenant and its Affiliates is declaratory relief (i.e., that such consent should be granted), and Tenant and its Affiliates waive ail other rights and remedies, including, without limitation, claims for damages.

24.14 Presumptions; Exhibits; Submission; Net Lease. This Lease will be construed without regard to any presumption or other rule requiring construction or interpretation against the party drafting the document The titles to the Articles and Sections of this Lease are not a part of this Lease and will have no effect on its construction or interpretation. Whenever required by the context of this Lease, the singular includes the plural and the plural includes the singular, and the masculine, feminine and neuter genders each include the others, and the word "person" includes individuals, corporations, partnerships or other entities. All exhibits, addenda and riders attached to this Lease are incorporated in this Lease by this reference. The submission of this Lease to Tenant or its broker, agent or attorney for review or signature is not an offer to Tenant to lease the Premises or the grant of an option to lease to Premises. This Lease will not be binding unless and until it is executed and delivered by both Landlord and Tenant. This Lease is intended to be a completely "triple net" lease, unless specifically otherwise provided in this Lease.

24.15 Cooperation. Tenant will cooperate reasonably with Landlord in connection with this Lease, Landlord's ownership, operation, management, improvement, maintenance and repair of the Premises and the rest of

the Project, and Landlord's exercise of its rights and obligations under this Lease, if necessary, this cooperation will include, without limitation, moving machinery or equipment within the Premises and allowing Landlord sufficient space within the Premises to enable Landlord to perform any work that Landlord is required or has the right to perform under this Lease.****

24.16 Notices. Unless otherwise specified in this Lease, ail notices, demands or communications required or permitted under this Lease ("Notices") will be in writing and will be delivered in person, by recognized overnight national courier (such as Federal Express or the equivalent), by certified mail, return receipt requested, postage prepaid, or by telecopy (and if delivered by telecopy, a copy of the Notice also must be sent by one of the other methods above within one (1) business day thereafter). Before Tenant takes occupancy of the Premises, Notices to Tenant will be delivered to the address for Tenant in Section 1.1. After Tenant takes occupancy of the Premises, Notices to Tenant will be delivered to the address of the Premises (or such other address as Tenant may specify) and such other addresses as are listed in Section 1,1 as receiving copies of Notices to Tenant, if Tenant consists of one or more persons or entities, Notices to any one of them wilt be deemed Notices to ail of them. Notices to Landlord will be delivered to the addresses for Landlord in Section 1.1 and such other addresses as are listed in Section 1.1 as receiving copies of Notices to Landlord. A party may change the addresses to which Notices directed to it are to be delivered by written Notice to the other party in accordance with these terms. Notices will be deemed given and received on the earlier of delivery or refusal to accept delivery, and if delivered by telecopy when receipt is confirmed electronically, provided that a copy is also delivered by one of the other methods described above as and when required.

24.17 Letter of Credit.

(a) Within five (5) days after the Building Permit Issue Date, Tenant will obtain and deliver to Landlord an irrevocable, clean, unconditional standby letter of credit in accordance with the terms and conditions of this Section 24.17 (the "Letter of Credit"). The Letter of Credit will be in the amount of Two Hundred Fifty Thousand Dollars ($260,000), will be issued initially by Fleet Bank, or if Tenant wishes or is required to replace the initial Letter of Credit, by a bank that meets the criteria in Section 24.17(d). The Letter of Credit will name the then-current Landlord (or, at Landlord's request from time to time, one or more then-current lenders to Landlord) as the beneficiary thereof, will have an initial term of at least one (1) year, will renew automatically unless Landlord receives written notice from the issuer at least thirty (30) days prior to its expiration, and with renewals will expire no earlier than sixty (60) days after the expiration date of the Lease. Tenant will renew or replace the Letter of Credit in accordance with this Section 24.17 at least thirty (30) days prior to its expiration. The form and content of the Letter of Credit will be as set forth in this Section 24.17 and otherwise as may be acceptable to the beneficiary thereof. The beneficiary will have the right to draw under the Letter of Credit on one or more occasions from time to time (either total or partial draws) and in accordance with the terms hereof simply upon presentation to the issuer of a sight draft executed by the beneficiary or its authorized representative requesting payment and without further condition or certification, and the issuer will pay upon presentation of such draft without deduction or offset of any type. The Letter of Credit will be assignable in whole but not in part, and at Landlord's request from time to time, it will be reissued in favor of a new beneficiary in accordance with the terms of this Lease.

(b) If Tenant defaults or fails to pay or perform its Liabilities under this Section 24.17 or the rest of this Lease as and when required (including, without limitation, failing to renew or replace the Letter of Credit as and when required), the beneficiary thereafter may, but will not be obligated to, draw under the Letter of Credit on one or more occasions and hold or apply the proceeds thereof to any amounts owed and/or damages incurred or resulting therefrom and/or in such other manner or order as the beneficiary may determine in its sole discretion, and the beneficiary's draw(s) under or failure to draw down all or any portion of the Letter of Credit in any particular instance will not be deemed to be a waiver or election of any rights and remedies of any type of Landlord or the beneficiary, a limitation on Landlord's or the beneficiary's right to damages or the amount thereof, a payment of liquidated damages or an accord or satisfaction. Notwithstanding the foregoing, the beneficiary may not apply the proceeds of the Letter of Credit in amounts materially in excess of the damages actually or reasonably expected to be incurred by the beneficiary (but the parties specifically agree that the beneficiary's rights to draw under and/or apply the proceeds of the Letter of Credit will not be subject to any stays, "caps" or limitations on damages in the Bankruptcy Code or otherwise affected by an Event of Bankruptcy).

(c) If any portion of the Letter of Credit is drawn on, Tenant will within ten (10) days after written notice either; deposit cash with Landlord so that the combination of cash and the undrawn portion of the Letter

of Credit equal the original amount of the Letter of Credit; or cause the Letter of Credit to be reinstated or reissued so that the amount thereof equals the original amount of the Letter of Credit, if the Letter of Credit has not been drawn on and Tenant is not in default and has not committed an act or omission that with the passage of time or the giving of notice (or both) would constitute a default, Tenant may at its cost reduce the face amount of the Letter of Credit to One Hundred Twenty-five Thousand Dollars ($125,000) if prior thereto; (i) Tenant has met the following financial criteria for one full calendar year: revenue (excluding venture or other funding) of at least $73.8 Million; cost of goods sold not exceeding 29% of revenue; operating expenses not exceeding 38% of revenue; and operating income of at least $25 Million and at least 34% of revenue; and (ii) Tenant delivers to Landlord: financial statements prepared in accordance with GAAP and audited by an independent certified public accountant showing that these financial criteria have been met; and an unconditional written certification from such accountant and Tenant's President or CFO certifying that these financial criteria have been met.

(d) Tenant will promptly cause the Letter of Credit to be replaced by a Letter of Credit issued by another recognized United States money-center bank in good standing with a branch located in the Boston, Massachusetts metropolitan area of the United States that meets the financial criteria described below and is otherwise reasonably acceptable to the beneficiary; (i) on demand by the beneficiary if the issuer ever fails to meet the financial criterion described below; or (ii) if Tenant wishes to replace the Letter of Credit with a Letter of Credit issued by another bank. The financial criteria referred to above are the issuer's maintenance of credit quality ratings from Fitch, Inc., Moody's and Standard & Poor's at least equal to those enjoyed by the initial issuer of the Letter of Credit when the Letter of Credit was initially issued. Tenant will be responsible for documenting such compliance if required. The beneficiary will have the immediate right thereon and thereafter to draw under the Letter of Credit for all or arty portion thereof if the Letter of Credit is not replaced as and when required by an issuer meeting the financial criterion referred to above. Tenant will be solely responsible for all costs in connection with any issuance, reissuance, reinstatement, assignment, modification, transfer or renewal of the Letter of Credit in accordance with this Section.

24.18 Other Defined Terms.

(a) "Affiliates'' means: partners, directors, officers, shareholders, agents, employees, parents, subsidiaries, affiliated parties, licensees, concessionaires, contractors, subcontractors, successors, assigns, subtenants, and representatives.

(b) [intentionally Omitted]

(c) "Landlord's Mortgagees" means the lessors or mortgagees under the Superior Leases and Mortgagees and their successors and assigns. Landlord represents and warrants that when this Lease was executed there was no Landlord's Mortgagee.

(d) "Laws" means; all applicable laws, codes, decisions, ordinances, rules, regulations, licenses, permits, approvals and directives of legislative, judicial, quasi-judicial, governmental or quasi-governmental agencies, authorities or officers , including, without limitation, those relating to building and safety, fire prevention, health, energy conservation, hazardous substances and environmental protection.

(e) "Liabilities" means: all costs, damages, claims, injuries, liabilities and judgments, including, without limitation, reasonable attorneys' fees and costs (whether or not suit is commenced or judgment entered).

(f) "Superior Leases and Mortgages" means all present and future ground leases, underlying leases, mortgages, deeds of trust or other encumbrances, and all renewals, modifications, consolidations, replacements or extensions thereof and advances made thereunder, affecting all or any portion of the Premises or the Project.

(g) "Systems and Equipment" means; when used generally, all HVAC, plumbing, mechanical, electrical, lighting, water, gas, sewer, safety, sanitary and any other utility or service facilities, systems and equipment, and all associated pipes, ducts, poles, stacks, chases, conduits, wires and facilities; and when used specifically, a specified installation or type of equipment or utility service and all associated pipes, ducts, poles, stacks, chases, conduits, wires and facilities.

25. HAZARDOUS SUBSTANCES.

Without limiting the generality of any portion of this Lease, Tenant and its Affiliates will:

(a) Not store, handle, transport, use, process, generate, discharge, dispose of or remediate any hazardous, toxic, corrosive, dangerous, explosive, flammable or noxious substances, gasses or waste, as now or hereafter defined under any applicable Laws or otherwise, including, without limitation, animal, biological or chemical products, byproducts or waste products (collectively, "hazardous substances"), from, in or about the Premises or the rest of the Project, or create any release or threat of release of any hazardous substances except strictly in accordance with applicable Laws and the terms of this Article, Subject to compliance with the terms of this Article, the rest of this Lease, and all applicable Laws, Landlord also consents to the installation by Tenant, at its sole cost and risk, of a standby generator and the storage and use of fuel therefor in the location shown in Exhibit A. Notwithstanding anything to the contrary, unless otherwise agreed by Landlord in writing, Tenant will remove the standby generator, any fuel storage tanks and all associated Systems and Equipment on or before the expiration or earlier termination of this Lease, and Tenant, and not Landlord, will be responsible for, and will Indemnify and defend Landlord and its Affiliates for and hold them harmless from, all costs, expenses and other Liabilities.in connection with the standby generator, any fuel and fuel storage tanks and all associated Systems and Equipment, including, without limitation, permits, design, installation, removal, operation, maintenance, repair, utilities, insurance, taxes and other costs and fees, and any necessary alterations or improvements to the Building in connection therewith. If Tenant or its Affiliates fail to comply with the foregoing or the rest of this Article, or if Landlord reasonably and in good faith believes that Tenant or its Affiliates have failed to comply or that their actions or omissions likely will lead to noncompliance, in addition to any other rights and remedies of Landlord (all of which are cumulative and not exclusive), Tenant and its Affiliates immediately will cease the acts or omissions and at Landlord's written request take such actions as may be required by Laws and as Landlord reasonably may direct to cure or prevent the problem. Tenant and its Affiliates will comply fully with all Laws and insurance requirements in connection with or related to hazardous substances, whether now or hereafter existing, including, without limitation, CERCLA, SARA, RCRA, TSCA, CWA, Chapter 21E of Massachusetts General Laws and any other Laws promulgated by the EPA, OSHA or Commonwealth of Massachusetts.

(b) Immediately pay, and indemnify Landlord for and hold Landlord harmless from, all Liabilities in connection with or arising directly or indirectly from any breach by Tenant or its Affiliates of their obligations in this Article and/or any Liabilities incurred by Landlord as a result of or in connection with the handling, transportation, use, processing, generation, discharge or disposal of any hazardous substances by or on behalf of Tenant or its Affiliates, including, without limitation, reasonable attorneys* fees and costs and the costs of any of the following, if required by Landlord, applicable Laws or insurance requirements, or if otherwise undertaken by Tenant: any "response actions" or "responses"; any surveys, "audits", inspections, tests, reports or procedures reasonably deemed necessary or desirable by Landlord or governmental or quasi-governmental authorities to determine the existence or scope of any hazardous substances or Tenant's compliance with this Article, and any actions recommended to be taken in connection therewith; compliance with any applicable Laws and insurance requirements; any requirements, directives or plans for the prevention, containment, processing, storage, clean-up, remediation or disposal of hazardous substances; the release and discharge of any resulting liens; and any other injury or damage. On the expiration or earlier termination of this Lease, Tenant will leave the Premises free of hazardous substances, except to the extent that such hazardous substances are present in the Premises as of the date hereof.

(c) Immediately deliver to Landlord copies of any material notices, information, reports, and communications of any type received or given in connection with hazardous substances, including, without limitation, notices of violation and settlement actions from or with governmental or quasi-governmental authorities, reports from Tenant's engineers or consultants, and the results of any analyses conducted by or for Tenant. Tenant specifically grants Landlord the right to participate in all discussions and meetings regarding actual or potential violations, settlements or abatements.

Tenant's failure to comply with the requirements of this Article within five (5) days after Tenant becomes aware of a breach or a potential breach (whether because of written notice or otherwise) will be a material default under this Lease. AH of Tenant's obligations under this Article will survive the expiration or earlier termination of this Lease.

[Signatures on Next Page]

IN WITNESS WHEREOF, intending to be legally bound, each party has executed this Lease as a sealed instrument as of the date first set forth above on the date specified below next to its signature.

Executed: June 25, , 2004

"LANDLORD"

30 MINUTEMAN LIMITED PARTNERSHIP, a Massachusetts limited partnership

WITNESS;

By: Niuna-30 Minuteman, Inc., general partner

/s/ David Miller
Name Printed: David Miller

By: /s/ John Kusmiersky
Name: John Kusmiersky
Title: President
Authorized Signatory

Executed: June 23, , 2004

"TENANT"

TRANSMEDICS, INC., A Delaware corporation

WITNESS;

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: President & CEO
Authorized Signatory

/s/ Jon C. Trachtenberg
Name Printed:

EXHIBIT "A"

SITE PLAN OF PROTECT WITH PARKING
30 MINUTE MAN ROAD
ANDOVER* MASSACHUSETTS

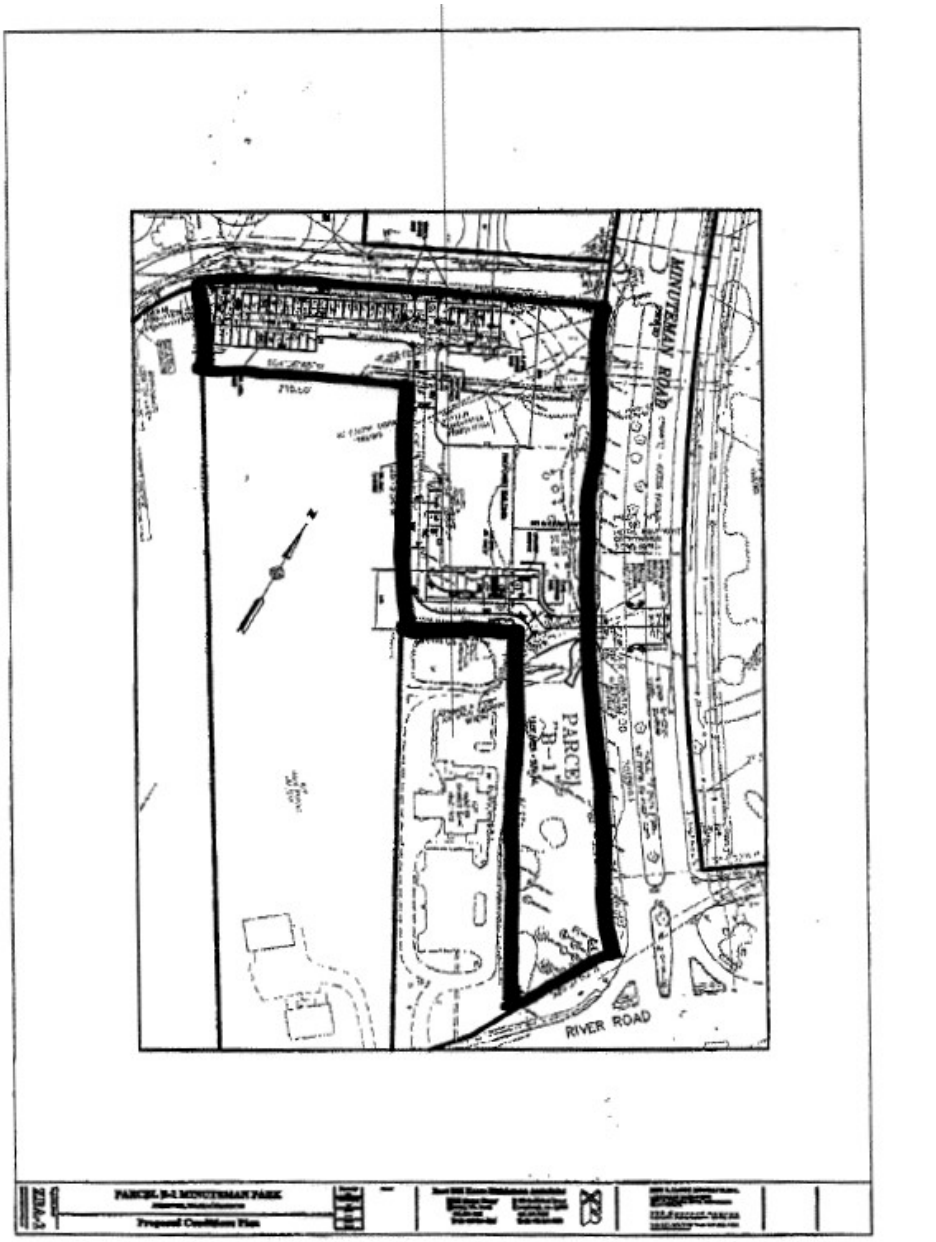


EXHIBIT "A"
SITE PLAN OF PROJECT WITH PARKING

EXHIBIT “B”

[Intentionally Omitted]

EXHIBIT “C”

WORKLETTER

1. General Conditions.

1.1 “Landlord’s Work” means all labor, services, materials, systems and equipment, installation and hookups, and ail necessary modifications thereto or occasioned thereby, and all required permits, licenses, approvals and compliance work necessary to perform and construct the work specified as being “Landlord’s Work” in this Workletter and the attachments hereto for Tenant’s initial occupancy of the Premises. Landlord will diligently perform Landlord’s Work in a good and workmanlike manner subject to and in compliance with applicable Laws, the terms of this Workletter and the rest of this Lease. Notwithstanding the foregoing or anything else to the contrary, Landlord’s Work will not include the purchase, alteration, installation or hookup of any computer, data, audio/visual, telecommunications or similar systems or equipment or cabling or any Tenant’s Property (including, without limitation, any workstations owned by Tenant).

1.2 “Tenant’s Work” means ail labor, services, materials, systems and equipment, installations, hookups, alterations, modifications, required permits, licenses, approvals and compliance work to or for the Premises or the rest of the Project other than Landlord’s Work. Tenant will perform Tenant’s Work at Tenant’s sole cost and expense, diligently and in a good and workmanlike manner, subject to and in compliance with applicable Laws, the terms of this Workletter and the rest of this Lease. Tenant will indemnify Landlord for ail Liabilities resulting from or in connection with Tenant’s Work. If Landlord’s Work is directly or indirectly actually delayed or made more expensive due to: any act or omission of Tenant or its Affiliates (including, without limitation, the performance of or failure to timely complete any aspect of Tenant’s Work, Tenant’s breach hereunder, modifications to Landlord’s Work requested by Tenant after the mutual approval of the Pinal Plans and Specifications if requested by Tenant and agreed to by Landlord, changes in the scope of Landlord’s Work as now set forth in the attachments to this Workletter if requested by Tenant and agreed to by Landlord, or the failure by Tenant or its representatives to approve submissions or submit or revise plans and specifications within five (5) business days or such shorter period set forth in Section 1.5 below, if applicable, or changes or inaccuracies in any of the foregoing, or Tenant’s failure to promptly pay any required amounts); or the inclusion in Landlord’s Work of “long lead” items or services that are not generic, base building installations for office buildings similar in size to the Building (e.g., that cannot reasonably be obtained in sufficient time to be incorporated in Landlord’s Work in the normal course of Landlord’s construction schedule where Tenant’s fails promptly to delete or substitute for those items or services), then Tenant will be responsible for any additional cost, and any delays (“Tenant Delays”), resulting therefrom. Substantial completion of Landlord’s Work will be deemed to have occurred when it would have occurred but for the Tenant Delays (and any Tenant Delays will be subtracted from the date of actual substantial completion in determining when substantial completion wilt be deemed to have occurred), and Tenant will pay to Landlord any additional cost for which Tenant is responsible as additional rent within fifteen (15) days after delivery of Landlord’s bills from time to time, A delay of fess than one day or a delay that does not actually delay the substantial completion of Landlord’s Work will not be deemed to be a Tenant Delay hereunder. Promptly after Landlord is notified by its contractor, Landlord will notify Tenant which items, if any, constitute “long lead” items as described above, and if there are any then Tenant will have the opportunity to substitute comparable items thereto.

1.3 Subject to the terms of this Workletter and the rest of the Lease, provided that Landlord’s Work is not interfered with or delayed, and with Landlord’s prior written consent, which will not be unreasonably withheld, Tenant and its contractors may have access to the Premises for the purpose of preparing the Premises for Tenant’s occupancy before Landlord’s Work has been substantially completed. Landlord and its representatives will control all scheduling and coordination of Landlord’s Work and Tenant’s Work and will attempt to amicably resolve any disputes that may arise. However, Tenant and its contractors will not materially interfere in any way with Landlord’s Work, or delay Landlord’s Work, and if there are any conflicts or disputes that are not amicably resolved, Landlord’s Work will have priority. After any entry by Tenant or its contractors, all of Tenant’s Lease obligations will be immediately effective except for the obligation to pay base rent, Taxes and Operating Costs. Without limiting the generality and applicability of the rest of this Workletter or this Lease, Tenant and its contractors will comply with Sections 13.3, 13.4 and 13.5 of this Lease.

1.4 When Tenant signs this Lease, it wilt, pursuant to written notice to Landlord, appoint a representative, at Tenant's sole cost and expense, who will be available to meet and consult with Landlord and its representatives on a continuing basis at the Premises concerning Landlord's Work and Tenant's Work, The appointed representative will be authorized to render prompt, binding decisions on behalf of Tenant as Tenant's agent in connection with issues involving Landlord's Work and Tenant's Work under this Lease, and Landlord will have the right to rely on those decisions.

1.5 Landlord will cause the proposed plans and specifications for Landlord's Work to be prepared in a diligent and commercially reasonable fashion and submitted for Tenant's review and approval, which wilt not be unreasonably withheld, delayed or conditioned, and which will be deemed granted unless Tenant delivers reasonable written changes to Landlord within five (5) business days after submission to Tenant. Tenant's changes, if any, will not increase or otherwise alter the scope of Landlord's Work as set forth in the attachments hereto, if Tenant submits these reasonable written changes as and when required, Landlord will be deemed to have approved those changes unless it notifies Tenant in writing within five (5) business days thereafter. If Landlord so notifies Tenant, the parties will continue the process described above (except that the response times will be reduced to three (3) business days) until they have reached agreement on the changes to Landlord's proposed plans and specifications. The proposed plans and specifications, together with the changes that the parties have agreed to or been deemed to have agreed to, are called the "Final Plans and Specifications." Notwithstanding anything to the contrary, if the parties are unable to reach agreement on the changes to Landlord's proposed plans and specifications within sixteen (16) business days after Landlord's initial submission thereof, the dates set forth in Sections 2(c) and 2(d) will be deemed increased day-for-day for each day thereafter until the parties have agreed or been deemed to have agreed to those changes as described above. Landlord's Work will substantially conform to the Final Plans and Specifications. The plans and specifications referred to above will be prepared by Burt Hill Kosar Rittelman Associates (architects), H.F. Lenz, Inc. (engineers) and John Crowe Associates (civil engineer), or such other Massachusetts licensed architects or engineers selected by Landlord, and the layout of Tenant's premises incorporated therein will substantially conform to the layout attached hereto as Exhibit "C-1." The general contractor will be a Massachusetts licensed and bondable general contractor selected by Landlord.

1.6 Tenant's Work performed by Tenant will also be performed in accordance with final plans and specifications first approved by Landlord in writing, which plans and specifications will be stamped and initially prepared (and subsequently modified, if modifications are required by Landlord) by a Massachusetts-licensed architect and engineer selected by Tenant and reasonably approved by Landlord; and by a Massachusetts-licensed and bondable general contractor selected by Tenant and reasonably approved by Landlord. Tenant's Work will be equivalent in fit, finish and quality to Landlord's Work, unless otherwise approved by Landlord, and must not affect the windows, the exterior of the Building, or any portion of the Building or the rest of the Project outside of the Premises; affect the strength, structural integrity or load-bearing capacity of any portion of the Building; or adversely affect the Systems and Equipment in the Premises or the rest of the Building. Subject to the foregoing and to their compliance with the rest of this Lease, Landlord will not unreasonably withhold or delay its approval of the Tenant's plans and specifications. Construction will commence promptly after such approvals and will be completed diligently by Tenant. Landlord will have approval over but no responsibility for the means and methods of Tenant's Work, and will have the right to inspect Tenant's Work and to reject work that does not comply with applicable Laws or this Lease. Landlord's review or approval of Tenant's plans, specifications, means or methods is solely for Landlord's benefit and will not be considered a representation or warranty to Tenant as to safety, adequacy, efficiency, compliance with Laws or any other matter, nor may Tenant rely thereon, and under all circumstances compliance will remain Tenant's responsibility.

2. Additional Terms.

The rest of this Workletter is attached hereto and incorporated herein.

EXHIBIT "C"- Continued "
WORKLETTER"

30 MINUTEMAN ROAD
ONE STORY NEW STRUCTURE
ANDOVER, MASSACHUSETTS

LANDLORD/TENANT SPLIT OF WORKLETTER RESPONSIBILITIES FOR TRANSMEDICS

June 10, 2004

B.1.0—GENERAL

This attachment to the Workletter is intended to show the division between the Landlord's Work (as described below) to be performed by Landlord at its cost, and the Tenant's Work, which includes the work described below, to be performed by Tenant at Tenant's cost. The Tenant's Work is defined in the Genera) Conditions of the Workletter to which this portion of the Workletter is attached, and the Tenant's Work includes any work not described under the "Base Building" work described below, and does not include the Landlord's Work described below. AH descriptions of the split between the Landlord's versus the Tenant's responsibilities with regard to HVAC, electrical, plumbing, fire suppression and fife safety systems are for the purposes of allocating costs and installation responsibilities. The Landlord will specify, purchase, install and balance (if applicable) all installations listed under the Landlord's Work heading. In order to ensure a coordinated system , any remaining systems that are to be specified and installed by the Tenant must be reasonably approved by the Landlord, as must any modifications or additions to the systems and equipment being installed as part of Landlord's Work. The Tenant is solely responsible for paying for and performing the Tenant's Work. However, the Landlord reasonably reserves the right to install the Tenant's Work (at the Tenant's reasonable cost) if it connects to or affects the Landlord's Work or any code-related or fife safety-related work.

The Tenant may request that the Landlord contract for all or part of the Tenant's Work, if the Landlord agrees, unless otherwise agreed by Landlord and Tenant in writing, this work will be deemed to be part of the Tenant's Work, and not part of the Landlord's Work, and will be done at the Tenant's sole cost, risk and liability, and the Landlord will have no cost, risk or liability. The Landlord will not be required to advance any funds for the Tenant's Work, and at the Landlord's election, the Tenant wilt deposit with Landlord In advance of the commencement of the work, or pay to the Landlord within ten (10) days after receipt of invoices from the Landlord, all costs (whether "hard" or "soft" costs) incurred or which may be due in connection with the Tenant's Work, including without limitation, costs for permits, design, drawing, architectural, engineering and drafting services, contractor's overhead and profit, labor, materials. Landlord will assign to Tenant all warranties on the Tenant's Work performed by Landlord, if any, to the extent that such warranties relate to moveable personal property of Tenant. Landlord will cooperate with Tenant in a commercially reasonable manner (although Landlord will not be required to file suit or become involved in any legal or administrative proceedings) in enforcing other warranties obtained in connection Landlord's Work, or Tenant's Work performed by Landlord, if any, to the extent that Tenant is required to maintain the items to which such warranties relate.

B.2.0—SITE IMPROVEMENTS

1. Landlord is responsible for the design and construction of the site improvements including new curb cuts, required surface parking service access, loading docks and landscaping.
2. Landlord will be responsible for the installation of a natural gas service to the building. Landlord's Site and Plumbing Contractors or Bay State Gas Company will install the gas service to the building. Additionally, Landlord will be responsible for a Natural Gas meter to be installed as part of Landlord's work. Tenant is responsible for contacting Bay State Gas Company and establishing a Natural Gas service contract for Tenant's gas usage.

B.2.0—SITE IMPROVEMENTS

1. If Tenant wishes to connect its telephone/data service between 200 Minuteman Road and 30 Minuteman Road (while Tenant is a tenant at both locations), Tenant will be responsible for all costs in connection therewith, including, without limitation, the primary electrical duct bank and the telephone duct bank and any other conduits, copper cabling, fiber optic cables, connections, etc., required to connect the building to the existing underground electric and telephone infrastructure at the north side of the building site.

3. Landlord will make available to Tenant existing underground telephone/fiber optic conduit system to allow Tenant to interface with 200 Minuteman Road while Tenant is a tenant at the Project and 200 Minuteman Road, subject to Tenant's obligations in Section B.2.0.

4. Subject to the other terms in this Section B.2.0, Landlord will be responsible for providing electricity, water and sewer to the Building.

B.3.0—STRUCTURE

1. Landlord will provide the building structure including structural steel columns, the on-grade reinforced concrete floor slabs and the roof deck.

B.4.0 – DEMOLITION

B.5.0—BUILDING EXTERIOR

1. Landlord will design and provide a building shell pursuant to the Final Plans and Specifications. The exterior building envelope will utilize a glass and aluminum curtain wall facade and glazing system, and entry canopy and vestibule. The west facade will utilize an insulated metal panel system with framed windows.

2. Landlord will provide a loading dock and dock leveler on the west side of the building.

B.6.0—HVAC (CENTRAL)

1. Landlord will provide the base building system, including the base building air handlers, the variable volume fan system, filter sections, insulated primary supply ducts, and hot water coil heaters for morning warm-up.

2. Landlord will provide controls associated with the operation of the base building roof-top mounted air handling units.

3. Landlord wilt provide the following HVAC upgrades for the Specialized Clinical Areas:

a. 11,000 CFM Rooftop Air Handling Unit
b. Exhaust fan and ductwork with low grilles for the Animal Run Area
c. Exhaust fan and ductwork with low grilles for the OR Areas
d. Analytical Lab hood exhaust fan, Tracking box, and associated duct work excluding the hood
e. 50 to 60 ton air cooled chiller, pumps, and piping
f. Steam Boiler and piping for humidifier
g. Hot Water boiler for AHU and Re-heat coils including piping and pumps
h. Ductwork, constant volume boxes, and laminar flow diffusers
i. Supplemental Building Automation Controls for items a through h

B.7.0—HVAC NOTES

1. The Landlord will provide HVAC system(s) in the Tenant office and common areas as further defined as follows:

a) Distribution duct-work, variable air volume boxes and/or diffusers in the interior spaces and fan powered boxes.

b) Controls for the above system.

B.3.0—STRUCTURE

N/A

B.4.0—DEMOLITION

N/A.

B.5.0—BUILDING EXTERIOR

N/A

B.7.0—HVAC (TENANT)

1. Tenant is responsible for all special Tenant HVAC equipment (other than that which is specifically provided by Landlord under this workletter) for specific space uses, including the animal runs, the surgical suites and operatories,

2. HVAC system(s) will include cooling and ventilation capacity sufficient to meet accepted design standards for the following:
* A density of one (1) occupant per 125 Gross usable square feet,
* One (1) thermostat control per 2,500 Square feet of Tenant usable floor area pursuant to the Final Plans and Specifications.
Additional control zones will be the Tenant's responsibility.
3. Landlord is to provide the basic HVAC distribution and control system(s) as Required by the Tenant's space plan.

B.8.0—ELECTRICAL

1. Landlord will provide base building central electrical equipment and distribution.
2. Landlord will provide conduit and wire for distribution through the building at 480 volts -3 phase to electric closets within the Tenant's space.
3. Landlord will make arrangements with Massachusetts Electric Company and Landlord's electrical contractor for a Utility provided electric Meter to be installed as part of Landlord's Work. Tenant is responsible for contacting Massachusetts Electric Company and establishing an electrical service contract for Tenant's power usage.
4. Landlord will provide emergency power by battery powered lights and exit signs as necessary for emergency lighting systems and exit signs required by code, such as exit-way lighting and signage and the emergency lighting within the Tenant's space.
5. Landlord will provide base building standard lighting and power as required for all spaces per the Tenant's program.

B.9.0—TELEPHONE AND DATA

1. Landlord will provide raceways for the Tenant supplied and installed telephone and data systems and a base building telephone room. Raceways may be through the metal studs of the gypsum drywall partitions, or in conduit(s) as required, with junction boxes and/or plaster rings.

B.10.0—FIRE SUPPRESSION

1. Landlord will provide a base building fire suppression system including central equipment, controls, piping, stand-pipe risers, hose valves, sprinkler distribution piping and sprinkler heads.

treatment rooms, perfusion labs and technical support spaces.

B.8.0—ELECTRICAL

11. Tenant is responsible for all special Tenant-related power and electrical requirements, specialty lighting and lighting systems and equipment for any functions related to the Tenant's business other than that which is specifically provided by Landlord under this workletter.)
2. Tenant is responsible for all electrical (and other) costs in connection with the Supplemental Standby Generator, including all equipment and installation.

B.9.0—TELEPHONE AND DATA

1. Tenant is responsible for the entire telephone system other than that which is defined under Base Building, including distribution from the existing base building telephone room, and for all of the Tenant's central and branch equipment, distribution panels, wiring, instruments, etc.
2. Tenant installed telephone, communications and data wiring shall be "plenum rated cable" when installed above the suspended acoustical ceiling systems.
3. Tenant is responsible for the fire-proofing of all floor and wall penetrating resulting from the work performed by the Tenant or its contractors.
4. Tenant is responsible for all telephone, data and communications wiring within the Tenant's systems furniture work-stations.

B.10.0—FIRE SUPPRESSION

1. Tenant is responsible for ail costs associated with the supply and installation of a specialty fire suppression system for any special areas, such as the laboratories, computer rooms or workshops, to the extent required.

2. Sprinkler heads in Tenant's area will be installed by Landlord in a regular grid configuration, located by installing straight vertical drops.
3. Sprinkler drops will not be centered in the room and/or ceiling tile, unless so directed by the Tenant, which will be at Tenant's cost. Landlord will coordinate sprinkler drops to avoid interference with the lighting pattern, HVAC diffusers and duct-work and other celling mounted devices that are being provided by the Landlord

B.11.0—LIFE SAFETY

1. Landlord will provide ail code required fire alarm systems and their associated risers, including the following:

* Central annunciator, distribution and control panels for smoke and heat detection, alarms, sprinkler supervised valves, flow switches and voice communications. The system will activate to the Town of Andover's new radio "Master Box'' alarm system.
* Installation of devices, including pull stations, smoke detectors and speaker/strobes within the Tenant space will be provided per code requirements.

B.12.0—PLUMBING

1. Landlord will provide new toilet rooms as required for a Building permit and Certificate of Occupancy based on actual estimated occupancy counts. System will provide fixtures, valves, cocks and piping.

2. Landlord will provide plumbing fixtures and fittings for one sink in a coffee station.
3. Landlord will provide domestic water system to the building.

B.13.0—FLOORING

1. Landlord will provide direct glue-down carpet and/or sheet vinyl or vinyl composition tile of comparable value, to be selected by Tenant. Landlord allowance for floor coverings is $18.00 per square yard, including freight, taxes and installation.
2. In areas to be carpeted, Landlord will provide carpet of a minimum 30oz cut pile or 28oz loop pile solution dyed nylon with static control Carpet to have a 10-year wear and anti-soil protection.
3. In areas to be vinyl, Landlord will provide a 4" vinyl base for all areas to receive sheet vinyl or VCT and a 4"carp.et base for areas receiving carpet. The carpet and/or vinyl base is in addition to the above-mentioned floor covering allowance.
4. Landlord will provide epoxy floors for a maximum of 3.0 square feet as required. Tenant will pay for any epoxy floors in excess of 3,000 square feet.

B.14.0—CEILINGS

1. Landlord will provide new building standard suspended acoustical tile ceilings for the areas requiring ceilings within Tenant's demised premises. Ceilings shall have 15/16" ceiling grid with "Armstrong Second Look" ceiling tiles, or equivalent, as selected by Tenant and approved by Landlord.

B.11.0—LIFE SAFETY

N/A

B.12.0—PLUMBING

1. Tenant is responsible for all special plumbing including reverse osmosis and de-ionized water treatment systems required for the Tenant non-office spaces and other special areas such as the Laboratories, surgical suites and technical support areas.
2. Tenant is responsible for the Edstrom Animal Watering System in the Animal Run Area.

B.13.0 -FLOORING

1. Tenant is responsible for all flooring costs in excess of the flooring allowance amount and the Landlord provided carpet and/or vinyl base

2. Tenant is responsible for all costs for any special base in excess of the costs for toe carpet and/or vinyl base provided by Landlord.

3. Tenant will be responsible for raised access flooring, if applicable at any ramp(s) and/or stairs at Tenant's specialty spaces.

4. Tenant is responsible for any specialty flooring, flooring coatings and sealants for specialty spaces, including epoxy floors in excess of the 3,000 square feet of epoxy floors to be provided by Landlord.

B.14.0—CEILINGS

1. In the event that Tenant elects to include ceilings other than the suspended acoustical tile ceilings as described in toe Landlord's Work in B.14.0, Tenant will be responsible for any and all costs in excess of the costs of the suspended

Ceiling heights will be as set forth in the Final Plans and Specifications.

B. 15.0—WALLS AND PARTITIONS

1. Landlord will construct all non-moveable wails/partitions within the Tenant's premises as required by the Tenant's space plan.

2. Interior walls/partitions will be taped, spackled and painted with one (1) primer coat and two (2) finish coats of the building standard paint in a color to be selected by Tenant. The demising wall shall be designed and installed by Landlord with an STC 52.

3. Demising wails between spaces will be taken to the height depicted in the Final Plans and Specifications and will be insulated with sound attenuation blanket insulation to achieve STC 52.

4. Partitions to receive sound attenuation with blanket insulation: Meeting Rooms and Labs.

5. Landlord will provide and install secondary gypsum drywall wall along perimeter of the building to provide visual screen from the exterior.

B.16.0—DOORS

1. Landlord will provide interior doors within Tenant's demised premises, which will be 3"-0" x 7"-0" solid core hardwood veneer doors within painted metal hollow frames, including building standard hardware, which will be installed in accordance with Tenant's space plan.

2. Landlord will provide an overhead rolling door at the loading dock.

B.17.0—SPECIALITIES

1. Landlord will provide and install core and base building signs as required by code. Landlord will place a granite sign outside of the Building with the address of the Building thereon.

2. Landlord will provide and install truck dock levelers.

B.18.0—SPECIAL LANDLORD CONST.

1. Landlord will furnish and install building standard vertical blinds for all exterior windows within the Tenant's premises.

2. Landlord will furnish and install 2 -0" x 7''0" glass sidelights within painted hollow metal frames at the offices/rooms in the locations and quantities shown on Tenant's space plan.

acoustical tile ceilings that would have been installed by Landlord.

B.15.0—WALLS AND PARTITIONS

1. Tenant is responsible for the cost above those covered by the Landlord's allowance for demising walls required between functions. This is to include any excess partition structure above the wail height depicted in the Final Plans and Specifications.

B.16.0—DOORS

1. In the event that Tenant elects to include special doors, or doors in addition to those to be provided by Landlord in B.16,0. Tenant will be responsible for any and all costs in excess of costs of the doors that would have been installed by Landlord.

2. If Tenant desires folding partitions in any meeting rooms, these partitions will be installed at Tenant's sole cost.

B.17.0—SPECIALITIES

1. Tenant is responsible for all Tenant specific identification signs, directories, etc., within Tenant's demised premises, except the signage to be delivered by Landlord at its cost as set forth in the Lease.

2. Tenant is responsible for ail costs related to the supply and Installation of a fume hood, as well as any supplemental electrical, HVAC and Exhaust air systems related to the fume hood.

3. Tenant is responsible for alt costs related to the EdstromWatering System in the animal run area.

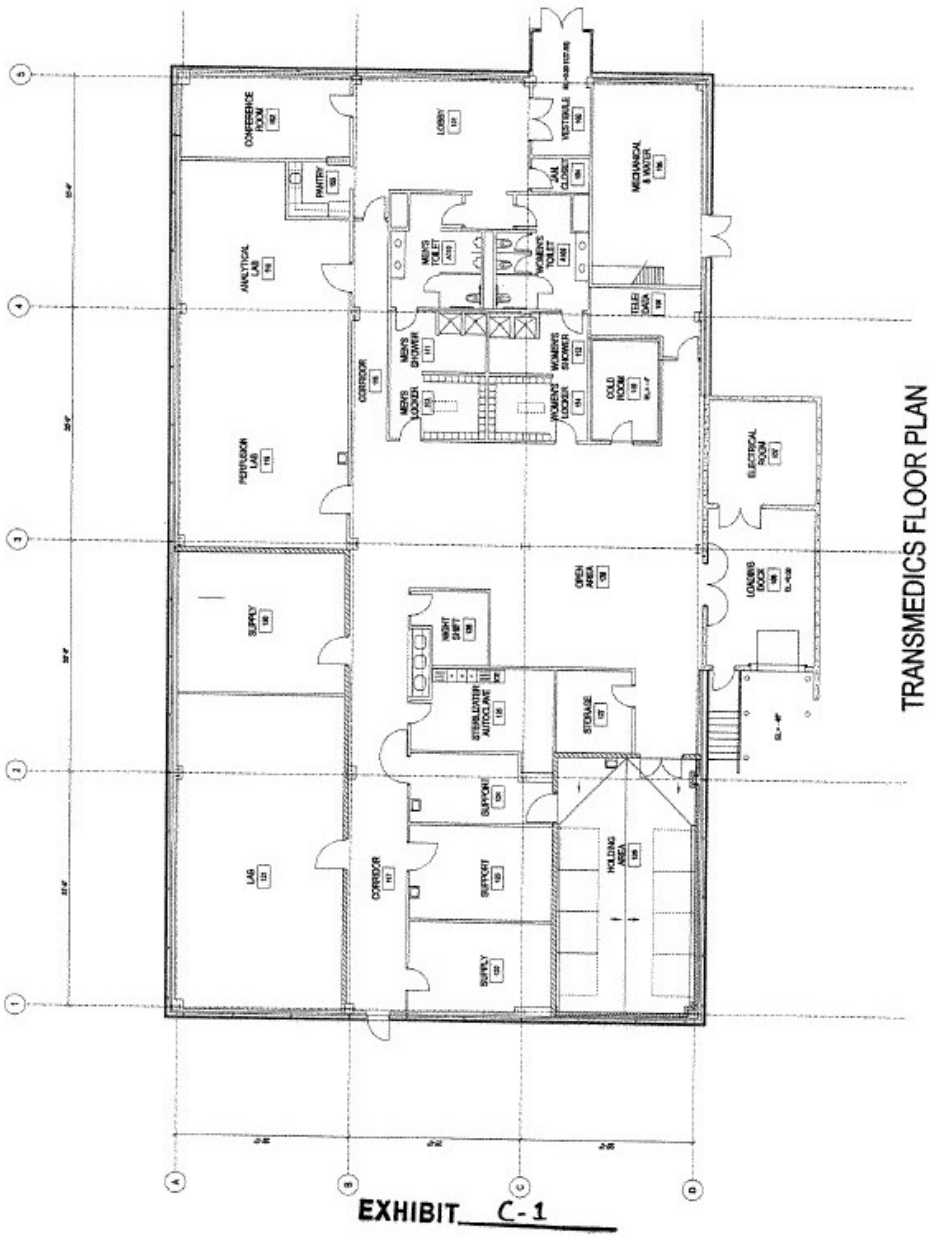
4. Tenant is responsible for all costs in the provision and installation of all RO and Di water Systems.

B.18.0—SPECIAL TENANT CONST.

1. Tenant is responsible for the supply and installation of all equipment, if applicable, within Tenant's specialty areas including Laboratories, Computer Room, and other special areas.

2. Tenant is responsible for the cost and installation of any Tenant Security System.

3. Landlord will furnish and install one (1) fire extinguisher within one (1) recessed cabinet for each 3,000 rentable square feet of Tenant's demised premises.	3. [Intentionally Omitted]
4. New plastic laminate window sills will be provided by Landlord at all windows, installed by Landlord.	4. Tenant is responsible for all utility charges after the Rent Commencement Date.
5. Landlord will pay for utilities prior to the Rent Commencement Date.	5. Tenant is responsible for ail costs in connection with systems and installations in connection with the care, housing, storage, treatment, use, and disposal of living or dead animals, animal parts or carcasses, biological waste products, and hazardous substances of any type, including, without limitation, any fuel used for Tenant's Standby Generator.



TRANSMEDICS FLOOR PLAN

EXHIBIT C-1

EXHIBIT “C-2”

TENANT ITEMS

B	**ADDITIONAL ELECTRICAL COSTS**	
	RTU FEEDER, CHILLER FEEDER, EXHAUST FAN FEEDERS, BIOLER ROOM ELECTRICAL	$ 7,500.00
	TOTAL	$ 7,500.00
C	**HVAC UPGRADES FOR CLINICAL SPECIALIZED AREAS**	
	11,000 CFM ROOF TOP UNIT	$ 55,000.00
	EXHAUST FAN AND DUCTWORK FOR ANIMAL RUN AREA (LOW EXHAUST GRILLES)	$ 6,000.00
	EXHAUST FAN AND DUCTWORK FOR OR AREAS (LOW EXHAUST GRILLES)	$ 8,700.00
	ANALYTICAL LAB HOOD EXHAUST FAN, TRACKING BOXES AND DUCTWORK EXCLUDES HOOD	$ 14,000.00
	50 - 60 TON AIR COOLED CHILLER, PUMPS	$ 55,000.00
	STEAM BOILER FOR HUMIDIFICATION AND PIPING	$ 15,000.00
	HOT WATER BOILER FOR ABU HEATING RTU, RE-HEATS, PUMPS AND PIPING	$ 40,000.00
	DUCTWORK, CONSTANT VOLUME BOXES, AND LAMINAR FLOW DIFFUSERS	$ 50,750,00
	CONTROLS	$ 25,000,00
	TOTAL	$ 269,450.00
D	**ADDITIONAL PLUMBING AND NATURAL GAS COSTS**	$ 45,950.00
E	**B+C+D**	$ 322,900.00

THIS ESTIMATE DOES NOT INCLUDE:

1. THE FUME HOOD IN THE ANALYTICAL LAB
2. EDSTROM WATERING SYSTEM IN THE ANIMAL RUNS AREA
3. RO OR DI WATER SYSTEMS WE HAVE INCLUDED FEEDS TO THESE SYSTEMS FROM THE DOMESTIC WATER SYSTEM
4. MASSACHUSETTS ELECTRIC COMPANY CHARGES
5. BAY STATE GAS COMPANY CHARGES
6. SUPPLEMENTAL STANDBY GENERATOR

EXHIBIT “D”

BASE RENT

The annual base rent for each Lease Year will be the applicable amount set forth below multiplied by the Rentable Area:

Until 7/1/2005	0
7/1/2005 - 6/30/2006	$10.00
7/1/2006 - 6/30/2007	10.00
7/1/2007 - 6/30/2008	20.39
7/1 /2008 - 6/30/2009	20.69
7/1/2009 - 6/30/2010	21.01
7/1/2010 - 6/30/2011	21.32
7/1/2011 - 6/30/2012	21.61
7/1/2012 - 6/30/2013	21.97
7/1/2013 - 6/30/2014	22.30
7/1/2014 - 12/31/2014	23.00
1/1/2015 - 6/30/2015	23.00*

*This assumes that the Lease has been extended pursuant to Addendum #1. If this Lease is extended, subject to the terms of Addendum #1, the annual base rent per square foot of Rentable Area payable pursuant to this Exhibit “D” will increase as of July 1, 2015 and as of each July 1 thereafter throughout the Lease term by one and one-half percent (1.5%) over the annual base rent per square foot of Rentable Area payable for the previous year.

EXHIBIT “E”

RULES AND REGULATIONS

1. Fire exits and stairways are for emergency use only, and they will not be used for any other purposes. Tenant will not encumber or obstruct, or permit the encumbrance or obstruction of or store or place any materials on any of the sidewalks, plazas, entrance, corridors, elevators, fire exits or stairways of the Project. The Landlord reserves the right to control and operate the Outside Area and access thereto in such manner as it reasonably deems best.

2. The exist of repairing any damage to the Outside Area caused by Tenant or its Affiliates will be paid by Tenant.

3. Any person whose presence in the Project at any time will, in the judgment of the Landlord, be prejudicial to the safety, character, reputation and interests of the Project may be denied access to the Project or may be ejected therefrom. In case of invasion, riot, public excitement or other commotion the Landlord may prevent all access to the Project or the Building during the continuance of the same, by closing the doors or otherwise, for the safety of the tenants and protection of property. The Landlord will in no way be liable to any tenant for damages or loss arising from the admission, exclusion or ejection of any person to or from Tenant’s premises or the Project under the provisions of this rule.

4. No awnings or other projections over or around the windows will be installed by Tenant and only such window blinds as are permitted by the Landlord will be used in Tenant’s premises.

5. Hand trucks will not be used in any space of the Building in the delivery or receipt of merchandise, except those equipped with rubber tires and side guards. Tenant will repair all damage to floors in the Premises caused by its use of material-handling equipment and, if requested by Landlord, Tenant will install at its expense suitable floor covering to protect the floors and will remove such floor covering (and repair any damage caused by the removal) at its expense at the expiration or earlier termination of this Lease. All air compressors, electric motors and other machinery and equipment will be shock-mounted so as not to transmit vibrations.

6. All entrance doors in Tenant’s premises will be kept locked when Tenant’s premises are not in use. Entrance doors will not be left open at any time. All windows in Tenant’s premises will be kept closed at all times and all blinds therein above the ground floor will be lowered when and as reasonably required because of the position of the sun, during the operation of the air conditioning system to cool or ventilate the tenant’s premises.

7. Nothing will be done or permitted in Tenant’s premises which would impair or interfere with any of the Systems or Equipment or the proper and economic servicing of the Building or the Premises, nor will there be installed by Tenant any Systems or Equipment or other equipment of any kind which, in Landlord’s judgment, could result in such impairment or interference, if necessary in Landlord’s judgment, Landlord may install, relocate, remove, use, maintain, repair and replace Systems and Equipment within or serving the Tenant’s premises or other parts of the Project, and perform other work and alterations within the Tenant’s premises. Tenant waives any rights or claims against Landlord or its Affiliates in connection with any loss, theft, damage or destruction of property owned or leased by Tenant or its Affiliates.

8. Whenever Tenant will submit to Landlord any plan, agreement or other document for Landlord’s consent or approval, such tenant agrees to pay Landlord as additional rent, on demand, a processing fee in a sum equal to the reasonable out-of-pocket fees payable to any architect, contractor, engineer and attorney employed by Landlord to review said plan, agreement or document. Within fifteen (15) days after Landlord’s request from time to time, Tenant will deliver to Landlord Tenant’s financial statements, including a balance sheet, income statements and bank references.

9. [INTENTIONALLY OMITTED]

10. No signs, advertisements, notice or other lettering will be exhibited, inscribed, painted or affixed by Tenant on any part of the outside or inside the premises or the Building without the prior written consent of Landlord

or as otherwise are specifically permitted under this Lease. The Tenant will cause the exterior of any permitted sign to be kept clean, properly maintained and in good order and repair throughout the term of its lease. In the event of the violation of the foregoing by Tenant, Landlord may remove the same without any liability, and may charge the expense incurred by such removal to Tenant. Landlord will have the right to prohibit any advertising by Tenant which impairs the reputation of the Building or the Project, and upon written notice from Landlord, Tenant will refrain from or discontinue such advertising.

11. [Intentionally Omitted]

12. If the premises become infested with vermin, Tenant, at its sole cost and expense, will cause its premises to be exterminated, from time to time, to the satisfaction of Landlord, and will employ such exterminators therefor as will be approved by Landlord.

13. All movers used by Tenant will be appropriately licensed and will maintain reasonable insurance coverage (proof of such coverage will be delivered to Landlord prior to movers providing service in and throughout the Building). Tenant will protect the premises and the rest of the Building from damage or soiling by Tenant's movers and contractors and will pay for the reasonable cost of extra cleaning or replacement or repairs by reason of Tenant's failure to do so.

14. The premises will not be used for lodging or sleeping (other than for the housing of animals in accordance with this Lease) or for any immoral or illegal purposes.

EXHIBIT “F

BANKRUPTCY PROVISIONS

This Article is incorporated into the Lease as Article 23:

23. BANKRUPTCY OR INSOLVENCY.

23.1 Tenant’s Interest Not Transferable. Neither Tenant’s interest in this Lease nor any estate hereby created in Tenant nor any interest herein or therein will pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law except as may specifically be provided pursuant to the Bankruptcy Code, 11 U.S.C. Section 101 et see, (the “Bankruptcy Code”).

23.2 Default and Termination. If:

(a) Tenant or Tenant’s Guarantor, if any, or its executors, administrators, or assigns, admit in writing its inability to pay its debts, or will make a general assignment for the benefit of creditors; or

(b) Tenant or Tenants Guarantor, if any, will commence any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or

(c) Tenant or Tenant’s Guarantor, if any, will take any corporate, partnership or other action to authorize or in furtherance of any of the actions set forth above in subsection (a) or (b); or

(d) Any case, proceeding or other action against Tenant or Tenant’s Guarantor, if any, will be commenced seeking to have an order for relief entered against it as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action: results in the entry of an order for relief against it which is not fully stayed within seven (7) business days after the entry thereof; or remains undismissed for a period of sixty (60) days, then it will be a default hereunder and this Lease and all rights of Tenant hereunder will automatically cease and terminate as if the date of such event were the original expiration date of this Lease and Tenant will vacate and surrender the Premises but will remain liable as herein provided.

Any of the foregoing are sometimes called an “Event of Bankruptcy” under this Lease,

23.3 Rights and Obligations Under the Bankruptcy Code.

(a) Upon the filing of a petition by or against Tenant under the Bankruptcy Code, Tenant, as debtor and as debtor in possession, and any trustee who may be appointed agree as follows: (i) to perform all obligations of Tenant under this Lease, including, but not limited to, the covenants regarding the operations and uses of the Premises until such time as this Lease is either rejected or assumed by order of the United States Bankruptcy Court; (ii) to pay monthly in advance on the first day of each month as reasonable compensation for use and occupancy of the Premises an amount equal to all base rent and other rent otherwise due pursuant to this Lease; (iii) to reject or assume this Lease within sixty (60) days of the filing of a petition under any Chapter of the Bankruptcy Code or under any Law relating to bankruptcy, insolvency, reorganization or relief of debtors (any such rejection being deemed an automatic termination of this Lease); (iv) to give Landlord at least thirty (30) days prior written notice of any proceeding relating to any assumption of this Lease; (v) to give at least thirty (30) days prior written notice of any abandonment of the Premises (any such abandonment being deemed a rejection and automatic termination of this Lease); (vi) to do all other things of benefit to Landlord otherwise required under the Bankruptcy Code or under any Law relating to bankruptcy, insolvency, reorganization or relief of debtors; (vii) to be deemed to have rejected this Lease in the event

of the failure to comply with any of the above; and (viii) to have consented to the entry of an order by an appropriate United States Bankruptcy Court providing ail of the above, waiving notice and hearing of the entry of same.

(b) No default under this Lease by Tenant, either prior to or subsequent to the filing of such petition, will be deemed to have been waived unless expressly done so in writing by Landlord.

(c) Included within and in addition to any other conditions or obligations imposed upon Tenant or its successor in the event of assumption and/or assignment are the following: (i) the cure of any monetary defaults and the reimbursement of pecuniary loss by the time of the entry of the order approving such assumption and/or assignment (pecuniary loss will include, without limitation, any attorneys' fees and costs and expert witness fees incurred by Landlord in protecting its rights under this Lease, including representation of Landlord in any proceeding commenced under the Bankruptcy Code or under any Law relating to bankruptcy, insolvency, reorganization or relief of debtor); (ii) the deposit of an additional sum equal to three (3) months* base rent; (iii) the use of the Premises only as set forth in this Lease; (iv) the reorganized debtor or assignee of such debtor in possession or of Tenant's trustee demonstrates in writing that it has sufficient background including, but not limited to, substantial experience in operating businesses in the manner contemplated in this Lease and meet all other reasonable criteria of Landlord as did Tenant upon execution of this Lease; (v) meet all other criteria of 11 U.S.C. Section 365(b)(3); and (v) the prior written consent of any mortgagee to which this Lease has been assigned as collateral security; and (vi) the Premises at all times remains a single unit and no Alterations or physical changes of any kind may be made unless in compliance with the applicable provisions of this Lease.

(d) Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code will be deemed without further act or deed to have assumed all of the obligations arising under this Lease on or after the date of such assignment, Any such assignee will upon demand execute and deliver to Landlord an instrument confirming such assumption.

23.4 Construction. The terms of this Article will be in addition to, but not exclusive of, any rights or remedies of Landlord in Article 22 and elsewhere in this Lease or otherwise available at law or in equity, and will not be deemed to limit Landlord, except as may be required by law.

EXHIBIT G

[INTENTIONALLY OMITTED]

EXHIBIT H

Loan No. 00110496

SUBORDINATION, NON-DISTURBANCE

AND ATTORNMENT AGREEMENT

THIS AGREEMENT made as of this ____ day of _____, 2004, between GENERAL AMERICAN LIFE INSURANCE COMPANY, a Missouri corporation ("Lender") and TRANSMEDICS, INC., a Delaware corporation ("Tenant")

RECITALS:

WHEREAS, Tenant has entered into that certain Lease dated _____, 2004 (the "Lease") for premises ("Premises") located at 200 Minuteman Road, Andover, Essex County, Massachusetts, all as more particularly described in the Lease.

WHEREAS, Lender is die holder of a Mortgage and Security Agreement ("Mortgage") between 200 MINUTEMAN LIMITED PARTNERSHIP, a Massachusetts limited partnership ("Landlord"), and Lender, dated 12/22/1998 and recorded on 12/23/1998 with the Recorder of Deeds for Essex County, Massachusetts, as Instrument No. 44048, encumbering certain property more particularly described in the Mortgage ("Property"), and a Collateral Assignment of Leases and Rents between the same parties, dated 12/22/1998 and recorded on 12/23/1998 with the Recorder of Deeds for Essex County, Massachusetts, as Instrument No. 44049 ("Assignment"), assigning the Lease. Both the Mortgage and the Assignment secure a loan or loans evidenced by a Promissory Note from Landlord to Lender dated 12/22/1998.

WHEREAS, Each party hereto has requested that the other party enter into this Agreement.

AGREEMENTS:

NOW, THEREFORE, in consideration of the above Recitals and the agreements of the parties set forth below, and for One Dollar ($1.00) and other good and valuable consideration, the parties hereto agree as follows:

1. [Intentionally Omitted]

2. Lease Subordinate to Mortgage. The Lease and each and every term and each and every condition thereof, and any extensions, renewals, replacements or modifications thereof, and all of the right, title and interest of Tenant in and to the Premises are and shall be subject and subordinate to the Mortgage and the Assignment and to all of the terms and conditions contained therein, all advances made or to be made thereunder, and to any renewals, modifications, supplements, replacements, consolidations, increases or extensions thereof.

3. Nondisturbance. Lender agrees that in the event of foreclosure of the Mortgage or other enforcement of the terms and conditions of the Mortgage or the exercise by Lender of its rights under the Assignment or in the event Lender comes into possession or acquires title to the Premises as a result of foreclosure or the threat thereof, or as a result of any other means, such action:

(a) shall not result in either a termination of the Lease or a diminution or impairment of any of the rights (except as set forth below) or in an increase in any of Tenant's obligations under the Lease, including but not limited to provisions in the Lease dealing with condemnation, fire and other casualties, so long as Tenant is not in default in the payment of any monetary obligation or performance of any material non-monetary term or condition of the Lease beyond any applicable grace period and continues to observe and perform all of Tenant's obligations under the Lease; and

(b) [INTENTIONALLY OMITTED]

4. Attornment. Tenant agrees with Lender that if the interest of Landlord in the Premises shall be transferred to Lender by reason of foreclosure or other proceedings, or by any other manner or m the event of a foreclosure sale of the Premises to any other person, firm or corporation, then m any of said events, Tenant shall be bound to Lender or such purchaser grantee or other successor to Landlord's interest ("Successor Landlord") under all of the terms, covenants and conditions of the Lease for the balance of the term remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease with the same force and effect as if the Successor Landlord were the landlord under the Lease! Tenant does hereby agree to attorn to the Successor Landlord.

5. Successor Landlord. Tenant agrees that a Successor Landlord shall not be:

(a) liable for any act or omission of any Prior landlord under the Lease, except to the extent such acts or omissions continue after Successor Landlord becomes landlord under the Lease (unless Successor Landlord does not have the legal capacity or authority to take corrective action with any such acts or omissions);

(b) bound by any base rent or additional rent which Tenant may have paid for more than the current or next succeeding month to any prior landlord;

(c) subject to any offsets or defenses which Tenant might be entitled to assert against any prior landlord;

(d) bound by any amendment or modification made without Lender's consent;

(e) responsible for the return of any security deposit delivered to Landlord under the Lease and not subsequently received by Successor Landlord;

(f) liable for any obligations, payments or liabilities owing in connection with the Letter of Credit obtained by Tenant pursuant to the terms of the Lease unless actually received by Successor Landlord; or

(g) liable for any tenant improvement work, leasing commissions, or any other expenses incurred by or on behalf of Tenant.

6. Notice by Tenant. Tenant will notify Lender of any default of Landlord under the Lease which Tenant believes would entitle it to cancel the Lease or abate the base rent or additional rent payable thereunder, and agrees that no notice of cancellation thereof nor any such rent abatement shall be effective against Lender unless Lender has received the notice aforesaid and has fitted to cure the default within the longer of thirty (30) days after such notice or such period of tone following such notice as Landlord has to cure the default which gives rise to such alleged right cancellation or abatement ("Lender Cure Period"); however, to the extent the Landlord's default pertains to a nonmonetary obligation which cannot be cured by Lender without being in possession of the Property, the Lender Cure Period shall be extended by the period of time necessary to enable Lender to obtain possession of the Property (which may include a suit to foreclose the Mortgage), provided Lender uses reasonable diligence to so obtain possession, provided further, however, that in no event shall such period of time exceed one hundred eighty (180) days All such notices shall be in writing and delivered personally or deposited in the United States mail, certified or registered, postage prepaid, addressed as follows:

General American Life Insurance Company
700 Market Street
St, Louis, MO 63101
Attention: Mortgage Loans and Real Estate

7. Rent Payments to Lender. If Lender sends written notice to Tenant to direct its Rent payments under the Lease to Lender instead of Landlord, then Tenant agrees to follow the instructions set forth m such written instructions and deliver Rent payments to Lender; however Lender agrees that Tenant shall be credited under the Lease for any Rent payments sent to Lender pursuant to such written notice.

8. Acknowledgment of Assignment. Tenant hereby acknowledges receipt of notice of the Assignment and agrees to be bound by the terms thereof and agrees that it will upon Lender's written demand therefor, thereafter pay directly to Lender all amounts thereafter payable by Tenant to the Landlord under the Lease.

9. Miscellaneous. This Agreement shall bind and inure to the benefit of the parties hereto, their successors and assigns. As used herein, the term "Tenant" shall include the Tenant its successors and assigns as permitted under the Lease; the words "foreclosure" and "foreclosure sale" as used herein shall be deemed to include the acquisition of Landlord's estate in the Premises by voluntary deed (or assignment) in lieu of foreclosure; and the word "Lender" shall include the Lender specifically named herein and any of its successors and assigns, including any Successor Landlord.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the month, day and year first above written.

LENDER:

GENERAL AMERICAN LIFE INSURANCE COMPANY,
a Missouri corporation

By: _____
Name:
Title:

TENANT:

TRANSMEDICS INC., a Delaware corporation

By: _____
Name:
Title:

ADDENDUM #1

EXTENSION OPTION

This Addendum is incorporated into the Lease.

1. Landlord grants to Tenant one (1) extension option (the "Option") to extend the Lease term for an additional term of five (5) years on the same terms and conditions as this Lease, except that there will be no further right to extend and except as set forth below. The Option can be exercised only by Tenant complying with this Addendum and delivering unconditional written notice of exercise to Landlord no earlier than twenty-four (24) months and no later than eighteen months (18) months before the expiration of the initial term. If for any reason Tenant does not so comply or Landlord does not actually receive this unconditional written notice of exercise when required, the Option will lapse and become void and there will be no further right to extend the Lease term, unless Landlord specifically agrees otherwise in writing. TIME IS ABSOLUTELY OF THE ESSENCE IN THIS ADDENDUM.

2. The Option is personal to the Tenant originally named in this Lease and may not be exercised by or for anyone else except by a valid assignee of Tenant's interest in this Lease. The Option will lapse and become void if, before the beginning of the Option term, Tenant fails to occupy or conduct business in more than one half (1/2) of the area of the Premises or if when Tenant attempts to exercise the Option Tenant is then subleasing or has otherwise Transferred more than one quarter (1/4) of the area of the Premises or an interest therein, or Tenant or Landlord has exercised any right to terminate this Lease, unless Landlord specifically elects otherwise in writing. The Option is granted to and may be exercised by Tenant on the express condition that, at the time of the exercise and at all times between the notice of exercise and the beginning of the Option term, Tenant is not in default, unless Landlord specifically agrees otherwise in writing.

3. Landlord will not be required to perform or pay for any work or other improvement to the Premises, and Tenant will accept the Premises in its then "as is" condition in all respects as of the beginning of the Option term.

4. If Tenant has validly exercised the Option, the base per square foot of Rentable Area in the Premises for each year of each Option term will be the greater of: (a) the base rent per square foot determined pursuant to Exhibit "D" hereto, or the base rent per square foot payable for any part of the Premises as otherwise may have been agreed to in writing by Landlord and Tenant (e.g., as set forth in Exhibit "D"), whichever is greater (in any case, the "Scheduled Rent"); or (b) the base rent per square foot determined in accordance with Section 5 below.

5. (a) Notwithstanding anything to the contrary, at any time after Tenant has exercised the Option but before the beginning of the Option term, Landlord will have the right, but not the obligation, to deliver written notice to Tenant electing the Scheduled Rent as the base rent for that Option term, and if Landlord does so, the Scheduled Rent will be the base rent for that Option term and there will be no further obligations under this Addendum with respect to the Option term, except to pay any required fees to appraisers. Within thirty (30) days after Tenant validly exercises an Option, Landlord will have the right, but not the obligation, to deliver to Tenant a written notice setting forth a proposed base rent for the Option term (the "Landlord Proposed Rent"). Within fifteen (15) days after delivery of Landlord's notice, Tenant will deliver a written notice to Landlord either agreeing to the Landlord Proposed Rent, or rejecting it in good faith and proposing its own base rent for the Option term. If Tenant fails to deliver this written notice as and when required, or if its notice does not reject the Landlord Proposed Rent and propose its own base rent for the Option Term, then the base rent for the Option term will be the greater of the Landlord Proposed Rent or the Scheduled Rent. If the Landlord Proposed Rent is not agreed to or deemed to have been agreed to as set forth above, it will not be binding on Landlord or Tenant and will not be deemed to limit or adversely affect Landlord or Tenant in any way in any further determinations of fair rental value (it being acknowledged that the Landlord Proposed Rent may be different from the actual fair rental value as an inducement to Tenant to agree or otherwise).

(b) If the base rent for the Option term has not been determined as set forth in Section 5(a) above at least seventeen (17) months before the beginning of the Option term, then unless otherwise agreed in writing by Landlord and Tenant, Landlord and Tenant will confer and try to agree in writing on a single appraiser within fifteen (15) days thereafter, and if they agree, then that appraiser will determine "fair rental value" for the Option term as set forth below. If Landlord and Tenant can't agree on a single appraiser within this time period, then Landlord and

Tenant each will appoint one appraiser, in writing, not later than sixteen (16) months before the beginning of the Option term. Within fifteen (15) days after their appointment, the two appointed appraisers will appoint a third appraiser, in writing. If the two appraisers can't agree, a third appraiser will be appointed by the American Institute of Real Estate Appraisers (or if this organization refuses to act in a timely manner or no longer exists, then by an organization deemed by Landlord to be reasonably equivalent) not later than fifteen (15) months before the beginning of the Option term. Each appraiser will deliver its final written determination of the fair rental value to alt parties not later than thirteen (13) months before the beginning of the Option term, if either Landlord or Tenant fails to appoint its appraiser within the prescribed time period, the single appraiser appointed will determine the fair rental value and that determination will be binding. If both parties fail to appoint appraisers within the prescribed time period, the base rent for the Option term will be the Scheduled Rent. Except as set forth below, Landlord and Tenant each will pay the fees for the appraiser it appoints as set forth above, and will share equally the fees for the single appraiser jointly appointed or the third appraiser appointed as set forth above. Appraisers must have at least five (5) years' experience in the appraisal of office property in the area in which the Project is located, be unaffiliated with Landlord or Tenant, as applicable, and be members of professional organizations such as the American Institute of Real Estate Appraisers or the general equivalent.

(c) If three appraisers are validly appointed and Landlord's appraiser and Tenant's appraiser deliver their written determinations as required above, the fair rental value for the Option term will be (tie arithmetic average of the two (2) determinations of fair rental value that are closest in amount, if three appraisers are validly appointed but either Landlord's or Tenant's appraiser delivers its written determination after the prescribed time period, its determination will be ignored and the fair rental value for the Option term will be the arithmetic average of the other two (2) determinations of fair rental value.

(d) If the appraisal process has been undertaken pursuant to Section 5(b) above, and if the base rent has not yet otherwise been determined under Section 5(a) above, Tenant may rescind its exercise of the Option by delivering written notice to Landlord at any time before the earlier of: ten (10) days after the fair rental value for the Option term has been determined under Sections 5(b) and/or (c) above; and twelve (12) months before the beginning of the Option term, if Tenant so rescinds it will pay the costs for all of the appraisers and this Lease will terminate at the expiration of the initial term (unless terminated ©artier in accordance with this Lease), if for any reason Tenant does not deliver this rescission notice as and when required, Tenant will be bound by the determination of base rent for the Option term in accordance with this Lease. If for some reason the base rent for the Option term has not been determined by the beginning of the Option term, then starting as of the beginning of the Option term the base rent will be the Scheduled Rent until the fair rental value is determined. When the fair rental value is determined, Landlord will notify Tenant, and Tenant will pay to Landlord, within thirty (30) days after receipt of such notice, any difference between the base actually paid by Tenant to Landlord and the new base rent determined hereunder (if the new base rent is higher).

(e) For purposes of this Lease, the term "fair rental value" means: the base rent per square foot of Rentable Area in the Premises that a hypothetical, ready and willing tenant would pay as net rent during the Option term to a ready and wilting landlord of the Premises, assuming that the Premises was exposed for lease on the open market for a reasonable period of time, could be used for any lawful use (but not retail or residential use), was improved to its then-existing level, and market-rate construction allowances/inducements/rent abatements/tenant concessions were offered to and received by that hypothetical tenant (even though they will not actually be paid or credited to Tenant). The appraisers may use other recent leases in the Project or recent fair market renewals of other leases in the Project or in Minuteman Park as comparables, with appropriate adjustments if necessary, in addition to or in place of leases at other facilities.

Exhibit 10.15

SECOND AMENDMENT TO LEASE

30 Minuteman

This Second Amendment to Lease (this "Amendment") is entered into as of the 29 day of November, 2005 by and between 30 Minuteman Limited Partnership (the "Landlord") and TransMedics, Inc. (the "Tenant").

Background

A. Landlord and Tenant have entered into that certain Lease dated as of June 25, 2004 (as amended, the "Lease") for property located at 30 Minuteman Drive, Andover, Massachusetts, as more particularly described therein. Capitalized terms used and not defined herein shall have the meaning given to them in the Lease.

B. Under Section 5 of the Lease, Tenant pays base rent to Landlord as set forth in Exhibit D of the Lease. Landlord has requested that Tenant increase the amounts due under the Lease from and after December 1, 2005 through June 30, 2007 in consideration of a one-time payment to be paid by Landlord to Tenant in the amount of $159,158.00 (the "Landlord Payment").

C. The parties have agreed to amend the Lease to reflect the change in base rent.

Agreement

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Paragraphs A through C above are incorporated herein by reference.

2. As of the date hereof, Landlord has paid the Landlord Payment to Tenant. Tenant hereby confirms receipt of the Landlord Payment.

3. Exhibit D to the Lease is hereby deleted and replaced in its entirety by Exhibit D attached hereto.

4. Other than as set forth above, the Lease remains unchanged.

EXECUTED under seal as of the first date written above.

30 MINUTE MAN LIMITED PARTNERSHIP

By: NIUNA-30 MINUTEMAN, INC., general partner

By: /s/ Martin Spagat
Name: Martin Spagat
Title: VP
Authorized Signature

TRANSMEDICS, INC.

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: President & CEO
Authorized Signature

EXHIBIT "D"

BASE RENT

The annual base rent for each Lease Year will be the applicable amount set forth below multiplied by the Rentable Area:

December 1, 2005 - June 30, 2006	$19.79
7/1/2006-6/30/2007	$20.09
7/1/2007-6/30/2008	$20.39
7/1/2008-6/30/2009	$20.69
7/1/2009-6/30/2010	$21.01
7/172010-6/30/2011	$21.32
7/1/2011-6/30/2012	$21.61
7/1/2012-6/30/2013	$21.97
7/1/2013-6/30/2014	$22.30
1/1/2015-6/30/2015	$23.00*

* This assumes that the Lease has been extended pursuant to Addendum #1. If the Lease is extended, subject to the terms of Addendum #1, the annual base rent per square foot of Rentable Area payable pursuant to this Exhibit "D" will increase as of July 15, 2005 and as of each July 1 thereafter throughout the Lease term by one and one-half percent (1.5%) over the annual base rent per square foot of Rentable Area for the previous Lease Year.

Exhibit 10.16

THIRD AMENDMENT TO LEASE
30 Minuteman

This Third Amendment to Lease (this "Amendment") is entered into as of *April 30*, *2010* by and between 30 Minuteman LLC ("Landlord") and TransMedics, Inc. ("Tenant").

Background

A. Landlord and Tenant entered into that certain Lease dated as of June 25, 2004 (as amended, the "Lease") for the Building located at 30 Minuteman Road, Andover, Massachusetts, as more particularly described therein. Capitalized terms used and not defined herein shall have the meaning given to them in the Lease.

B. The parties have agreed to amend the Lease to change the base rent, extend the Lease term, and confirm certain other matters.

Agreement

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree and the Lease is amended as follows as of this date notwithstanding anything to the contrary:

1. Starting as of May 1, 2010, base rent for the Premises will be payable at the rates set forth in Exhibit D attached to this Amendment and incorporated by this reference, and the existing Exhibit D to the Lease will be deemed deleted,

2. In lieu of exercising its five-year Extension Option, the Lease Term is now extended for seven (7) years, so it expires on December 31, 2021 unless terminated earlier in accordance with the Lease. Tenant has no further rights to extend the Lease Term, and Addendum #1 to the Lease (Extension Option), ail references to .it in the Lease, and Tenant rights hereunder (which were-never exercised) are deleted from the Lease.

3. The Lease is now cross-defaulted with the lease between 200 Minuteman LLC, an entity under common control with Landlord, and Tenant, dated as of June 25, 2004, for the property located at 200 Minuteman Road (with existing and future amendments, the "200 Minuteman Lease"), as follows: Accordingly, Section 21(f) of the Lease is deleted and the following is substituted in its place as a Lease default: "(f) Tenant's default and failure to cure within applicable grace periods (if any) under the 200 Minuteman Lease for so long as the landlord under the 200 Minuteman Lease is an entity controlling, controlled by or under common control with Landlord;"

4. Each of Landlord and Tenant represents and warrants that it has had no dealings with any broker or brokerage agent in connection with this Amendment that is due a fee or other consideration from the other. Each of Landlord and Tenant covenants to pay, hold harmless and indemnify the other from and against any and all costs, expense or liability for any compensation commissions and charges claimed by any broker or brokerage agent claiming though such party,

with respect to this Amendment or the negotiation thereof arising from a breach of the foregoing warranty.

5. The terms of the Lease, as amended hereby, are hereby ratified and the Lease is in full force and effect Tenant confirms that Landlord has paid all inducements and other sums owed to Tenant as and when required and that to the best of Tenant's knowledge Landlord has not breached the Lease. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original and ail of which will, taken together, be deemed to be one instrument. This Amendment may be exchanged by and between the parties via facsimile or electronic mail.

EXECUTED under seal as of the first date written above.

30 Minuteman LLC

By: Minuteman Master LLC, Sole Member

By: 150 Minuteman Limited Partnership,
Managing Member

By: Niuna-150 Minuteman, Inc.
General Partner

By: /s/ Martin Spagat

Name:
Title:
Authorized Signature

TransMedics, Inc.

By: /s/ Waleed Hassanein
Name: Waleed Hassanein
Title: CEO
Authorized Signature

EXHIBIT D

Monthly Base Rent Starting as of May 1, 2010

Lease Period	Monthly Base Rent
05/01/10-10/30/10	0.00
11/01/10-04/30/11	3,917.55
05/01/11-06/30/11	6,529.25
07/01/11-10/31/11	6,618.06
11/01/11-64/30/12	8,508.94
05/01/12-06/30/12	23,481.70
07/01/12-06/30/13	23,796.70
07/01/13-06/30/14	24,085.05
07/01/14-12/31/14	24,697.95
01/01/15-06/30/15	24,697.95
07/01/15-06/30/16	24,999.82
07/01/16-06/30/17	25,306.22
07/01/17-06/30/18	25,617.22
07/01/18-06/30/19	25,932.89
07/01/19-12/31/19	26,253.29
01/01/20-12/31/20	26,578.49
01/01/21-12/31/21	26,908.58

Exhibit 10.17

CREDIT AGREEMENT

dated as of June 22, 2018

by and between

TRANSMEDICS, INC.,

as the Borrower,

and

ORBIMED ROYALTY OPPORTUNITIES II, LP,

as the Lender

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SCHEDULES:

CREDIT AGREEMENT

THIS CREDIT AGREEMENT dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, this "Agreement"), is by and between TRANSMEDICS, INC., a Delaware corporation (the "Borrower") and ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender"). The Borrower and the Lender are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, the Borrower has requested that the Lender provide a senior term loan facility to the Borrower in an aggregate principal amount of $65,000,000 (with $35,000,000 available at the Closing, $5,000,000 available on or prior to the Tranche A Delayed Draw Closing Date, $5,000,000 available on or prior to the Tranche B Delayed Draw Closing Date, and $20,000,000 available on or prior to the Tranche C Delayed Draw Closing Date, in each case, subject to the terms and conditions set forth herein); and

WHEREAS, the Lender is willing, on the terms and subject to the conditions hereinafter set forth, to extend the Commitment and make the Loans to the Borrower;

NOW, THEREFORE, the parties hereto agree as follows.

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.1. Defined Terms. The following terms (whether or not underscored) when used in this Agreement, including its preamble and recitals, shall, except where the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):

"Affiliate" of any Person means any other Person which, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. "Control" (and its correlatives) by any Person means (a) the power of such Person, directly or indirectly, (i) to vote 10% or more of the Voting Securities (determined on a fully diluted basis) of another Person, or (ii) to direct or cause the direction of the management and policies of such other Person (whether by contract or otherwise), or (b) ownership by such Person of 10% or more of the Capital Securities of another Person.

"Agreement" is defined in the preamble.

"Applicable Margin" means 8.50%.

"Authorized Officer" means, relative to the Borrower or any of the Subsidiaries, those of its officers, general partners, managing board members or managing members (as applicable) whose signatures and incumbency shall have been certified to the Lender pursuant to Section 5.2.

"AWA" means the Animal Welfare Act, 7 U.S.C. § 2131, et seq., the regulations at 9 C.F.R. Parts 1-3 and any applicable USDA Policy or Guidance.

"Benefit Plan" means any employee benefit plan, as defined in section 3(3) of ERISA, that either: (i) is a "multiemployer plan," as defined in section 3(37) of ERISA, (ii) is subject to section 412 of the Code, section 302 of ERISA or Title IV of ERISA, or (iii) provides welfare benefits to terminated employees, other than to the extent required by section 4980B(f) of the Code and the corresponding provisions of ERISA or similar local law.

"Borrower" is defined in the preamble.

"Business Day" means any day which is neither a Saturday or Sunday nor a legal holiday on which banks are authorized or required to be closed in New York, New York.

"Capital Securities" means, with respect to any Person, all shares of, interests or participations in, or other equivalents in respect of (in each case however designated, whether voting or non-voting), of such Person's capital stock, whether now outstanding or issued after the Closing Date.

"Capitalized Lease Liabilities" means, with respect to any Person, all monetary obligations of such Person and its Subsidiaries under any leasing or similar arrangement which have been (or, in accordance with GAAP, should be) classified as capitalized leases (or a finance lease upon adoption by the Borrower of *ASU No. 2016-02, Leases (Topic 842)*), and for purposes of each Loan Document the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a premium or a penalty.

"Cash Equivalent Investment" means, at any time:

(a) any direct obligation of (or unconditionally guaranteed by) the United States (or any agency or political subdivision thereof, to the extent such obligations are supported by the full faith and credit of the United States) maturing not more than one year after such time;

(b) commercial paper maturing not more than one year from the date of issue, which is issued by a corporation (other than an Affiliate of the Borrower or any of the Subsidiaries) organized under the laws of any state of the United States or of the District of Columbia and rated A-l or higher by S&P or P-1 or higher by Moody's; or

(c) any certificate of deposit, demand or time deposit or bankers acceptance, maturing not more than 180 days after its date of issuance, which is issued by or placed with any bank or trust company organized under the laws of the United States (or any state thereof) and which has (x) a credit rating of A2 or higher from Moody's or A or higher from S&P and (y) a combined capital and surplus greater than $500,000,000;

(d) investments in money market mutual funds at least 95% of the assets of which are comprised of securities of the types described in clauses (a) through (c) of this definition; or

(e) other investments made in accordance with the Borrower's Investment Policy.

"Casualty Event" means the damage, destruction or condemnation, as the case may be, of property of any Person or any of its Subsidiaries.

"CFC" means a person that is a controlled foreign corporation under Section 957 of the Code.

"CFC Holdco" means a Subsidiary organized under the laws of the United States of America, any State thereof, or the District of Columbia, all or substantially all of the assets of which consist of equity interests or debt of one or more CFCs.

"cGCP" means the then current Good Clinical Practices that establish the national and international ethical and scientific quality standards for designing, conducting, recording and reporting clinical trials that are promulgated or endorsed for the United States by the FDA (including through ICH E6 and 21 CFR Parts 50, 54, 56 and 812) and for outside the United States by comparable Governmental Authorities.

"cGMP" means the then current good manufacturing practices and regulatory requirements for or concerning manufacturing practices for devices that are promulgated for the United States by the FDA (including through 21 CFR Part 820) and for outside the United States by comparable Governmental Authorities.

"Change in Control" means and shall be deemed to have occurred if (i) any "person" or "group" (within the meaning of Rule 13d-5 of the Exchange Act) shall own, directly or indirectly, beneficially or of record, determined on a fully diluted basis, more than 45% of the Voting Securities of the Borrower; (ii) a majority of the seats (other than vacant seats) on the board of directors (or equivalent) of the Borrower shall at any time be occupied by persons who were neither (x) nominated by the board of directors of the Borrower nor (y) appointed by directors so nominated, or (iii) the Borrower shall cease to directly own, beneficially and of record, 100% of the issued and outstanding Capital Securities of the Subsidiaries (except for any transfer of 100% of the issued and outstanding Capital Securities of any Subsidiary in accordance with Section 8.8(viii)); provided that the occurrence of a Qualified IPO shall not, in and of itself, constitute a Change in Control.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines

or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Closing Date" means the date of the making of the Initial Loan hereunder, which in no event shall be later than June 22, 2018.

"Closing Date Certificate" means a closing date certificate executed and delivered by an Authorized Officer of the Borrower in form and substance satisfactory to the Lender.

"CMS" means the U.S. Center for Medicare & Medicaid Services.

"Code" means the Internal Revenue Code of 1986, and the regulations thereunder, in each case as amended from time to time.

"Commitment" means the Lender's obligation (if any) to make Loans hereunder.

"Commitment Amount" means the Initial Commitment Amount plus the Tranche A Delayed Draw Commitment Amount plus the Tranche B Delayed Draw Commitment Amount plus the Tranche C Delayed Draw Commitment Amount.

"Compliance Certificate" means a certificate duly completed and executed by an Authorized Officer of the Borrower, substantially in the form of Exhibit C hereto, together with such changes thereto as the Lender may from time to time reasonably request for the purpose of monitoring the Borrower's compliance with the financial covenants contained herein.

"Confidential Information" means any and all information or material (whether written or oral, or in electronic or other form) that, at any time before, on or after the Closing Date, has been or is provided or communicated to the Receiving Party by or on behalf of the Disclosing Party pursuant to this Agreement or in connection with the transactions contemplated hereby, and shall include the existence and terms of this Agreement.

"Contingent Liability" means any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the Indebtedness of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the Capital Securities of any other Person. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the stated or determined amount of the outstanding amount of the debt, obligation or other liability guaranteed thereby, or if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"Control" is defined within the definition of "Affiliate".

"Controlled Accounts" is defined in Section 7.13(a).

"Copyrights" means all copyrights, whether statutory or common law, and all exclusive and nonexclusive licenses from third parties or rights to use copyrights owned by such third parties, along with any and all (i) renewals, revisions, extensions, derivative works, enhancements, modifications, updates and new releases thereof, (ii) income, royalties, damages, claims and payments now and hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (iii) rights to sue for past, present and future infringements thereof, and (iv) foreign copyrights and any other rights corresponding thereto throughout the world.

"Copyright Security Agreement" means any Copyright Security Agreement executed and delivered by the Borrower or any of the Subsidiaries in substantially the form of Exhibit C to the Security Agreement, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Credit Agreement Termination Date" means the date on which all Obligations (other than contingent indemnification obligations for which no claim has been asserted) have been paid in full in cash and the Commitment shall have terminated.

"Default" means any Event of Default or any condition, occurrence or event which, after notice or lapse of time or both, would constitute an Event of Default.

"Deposit Account" means a "deposit account" (as defined in Article 9 of the UCC), investment account (including securities accounts) or other account in which funds are held or invested to or for the credit or account of the Borrower or any Material Subsidiary.

"Designated Jurisdiction" means any country or territory to the extent that such country or territory is the subject of any Sanction.

"Disclosing Party" means the Party disclosing Confidential Information.

"Disposition" (or similar words such as "Dispose"! means any sale, transfer, lease, license, contribution or other conveyance (including by way of merger) of, or the granting of options, warrants or other rights to, any of the Borrower's or the Subsidiaries' assets (including accounts receivable and Capital Securities of the Subsidiaries) to any other Person (other than to the Borrower or any of the Subsidiaries) in a single transaction or series of transactions.

"Disqualified Capital Securities" shall mean any Capital Securities that, by their terms (or by the terms of any security or other Capital Securities into which they are convertible or for which they are exchangeable) or upon the happening of any event or condition, (a) mature or are mandatorily redeemable (other than solely for Qualified Capital Securities), pursuant to a sinking fund obligation or otherwise (except as a result of a Change in Control or asset sale so long as any rights of the holders thereof upon the occurrence of a Change in Control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitment), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Capital Securities) (except as a result of a Change in Control or asset sale so long as any rights of the holders thereof upon the occurrence

of a Change in Control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitment), in whole or in part, (c) provide for the scheduled payment of dividends in cash or (d) are or become convertible into or exchangeable for Indebtedness or any other Capital Securities that would constitute Disqualified Capital Securities, in each case, prior to the date that is one hundred and eighty-one (181) days after the Maturity Date; provided that if such Capital Securities are issued pursuant to a plan for the benefit of employees of the Borrower or any of the Subsidiaries, or by any such plan to such employees, such Capital Securities shall not constitute Disqualified Capital Securities solely because they may be required to be repurchased by the Borrower or the Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

"Dutch Controlled Account" is defined in Section 7.13(a).

"Dutch Security Documents" means (a) the Dutch Security Agreement and (b) that certain Dutch law pledge of shares in the capital of the Dutch Subsidiary, dated as of the Closing Date, as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, by and among the Borrower, as pledgor, the Lender, as pledgee, and the Dutch Subsidiary.

"Dutch Security Agreement" means that certain Dutch law security agreement, dated as of the Closing Date, as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, by and among the Dutch Subsidiary, as pledgor, and the Lender, as pledgee.

"Dutch Subsidiary" means TransMedics B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under Netherlands law, trade register number 18085728.

"EMA" means the European Medicines Agency or any successor entity.

"Environmental Laws" means all federal, state, local or international laws, statutes, rules, regulations, codes, directives, treaties, requirements, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, natural resources, Hazardous Material or health and safety matters.

"Environmental Liability" means any liability, loss, claim, suit, action, investigation, proceeding, damage, commitment or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of or affecting the Borrower or any Subsidiary directly or indirectly arising from, in connection with or based upon (i) any Environmental Law or Environmental Permit, (ii) the generation, use, handling, transportation, storage, treatment, recycling, presence, disposal, Release or threatened Release of, or exposure to, any Hazardous Materials, or (iii) any contract, agreement, penalty, order, decree, settlement, injunction or other arrangement (including operation of law) pursuant to which liability is assumed, entered into, inherited or imposed with respect to any of the foregoing.

"Environmental Permit" is defined in Section 6.7(c).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means, as applied to any Person, (i) any corporation that is a member of a controlled group of corporations within the meaning of section 414(b) of the Code of which that Person is a member, (ii) any trade or business (whether or not incorporated) that is a member of a group of trades or businesses under common control within the meaning of section 414(c) of the Code of which that Person is a member, or (iii) any member of an affiliated service group within the meaning of section 414(m) or 414(o) of the Code of which that Person, any corporation described in clause (i) above or any trade or business described in clause (ii) above is a member.

"Event of Default" is defined in Section 9.1.

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

"Excluded Account" is defined in Section 7.13(a).

"Excluded Foreign Subsidiary" means any Subsidiary of the Borrower organized under the laws of a jurisdiction outside of the United States that is a CFC and any Subsidiary of the Borrower that is a CFC Holdco.

"FATCA" means Sections 1471 through 1474 of the Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FDA" means the U.S. Food and Drug Administration and any successor entity.

"FD&C Act" means the U.S. Food, Drug, and Cosmetic Act (or any successor thereto), as amended from time to time, and the rules, regulations, guidelines, guidance documents and compliance policy guides issued or promulgated thereunder.

"Fiscal Quarter" means a 13 week quarter based on the Borrower's 4 week/4 week/5 week quarterly fiscal calendar with the fiscal year ending on the last Saturday of December for any given fiscal year.

"Fiscal Year" means any period of twelve consecutive fiscal months ending on the last Saturday in December; references to a Fiscal Year with a number corresponding to any calendar year (e.g., the "2017 Fiscal Year") refer to the Fiscal Year ending on the last Saturday of December of such calendar year.

"Foreign Lender" means a Lender that is organized under the laws of a jurisdiction outside of the United States.

"F.R.S. Board" means the Board of Governors of the Federal Reserve System or any successor thereto.

"FTC Act" means the Federal Trade Commission Act.

"GAAP" means generally accepted accounting principles in the United States.

"Governmental Authority" means any national, supranational, federal, state, county, provincial, local, municipal or other government or political subdivision thereof (including any Regulatory Agency), whether domestic or foreign, and any agency, authority, commission, ministry, instrumentality, regulatory body, court, tribunal, arbitrator, central bank or other Person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to any such government.

"Guarantee" means the guarantee executed and delivered by an Authorized Officer of each Subsidiary, substantially in the form of Exhibit D hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Guarantors" means any Person that signs a Guarantee, including, for the avoidance of doubt, all Material Subsidiaries.

"Hazardous Material" means any material, substance, chemical, mixture or waste which is capable of damaging or causing harm to any living organism, the environment or natural resources, including all explosive, special, hazardous, polluting, toxic, industrial, dangerous, biohazardous, medical, infectious or radioactive substances, materials or wastes, noise, odor, electricity or heat, and including petroleum or petroleum products, byproducts or distillates, asbestos or asbestos-containing materials, urea formaldehyde, polychlorinated biphenyls, radon gas, ozone-depleting substances, greenhouse gases, and all other substances or wastes of any nature regulated pursuant to any Environmental Law or as to which any Governmental Authority requires investigation, reporting or remedial action.

"Headcount" is defined in Section 7.1(a).

"Hedging Obligations" means, with respect to any Person, all liabilities of such Person under currency exchange agreements, interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, and all other agreements or arrangements designed to protect such Person against fluctuations in interest rates or currency exchange rates.

"herein", "hereof", "hereto", "hereunder" and similar terms contained in any Loan Document refer to such Loan Document as a whole and not to any particular Section, paragraph or provision of such Loan Document.

"HRSA" means the United States Health Resources & Services Administration and any successor entity.

"Investigational Application" means an application, including an application filed with a Regulatory Agency, for authorization to commence human clinical studies or distribute an investigational product, including (a) an Investigational Device Exemption ("IDE") as defined in

the FD&C Act or any successor application or procedure filed with the FDA, (c) an abbreviated IDE as specified in FDA regulations in 21 C.F.R. § 812.2(b), (d) any equivalent of a United States IDE in other countries or regulatory jurisdictions, and (e) all amendments, extensions and renewals thereof that may be filed with respect to the foregoing.

"Impermissible Qualification" means any qualification or exception to the opinion or certification of any independent public accountant as to any financial statement of the Borrower (i) which is of a "going concern" or similar nature other than any such qualification when substantial doubt is raised that is based solely on a determination that the Borrower may not have sufficient cash or other available resources to run the business but is alleviated by Management's Plans (Substantial Doubt Does Not Exist) as referenced in ASC 205-40-50-12, (ii) which relates to the limited scope of examination of matters relevant to such financial statement, or (iii) which relates to the treatment or classification of any item in such financial statement and which, as a condition to the removal of such qualification or exception, would require an adjustment to such item the effect of which would be to cause the Borrower to be in Default.

"including" and "include" means including without limiting the generality of any description preceding such term, and, for purposes of each Loan Document, the parties hereto agree that the rule of ejusdem generis shall not be applicable to limit a general statement, which is followed by or referable to an enumeration of specific matters, to matters similar to the matters specifically mentioned.

"Indebtedness" of any Person means:

(a) all obligations of such Person for borrowed money or advances and all obligations of such Person evidenced by bonds, debentures, notes or similar instruments;

(b) all obligations, contingent or otherwise, relative to the face amount of all letters of credit, whether or not drawn, and banker's acceptances issued for the account of such Person;

(c) all Capitalized Lease Liabilities of such Person and all obligations of such Person arising under Synthetic Leases;

(d) net Hedging Obligations of such Person;

(e) all obligations of such Person in respect of Disqualified Capital Securities;

(f) whether or not so included as liabilities in accordance with GAAP, all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business which are not overdue for a period of more than 90 days or, if overdue for more than 90 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person), and indebtedness secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on property owned or being acquired by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; and

(g) all Contingent Liabilities of such Person in respect of any of the foregoing.

The Indebtedness of any Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such Person, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Liabilities" is defined in Section 10.4.

"Indemnified Parties" is defined in Section 10.4.

"Infringement" and "Infringes" mean the misappropriation or other violation of know-how, trade secrets, confidential information, and/or Intellectual Property.

"Initial Commitment Amount" means $35,000,000.

"Initial Commitment Termination Date" means the earliest to occur of (i) the Closing Date (immediately after the making of the Initial Loan on such date), and (ii) June 22, 2018, if the Initial Loan shall not have been made hereunder prior to such date.

"Initial Loan" is defined in Section 2.1.

"Intellectual Property" means all (i) Patents and all patent applications of any type, registrations and renewals, reissues, reexaminations and patent rights in any lawful form thereof; (i) Trademarks and all applications, registrations and renewals thereof; (iii) Copyrights and other works of authorship (registered or unregistered), and all applications, registrations and renewals therefor; (iv) computer software, databases, data and documentation; (v) trade secrets and confidential business information, whether patentable or unpatentable and whether or not reduced to practice, know-how, inventions, manufacturing processes and techniques, research and development information, data and other information included in or supporting Regulatory Authorizations; (vi) financial, marketing and business data, pricing and cost information, business, finance and marketing plans, customer and prospective customer lists and information, and supplier and prospective supplier lists and information; (vii) other intellectual property or similar proprietary rights; and (viii) any and all improvements to any of the foregoing.

"Interest Period" means, (a) initially, the period beginning on (and including) the date on which the Initial Loan is made hereunder pursuant to Section 2.3 and ending on (and including) the last day of the calendar quarter in which the Loan was made, and (b) thereafter, the period beginning on (and including) the first day of each succeeding calendar quarter and ending on the earlier of (and including) (x) the last day of such calendar quarter and (y) the Maturity Date.

"Investment" means, relative to any Person, (i) any loan, advance or extension of credit made by such Person to any other Person, including the purchase by such Person of any bonds, notes, debentures or other debt securities of any other Person, (ii) Contingent Liabilities in favor of any other Person, and (iii) any Capital Securities held by such Person in any other Person. The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or equity thereon and shall, if made by the transfer or exchange of property

other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property at the time of such Investment.

"Investment Policy" means Borrower's investment policy in the form attached hereto as Schedule 1.1 as such investment policy may be amended, modified, supplemented or restated from time to time with the consent of the Lender (which consent shall not be unreasonably withheld).

"Key Permits" means all Permits relating to the Products, which Permits are material to the business of the Borrower and the Subsidiaries, taken as a whole.

"knowledge" of the Borrower means the knowledge of any officer of the Borrower or any Subsidiary, after due inquiry.

"Laws" is defined in Section 6.18(a).

"Lender" is defined in the preamble.

"LIBO Rate" means the three-month London Interbank Offered Rate for deposits in U.S. Dollars at approximately 11:00 a.m. (London, England time), from the appropriate Bloomberg or Telerate page selected by the Lender (or any successor or similar source determined by the Lender from time to time), which shall be that three-month London Interbank Offered Rate for deposits in U.S. Dollars in effect two Business Days prior to the last Business Day of the relevant Fiscal Quarter, adjusted for any reserve requirement such rate to be rounded up to the nearest 1/16 of 1% and such rate to be reset quarterly as of the first Business Day of each Fiscal Quarter; provided that (a) if the LIBO Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement, and (b) if the LIBO Rate shall be greater than 4.00%, such rate shall be deemed to be 4.00% for the purposes of this Agreement. If the Initial Loan is advanced other than on the first Business Day of a Fiscal Quarter, the initial LIBO Rate shall be that three-month London Interbank Offered Rate for deposits in U.S. Dollars in effect two Business Days prior to the date of the Initial Loan, which rate shall be in effect until (and including) the last Business Day of the Fiscal Quarter next ending. The Lender's internal records of applicable interest rates shall be determinative in the absence of manifest error.

"Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property, or other priority or preferential arrangement of any kind or nature whatsoever, to secure payment of a debt or performance of an obligation.

"Liquidity" means, at any time, an amount determined for the Borrower equal to the sum of unrestricted cash-on-hand and Cash Equivalent Investments of the Borrower and its Subsidiaries, to the extent held in a Controlled Account

"Loan Documents" means, collectively, this Agreement, the Notes, the Security Agreement, the Dutch Security Documents, each other agreement pursuant to which the Lender is granted a Lien to secure the Obligations (including any mortgages entered into pursuant to Section 7.8). the Guarantee, and each other agreement, certificate, document or instrument

delivered in connection with any Loan Document, whether or not specifically mentioned herein or therein.

"Loan Request" means a Loan request and certificate duly executed by an Authorized Officer of the Borrower substantially in the form of Exhibit B hereto.

"Loans" means the Initial Loan, the Tranche A Delayed Draw Loan, the Tranche B Delayed Draw Loan and the Tranche C Delayed Draw Loan.

"Make-Whole Amount" means, on any date of determination, with respect to any amount of the Loans that is repaid or prepaid or required to be repaid or prepaid, an amount equal to the amount, if any, by which (a) the present value as of such date of determination (as determined by the Lender in accordance with customary practice) of (i) one hundred and nine percent (109%) of the principal amount of the Loans prepaid or required to be prepaid plus (ii) all required interest payments due on the principal amount of the Loans prepaid or required to be prepaid through and including the first anniversary of the Closing Date, in each case computed using a discount rate equal to the Three Month Treasury Rate plus one half of one percent (0.50%), exceeds (b) the principal amount of the Loans prepaid or required to be prepaid; provided that for purposes of the calculation in this definition, the LIBO Rate in effect on the date of determination shall be deemed to remain in effect from such date through the Maturity Date.

"Material Adverse Effect" means a material adverse effect on (i) the business, condition (financial or otherwise), operations, performance or properties of the Borrower or of the Borrower and the Subsidiaries taken as a whole, (ii) the rights and remedies of the Lender under any Loan Document or (iii) the ability of the Borrower or any Subsidiary to perform its Obligations under any Loan Document.

"Material Agreements" means (i) each contract or agreement to which the Borrower or any Subsidiary is a party involving aggregate annual payments of more than $750,000, whether such payments are being made by the Borrower or any Subsidiary to a non-Affiliated Person, or by a non-Affiliated Person to the Borrower or any Subsidiary; and (ii) all other contracts or agreements, individually or in the aggregate, material to the business, operations, assets, prospects, conditions (financial or otherwise), performance or liabilities of the Borrower or any Subsidiary.

"Material Subsidiary" means each Subsidiary, which (i) holds right, title or interest in any Intellectual Property, (ii) holds or maintains any material Regulatory Authorization, whether now in effect or hereafter issued by any Regulatory Agency, including any Key Permits received from the FDA and any CE mark, other than any Regulatory Authorization (other than Key Permits received from the FDA and any CE mark) required by Law to be owned by a Subsidiary which does not qualify as a Material Subsidiary under clause (i) and clauses (iii)-(vii) of this definition, (iii) conducts business operations other than commercial sales, (iv) is party to any Material Agreement (other than leases of real property) other than any Material Agreement between such Subsidiary and the Borrower or another Subsidiary, (v) has, together with its Subsidiaries, assets with a book value and fair market value exceeding $500,000 in the aggregate; provided that, if at any time the assets with a book value and fair market value attributable to all Subsidiaries that are not Material Subsidiaries exceeds $1,000,000 in the aggregate, the Borrower (or in the event

the Borrower has failed to do so within five days, the Lender) shall designate sufficient Subsidiaries as "Material Subsidiaries" to eliminate such excess, and such Subsidiaries shall for all purposes of this Agreement constitute Material Subsidiaries, (vi) has cash or cash equivalents exceeding $200,000 individually; provided that, if at any time the cash or cash equivalents attributable to all Subsidiaries that are not Material Subsidiaries exceeds $400,000, the Borrower (or in the event the Borrower has failed to do so within five days, the Lender) shall designate sufficient Subsidiaries as "Material Subsidiaries" to eliminate such excess, and such Subsidiaries shall for all purposes of this Agreement constitute Material Subsidiaries, and (vii) as of the most recent fiscal quarter of the Borrower, for the period of four consecutive fiscal quarters then ended, for which financial statements have been delivered pursuant to Section 7.1(b) or 7.1(c) (or, if prior to the date of the delivery of the first financial statements to be delivered pursuant to Section 7.1(b) or 7.1(c). the most recent financial statements referred to in Section 5.6), contributed greater than 10% of the Revenue Base for such period; provided that, if at any time the Revenue Base attributable to all Subsidiaries that are not Material Subsidiaries exceeds 10% of the Revenue Base for any such period, the Borrower (or in the event the Borrower has failed to do so within five days, the Lender) shall designate sufficient Subsidiaries as "Material Subsidiaries" to eliminate such excess, and such Subsidiaries shall for all purposes of this Agreement constitute Material Subsidiaries.

"Maturity Date" means June 22, 2023.

"Moody's" means Moody's Investors Service, Inc.

"Net Asset Sales Proceeds" means, with respect to a Disposition after the Closing Date by the Borrower or any Subsidiary to any Person of any assets of the Borrower or any Subsidiary, the gross cash proceeds in excess of $500,000, individually or in the aggregate through the Termination Date, received by the Borrower or such Subsidiary from such Disposition, other than proceeds that are used to replace the assets Disposed of with like or similar assets of substantially equal or better value or utility or are otherwise reinvested in assets (other than inventory (raw or finished goods)) then used or usable in the business of the Borrower and its Subsidiaries, in each case, within 180 days of receipt of such proceeds, over all reasonable and customary costs and expenses (other than costs and expenses payable to Affiliates of the Borrower), and including Taxes payable (or estimated in good faith to be payable) by the recipient of such proceeds, incurred in connection with such Disposition which have not been paid to Affiliates of the Borrower in connection therewith.

"Net Casualty Proceeds" means, with respect to any Casualty Event, the amount of any insurance proceeds or condemnation awards received by the Borrower or any Subsidiary in connection with such Casualty Event, other than proceeds that are used to repair or replace the assets subject to such Casualty Event within 180 days of receipt of such proceeds with respect to such Casualty Event with like or similar assets of substantially equal or better value and utility, in excess of $500,000, individually or in the aggregate through the Termination Date (in each case net of all reasonable and customary collection expenses thereof), but excluding any proceeds or awards required to be paid to a creditor (other than the Lender) which holds a first priority Lien permitted by clause (f) of Section 8.3 on the property which is the subject of such Casualty Event.

"Net Revenue" means net sales, distribution income, service payments, license income, and other forms of consideration, in each case, received by the Borrower and the Subsidiaries from commercial sales of Products, as determined in accordance with GAAP. Net Revenue (x) shall be determined in a manner consistent with the methodologies, practices and procedures used in developing the Borrower's audited financial statements and (y) for the avoidance of doubt, shall not include any sales, distribution income, service payments, license income and other forms of consideration, in each case, received by the Borrower and the Subsidiaries in connection with any clinical trial.

"Non-Excluded Taxes" means any Taxes imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document, other than (a) Taxes imposed on or measured by a Person's net income (however denominated), and franchise Taxes with respect to the Lender (i) imposed by any Governmental Authority in a jurisdiction under the laws of which the Lender is organized or has its principal office or in which it maintains its applicable lending office or (ii) that are imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document), (b) branch profits taxes imposed by the United States or any similar tax (i) imposed by any other jurisdiction described in clause (a)(i) above or (ii) that is described in clause (a)(ii) above, (c) Taxes assessed on a Person under the laws of the Netherlands, if and to the extent such Tax becomes payable as a result of such Person having a substantial interest (*aanmerkelijk belang*) as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) in a Subsidiary that is resident in the Netherlands for Dutch tax purposes and (d) (i) any withholding Tax that is imposed by the United States on amounts payable to a Lender at the time such Lender first becomes a party to this Agreement (or designates a new lending office), except to the extent that such Lender (or its assignor, if any) was entitled, immediately before the designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 4.3(a). (ii) any Taxes attributable to such Person's failure to comply with Section 4.3(e) and (f), or (iii) any withholding Taxes or other amounts imposed or payable under FATCA.

"NOTA" means the United States National Organ Transplant Act, 42 U.S.C. § 274, et. seq., as amended from time to time, and the rules, regulations, guidelines, guidance documents and compliance policy guides issued or promulgated thereunder.

"Note" means a promissory note of the Borrower payable to the Lender, in the form of Exhibit A hereto (as such promissory note may be amended, endorsed or otherwise modified from time to time), evidencing the aggregate Indebtedness of the Borrower to the Lender resulting from the outstanding amount of the Loans, and also means all other promissory notes accepted from time to time in substitution therefor or renewal thereof.

"Obligations" means all obligations (monetary or otherwise, whether absolute or contingent, matured or unmatured) of the Borrower and each Subsidiary arising under or in connection with a Loan Document and the principal of and premium, if any, and interest

(including interest accruing during the pendency of any proceeding of the type described in Section 9.1(h). whether or not allowed in such proceeding) on the Loans.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Organ Care System" means the three components of the Organ Care System: (1) the portable hardware console, (2) the organ specific sterile disposable perfusion set, and (3) the organ specific pharmaceutical solution for the perfusion and replenishment of needed substrates. For the avoidance of doubt, the Organ Care System shall include all current and future iterations of the Organ Care System, including, but not limited to, OCS Lung and OCS Heart.

"Organic Document" means, relative to the Borrower or any Subsidiary, its certificate of incorporation, by-laws, certificate of partnership, partnership agreement, certificate of formation, limited liability agreement, operating agreement and all shareholder agreements, voting trusts and similar arrangements applicable to the Borrower's or such Subsidiary's Capital Securities.

"Other Administrative Proceeding" means any administrative proceeding relating to a dispute involving a patent office or other relevant intellectual property registry which relates to validity, opposition, revocation, ownership or enforceability of the relevant Intellectual Property.

"Other Taxes" means any and all stamp, documentary or similar Taxes that arise on account of any payment made or required to be made under any Loan Document or from the execution, delivery, registration, recording or enforcement of any Loan Document (excluding, for the avoidance of doubt, Taxes described in clauses (a), (b) or (c) of the definition of Non-Excluded Taxes).

"Party" and "Parties" have the meanings set forth in the preamble.

"Patent" means any patent, any type of patent application or invention disclosure, including all divisions, continuations, continuations in-part, provisionals, continued prosecution applications, substitutions, reissues, reexaminations, inter partes review, post-grant review by any Governmental Authority, renewals, extensions, adjustments, restorations, supplemental protection certificates and patent rights in any form and other additions in connection therewith, whether in or related to the United States or any foreign country or other jurisdiction.

"Patent Security Agreement" means any Patent Security Agreement executed and delivered by the Borrower or any of the Subsidiaries in substantially the form of Exhibit A to the Security Agreement, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Permits" means all permits, licenses, registrations, certificates, orders, approvals, authorizations, consents, waivers, franchises, variances and similar rights issued by or obtained from any Governmental Authority or any other Person, including, without limitation, those relating to Environmental Laws and Regulatory Authorizations.

"Permitted Acquisition" means the purchase or other acquisition of all of the Capital Securities (other than qualifying directors shares) in, or all or substantially all of the property of

or all or substantially all of any business or division of, any Person that, upon the consummation thereof, will be wholly-owned directly by the Borrower or one or more of its wholly-owned Subsidiaries (including as a result of a merger or consolidation); provided that, with respect to each Permitted Acquisition:

(a) any such newly-created or acquired Subsidiary shall comply with the requirements of Section 7.8, to the extent applicable, and the Lender shall have received (or shall receive in connection with the closing of such acquisition) a first priority perfected security interest, subject only to Liens permitted under Section 8.3. in the property (including, without limitation, equity interests) acquired with respect to the entity acquired, to the extent required by Section 7.8:

(b) the lines of business of the Person to be (or the property of which is to be) so purchased or otherwise acquired shall be permitted pursuant to Section 8.1:

(c) in the case of a purchase or other acquisition of the Capital Securities of another Person, the board of directors (or other comparable governing body) of such other Person shall have duly approved such purchase or other acquisition;

(d) the total cash and non-cash consideration paid by or on behalf of the Borrower and the Subsidiaries for any such purchase or other acquisition, when aggregated with the consideration paid by or on behalf of the Borrower and the Subsidiaries for all other Permitted Acquisitions after the Closing Date shall not exceed the aggregate amount of $1,500,000 in any Fiscal Year and an aggregate cumulative amount of $3,000,000;

(e) immediately before and after giving effect to any such purchase or other acquisition, no Default or Event of Default, shall exist or result therefrom; and

(f) the Borrower shall have delivered to the Lender, at least 10 Business Days prior to the date on which any such purchase or other acquisition is to be consummated, a written notice describing such transaction, and thereafter, if requested by the Lender for any such transaction involving consideration in excess of $1,000,000, (i) historical financial statements of or related to the Person or assets to be acquired, (ii) twelve month projections for such Person or assets to be acquired and for the Borrower after giving effect to such transaction, and (iii) material documentation and other information relating to such transaction and reasonably requested by the Lender.

"Permitted Subordinated Indebtedness" means Indebtedness incurred after the Closing Date by the Borrower or the Subsidiaries that is (i) subordinated to the Obligations and all other Indebtedness owing from the Borrower or the Subsidiaries to the Lender pursuant to a written subordination agreement satisfactory to the Lender in its sole discretion and (ii) in an amount and on terms approved by the Lender in its sole discretion.

"Person" means any natural person, corporation, limited liability company, partnership, joint venture, association, trust or unincorporated organization, Governmental Authority or any other legal entity, whether acting in an individual, fiduciary or other capacity.

"PHSA" means the Public Health Service Act (or any successor thereto), as amended from time to time, and the rules, regulations, guidelines, guidance documents and compliance policy guides issued or promulgated thereunder.

"PIK Interest" has the meaning set forth in Section 3.4(a)(ii).

"Prime Rate" means (i) the rate of interest last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as reasonably determined by the Lender) or any similar release by the Federal Reserve Board (as reasonably determined by the Lender), minus (ii) 1.00%; provided that (a) if the Prime Rate shall be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement, and (b) if the Prime Rate shall be greater than 4.00%, such rate shall be deemed to be 4.00% for the purposes of this Agreement.

"Privacy Laws" means all applicable security and privacy standards regarding protected health information under (i) the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, including the regulations promulgated thereunder (collectively "HIPAA") and (ii) any applicable state privacy Laws.

"Product" means (i) the Organ Care System and (ii) any current or future service or product (including software products and services) researched, designed, developed, manufactured, licensed, marketed, sold, performed, distributed or otherwise commercialized by the Borrower or any of its Affiliates, including any such product in development or which may be developed.

"Product Agreement" means each agreement, license, document, instrument, interest (equity or otherwise) or the like under which one or more parties grants or receives any right, title or interest with respect to any Product Development and Commercialization Activities in respect of one or more Products specified therein or to exclude third parties from engaging in, or otherwise restricting any right, title or interest as to any Product Development and Commercialization Activities with respect thereto, including each contract or agreement with suppliers (including human tissue supply agreements), manufacturers, distributors, clinical research organizations, hospitals, group purchasing organizations, wholesalers, pharmacies or any other Person related to any such entity.

"Product Development and Commercialization Activities" means, with respect to any Product, any combination of research, development, manufacture, import, use, sale, importation, storage, labeling, marketing, promotion, supply, distribution, testing, packaging, purchasing or other commercialization activities, receipt of payment in respect of any of the foregoing, or like activities the purpose of which is to commercially exploit such Product.

"Purchase Money Indebtedness" means Indebtedness (1) consisting of the deferred purchase price for equipment, software or other Intellectual Property incurred in connection with the acquisition of such equipment, software or other Intellectual Property, where the amount of

such Indebtedness does not exceed the greater of (a) the cost of the equipment, software or other Intellectual Property being financed and (b) the fair market value of such equipment, software or other Intellectual Property; and (2) incurred to finance such acquisition by the Borrower or a Subsidiary of such equipment, software or other Intellectual Property; provided, however, that such Indebtedness is incurred prior to or within 180 days after such acquisition.

"Qualified Capital Securities" shall mean any Capital Securities that are not Disqualified Capital Securities.

"Qualified IPO" means an underwritten initial public offering of the Capital Securities of Borrower or any direct or indirect parent of Borrower which generates cash proceeds of at least $50,000,000 and results in a listing of such entity's Capital Securities on a public securities exchange; provided that such direct or indirect parent, if any, shall have become a Guarantor hereunder.

"Receiving Party" means the Party receiving Confidential Information.

"Recipient" is defined in Section 10.14.

"Regulatory Agencies" means any Governmental Authority that is concerned with the use, control, safety, efficacy, reliability, manufacturing, testing, marketing, distribution, sale or other Product Development and Commercialization Activities relating to any Product of the Borrower or any of the Subsidiaries, including CMS, FDA, HRSA and all similar agencies in other jurisdictions, and includes Standard Bodies.

"Regulatory Authorizations" means all approvals, clearances, notifications, authorizations, orders, exemptions, registrations, listings, certifications, licenses and permits granted by, submitted to or filed with any Regulatory Agencies necessary for the testing, manufacture, development, distribution, use, storage, import, export, transport, promotion, marketing, sale or other commercialization of any Product in any country or jurisdiction, including any Investigational Application.

"Related Parties" means the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of the Borrower and the Subsidiaries.

"Release" means any releasing, disposing, discharging, injecting, spilling, leaking, leaching, pumping, pouring, dumping, depositing, emitting, escaping, emptying, seeping, dispersal, migrating or placing, including movement through, into or upon the environment or any natural or man-made structure.

"Repayment Premium" means a premium of

(a) the Make-Whole Amount with respect to the principal amount of any prepayment or repayment of the Borrower on the Initial Loan, the Tranche A Delayed Draw Loan, the Tranche B Delayed Draw Loan or the Tranche C Delayed Draw Loan, as applicable, if such prepayment or repayment is made or first required to be made on or prior to the 12-month anniversary of the Closing Date;

(b) nine percent (9%) of the principal amount of any prepayment or repayment of the Borrower on the Initial Loan, the Tranche A Delayed Draw Loan, the Tranche B Delayed Draw Loan or the Tranche C Delayed Draw Loan, as applicable, if such prepayment or repayment is not first required to be made prior to, and is made or first required to be made after, the 12-month anniversary of the Closing Date, but on or prior to the 24-month anniversary of the Closing Date;

(c) four and one-half percent (4.5%) of the principal amount of any prepayment or repayment of the Borrower on the Initial Loan, the Tranche A Delayed Draw Loan, the Tranche B Delayed Draw Loan or the Tranche C Delayed Draw Loan, as applicable, if such prepayment or repayment is not first required to be made prior to, and is made or first required to be made after, the 24-month anniversary of the Closing Date, but on or prior to the 36-month anniversary of the Closing Date; or

(d) zero percent (0%) of the principal amount of any prepayment or repayment of the Borrower on the Initial Loan, the Tranche A Delayed Draw Loan, the Tranche B Delayed Draw Loan or the Tranche C Delayed Draw Loan, as applicable, if such prepayment or repayment is not first required to be made on or prior to, and is first made or required to be made after, the 36-month anniversary of the Closing Date.

"Restricted Payment" means (i) the declaration or payment of any dividend on, or the making of any payment or distribution on account of, or setting apart assets for a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of, any class of Capital Securities of the Borrower or any Subsidiary or any warrants, options or other right or obligation to purchase or acquire any such Capital Securities, whether now or hereafter outstanding, or (ii) the making of any other distribution in respect of such Capital Securities, in each case either directly or indirectly, whether in cash, property or obligations of the Borrower or any Subsidiary or otherwise.

"Revenue Base" means, with respect to any period, the Net Revenues of all Products for such period.

"S&P" means Standard & Poor's Financial Services LLC, a division of The McGraw- Hill Companies, Inc., and any successor thereto.

"Sanctions" means any international economic sanction administered or enforced by the United States Government (including, without limitation, OF AC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission.

"Security Agreement" means the Pledge and Security Agreement executed and delivered by each of the parties thereto, substantially in the form of Exhibit E hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Solvent" means, with respect to any Person on a particular date, that on such date (i) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (ii) the present fair saleable value of the assets of such

Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (iii) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature, (iv) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which the property of such Person would constitute an unreasonably small capital and (v) such Person has not executed this Agreement or any other Loan Document, or made any transfer or incurred any obligations hereunder or thereunder, with actual intent to hinder, delay or defraud either present or future creditors. The amount of Contingent Liabilities at any time shall be computed as the amount that, in light of all the facts and circumstances existing at such time, can reasonably be expected to become an actual or matured liability.

"Standard Bodies" means any of the organizations that create, sponsor or maintain safety, quality or other standards, including ISO, ANSI, CEN and SCC and the like.

"Subsidiary" means, with respect to any Person, any other Person of which more than 50% of the outstanding Voting Securities of such other Person (irrespective of whether at the time Capital Securities of any other class or classes of such other Person shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person. Unless the context otherwise specifically requires, the term "Subsidiary" shall be a reference to a Subsidiary of the Borrower.

"Synthetic Lease" means, as applied to any Person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (i) that is not a capital lease in accordance with GAAP and (ii) in respect of which the lessee retains or obtains ownership of the property so leased for federal income tax purposes, other than any such lease under which that Person is the lessor.

"Taxes" means all income, stamp or other taxes, duties, levies, imposts, charges, assessments, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

"Termination Date" means the date on which all Obligations have been paid in full in cash and the Commitment shall have terminated.

"Third Party" means any Person other than the Borrower or any of the Subsidiaries.

"Three Month Treasury Rate" means, as of any date of determination, the weekly average yield as of such date of determination of actually traded United States Treasury securities adjusted to a constant maturity of three (3) months (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two (2) Business Days prior to such date of determination (or, if such Federal Reserve Statistical Release H. 15(519) is no longer published, any publicly available source of similar market data)).

"Trade Secrets" has the meaning assigned to such term in the Security Agreement.

"Trademark" means any trademark, service mark, trade name, logo, symbol, trade dress, domain name, corporate name or other indicator of source or origin, and all applications and registrations therefor, together with all of the goodwill associated therewith.

"Trademark Security Agreement" means any Trademark Security Agreement executed and delivered by the Borrower or any of the Subsidiaries substantially in the form of Exhibit B to any Security Agreement, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Tranche A Delayed Draw Closing Date" means the date of the making of the Tranche A Delayed Draw Loan hereunder, which in no event shall be later than April 30, 2019.

"Tranche A Delayed Draw Commitment Amount" means $5,000,000.

"Tranche A Delayed Draw Commitment Termination Date" means the earliest to occur of (i) the Tranche A Delayed Draw Closing Date (immediately after the making of the Tranche A Delayed Draw Loan on such date), (ii) April 30, 2019, and (iii) June 22, 2018, if the Initial Loan shall not have been made hereunder prior to such date.

"Tranche A Delayed Draw Loan" is defined in Section 2.1.

"Tranche B Delayed Draw Closing Date" means the date of the making of the Tranche B Delayed Draw Loan hereunder, which in no event shall be later than April 30, 2019.

"Tranche B Delayed Draw Commitment Amount" means $5,000,000.

"Tranche B Delayed Draw Commitment Termination Date" means the earliest to occur of (i) the Tranche B Delayed Draw Closing Date (immediately after the making of the Tranche B Delayed Draw Loan on such date), (ii) April 30, 2019, and (iii) June 22, 2018, if the Initial Loan shall not have been made hereunder prior to such date.

"Tranche B Delayed Draw Loan" is defined in Section 2.1.

"Tranche C Delayed Draw Closing Date" means the date of the making of the Tranche C Delayed Draw Loan hereunder, which in no event shall be later than April 30, 2020.

"Tranche C Delayed Draw Commitment Amount" means $20,000,000.

"Tranche C Delayed Draw Commitment Termination Date" means the earliest to occur of (i) the Tranche C Delayed Draw Closing Date (immediately after the making of the Tranche C Delayed Draw Loan on such date), (ii) April 30, 2020, (iii) June 22, 2018, if the Initial Loan shall not have been made hereunder prior to such date and (iv) April 30, 2019, if the Tranche A Delayed Draw Loan shall not have been made hereunder prior to such date.

"Tranche C Delayed Draw Loan" is defined in Section 2.1.

"U.S. Controlled Account" is defined in Section 7.13(a).

"UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided that, if, with respect to any financing statement or by reason of any provisions of law, the perfection or the effect of perfection or non-perfection of the security interests granted to the Lender pursuant to the applicable Loan Document is governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States other than New York, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions of each Loan Document and any financing statement relating to such perfection or effect of perfection or non-perfection.

"United States" or "U.S." means the United States of America, its fifty states and the District of Columbia.

"Upfront Fee" is defined in Section 3.9(a).

"USDA" means the United States Department of Agriculture.

"Voting Securities" means, with respect to any Person, Capital Securities of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"wholly owned Subsidiary" means any direct or indirect Subsidiaries of the Borrower, all of the outstanding Capital Securities of which (other than any director's qualifying shares or investments by foreign nationals mandated by applicable laws) is owned directly or indirectly by the Borrower.

SECTION 1.2. Use of Defined Terms. Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Agreement shall have such meanings when used in each other Loan Document and the schedules attached hereto.

SECTION 1.3. Cross-References. Unless otherwise specified, references in a Loan Document to any Article or Section are references to such Article or Section of such Loan Document, and references in any Article, Section or definition to any clause are references to such clause of such Article, Section or definition.

SECTION 1.4. Accounting and Financial Determinations. Unless otherwise specified, all accounting terms used in each Loan Document shall be interpreted, and all accounting determinations and computations thereunder (including under Section 8.4 and the definitions used in such calculations) shall be made, in accordance with GAAP, as in effect from time to time; provided that, if either the Borrower or the Lender requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or the application thereof, then such provision shall be interpreted on the basis of GAAP in effect and applied immediately before such change shall have become effective until such request shall have been withdrawn or such provision amended in accordance herewith. Unless otherwise expressly provided, all financial covenants and defined financial terms shall be computed on a consolidated basis for the Borrower and the Subsidiaries, in each case without duplication.

ARTICLE II
COMMITMENT AND BORROWING PROCEDURES

SECTION 2.1. Commitment. On the terms and subject to the conditions of this Agreement, the Lender agrees to make a term loan (the "Initial Loan") to the Borrower on the Closing Date in an amount equal to (but not less than) the Initial Commitment Amount. On the terms and subject to the conditions of this Agreement, the Lender agrees to make a term loan (the "Tranche A Delayed Draw Loan") to the Borrower on the Tranche A Delayed Draw Closing Date in an amount equal to (but not less than) the Tranche A Delayed Draw Commitment Amount. On the terms and subject to the conditions of this Agreement, the Lender agrees to make a term loan (the "Tranche B Delayed Draw Loan") to the Borrower on the Tranche B Delayed Draw Closing Date in an amount equal to (but not less than) the Tranche B Delayed Draw Commitment Amount. On the terms and subject to the conditions of this Agreement, the Lender agrees to make a term loan (the "Tranche C Delayed Draw Loan") to the Borrower on the Tranche C Delayed Draw Closing Date in an amount equal to (but not less than) the Tranche C Delayed Draw Commitment Amount. No amounts paid or prepaid with respect to the Loans may be reborrowed.

SECTION 2.2. Borrowing Procedure. The Borrower may irrevocably request that the Initial Loan be made by delivering to the Lender a Loan Request on or before 10:00 a.m. on a Business Day at least three Business Days prior to the proposed Closing Date. The Borrower may irrevocably request that the Tranche A Delayed Draw Loan be made by delivering to the Lender a Loan Request on or before 10:00 a.m. on a Business Day at least three Business Days prior to the proposed Tranche A Delayed Draw Closing Date. The Borrower may irrevocably request that the Tranche B Delayed Draw Loan be made by delivering to the Lender a Loan Request on or before 10:00 a.m. on a Business Day at least three Business Days prior to the proposed Tranche B Delayed Draw Closing Date. The Borrower may irrevocably request that the Tranche C Delayed Draw Loan be made by delivering to the Lender a Loan Request on or before 10:00 a.m. on a Business Day at least three Business Days prior to the proposed Tranche C Delayed Draw Closing Date.

SECTION 2.3. Funding. After receipt of the Loan Request for the Initial Loan, the Lender shall, on the Closing Date and subject to the terms and conditions hereof, make the requested proceeds of the Initial Loan available to the Borrower by wire transfer to the account the Borrower shall have specified in its Loan Request. After receipt of the Loan Request for the Tranche A Delayed Draw Loan, the Lender shall, on the Tranche A Delayed Draw Closing Date and subject to the terms and conditions hereof, make the requested proceeds of the Tranche A Delayed Draw Loan available to the Borrower by wire transfer to the account the Borrower shall have specified in its Loan Request. After receipt of the Loan Request for the Tranche B Delayed Draw Loan, the Lender shall, on the Tranche B Delayed Draw Closing Date and subject to the terms and conditions hereof, make the requested proceeds of the Tranche B Delayed Draw Loan available to the Borrower by wire transfer to the account the Borrower shall have specified in its Loan Request. After receipt of the Loan Request for the Tranche C Delayed Draw Loan, the Lender shall, on the Tranche C Delayed Draw Closing Date and subject to the terms and conditions hereof, make the requested proceeds of the Tranche C Delayed Draw Loan available to the Borrower by wire transfer to the account the Borrower shall have specified in its Loan Request.

SECTION 2.4. Reduction of the Commitment Amounts. The Initial Commitment Amount shall automatically and permanently be reduced to zero on the Initial Commitment Termination Date. The Tranche A Delayed Draw Commitment Amount shall automatically and permanently be reduced to zero on the Tranche A Delayed Draw Commitment Termination Date. The Tranche B Delayed Draw Commitment Amount shall automatically and permanently be reduced to zero on the Tranche B Delayed Draw Commitment Termination Date. The Tranche C Delayed Draw Commitment Amount shall automatically and permanently be reduced to zero on the Tranche C Delayed Draw Commitment Termination Date.

ARTICLE III
REPAYMENTS, PREPAYMENTS, INTEREST AND FEES

SECTION 3.1. Repayments and Prepayments; Application. The Borrower agrees that the Loans, and any fees or interest accrued or accruing thereon, shall be repaid and prepaid solely in U.S. Dollars pursuant to the terms of this Article III.

SECTION 3.2. Repayments and Prepayments. The Borrower shall repay in full the unpaid principal amount of the Loans on the Maturity Date. Prior thereto, payments and prepayments of the Loans shall be made as set forth below.

(a) The Borrower shall have the right, with at least three Business Days' notice to the Lender, at any time and from time to time to prepay any unpaid principal amount of the Loans, in whole or in part.

(b) Within three Business Days of receipt by the Borrower or any Subsidiary of any (i) Net Casualty Proceeds or (ii) Net Asset Sales Proceeds (other than any Net Asset Sales Proceeds from any Disposition permitted under clauses (i) through (vii) of Section 8.8), the Borrower shall notify the Lender thereof. If requested by the Lender, the Borrower shall within three Business Days of such request make a mandatory prepayment of the Loans, in an amount equal to 100% of such proceeds (or such lesser amount as the Lender may specify on the date of such request), to be applied as set forth in Section 3.3.

(c) The Borrower shall repay the Loans in full immediately upon any acceleration of the Maturity Date thereof pursuant to Section 9.2 or Section 9.3, unless, pursuant to Section 9.3, only a portion of the Loans is so accelerated (in which case the portion so accelerated shall be so repaid).

SECTION 3.3. Application. Except as provided in Section 4.4(b). amounts repaid or prepaid in respect of the outstanding principal amount of the Loans pursuant to clauses (b) or (c) of Section 3.2 shall be applied pro rata to the Initial Loan, the Tranche A Delayed Draw Loan, the Tranche B Delayed Draw Loan and the Tranche C Delayed Draw Loan.

SECTION 3.4. Interest Rate.

(a) During any applicable Interest Period:

(i) Interest payable in cash by the Borrower shall accrue on the Loans during such Interest Period at a rate per annum equal to the LIBO Rate plus the Applicable Margin; provided that notwithstanding anything herein to the contrary, interest payable in cash shall in no event accrue a rate period in excess of 11.50% per annum; and

(ii) the Loans shall accrue additional interest ("PIK Interest"), if any, during such Interest Period at a rate per annum equal to the difference (if positive) of (x) the sum of (A) the LIBO Rate plus (B) the Applicable Margin, minus (y) 11.50%, and such PIK Interest shall be added to the outstanding principal amount of the Loans on the last day of each Fiscal Quarter until the Maturity Date.

(b) The interest rate shall be recalculated and, if necessary, adjusted for each Interest Period, in each case pursuant to the terms hereof.

(c) All references hereunder to the principal amount of the Loans shall include any PIK Interest, if any, so added to the principal.

SECTION 3.5. Alternate Rate of Interest.

(a) If prior to the commencement of any Interest Period for a Loan the Lender determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period, then the Lender shall give notice thereof to the Borrower by telephone (confirmed by e-mail transmission) or e-mail as promptly as practicable thereafter and, until the Lender notifies the Borrower that the circumstances giving rise to such notice no longer exist, (A) any continuation of any Loan as a LIBO Rate Loan shall be ineffective and such Loan shall be continued on the last day of the Interest Period applicable thereto as a Loan with interest calculated pursuant to Section 3.4 but using the Prime Rate (instead of the LIBO Rate) and (B) any Loan Request that requests a LIBO Rate Loan shall be ineffective and such Loan shall be made as a Loan with interest calculated pursuant to Section 3.4 but using the Prime Rate (instead of the LIBO Rate).

(b) If at any time the Lender determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in Section 3.5(a) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in Section 3.5(a) have not arisen but the supervisor for the administrator of the LIBO Rate has made a public statement identifying a specific date after which the LIBO Rate shall no longer be used for determining interest rates for loans, then the Lender and the Borrower shall endeavor to establish an alternate rate of interest to that based on the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes as the Lender and the Borrower may determine to be appropriate. Until an alternate rate of interest shall be determined in accordance with this Section 3.5(b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 3.5(b). only to the extent the LIBO Rate for such Interest Period is not

available or published at such time on a current basis), clauses (A) and (B) of Section 3.5(a) shall be applicable.

SECTION 3.6. Default Rate. At all times commencing upon the date any Event of Default occurs, and is continuing until such Event of Default is no longer continuing, the Applicable Margin shall be increased by 4% per annum.

SECTION 3.7. Payment Dates. Interest accrued on the Loans shall be payable in cash, without duplication:

(a) on the Maturity Date therefor;

(b) on the date of any payment or prepayment, in whole or in part, of principal outstanding on such Loan on the principal amount so paid or prepaid;

(c) other than with respect to the PIK Interest, on the last day of each calendar quarter; provided that if such day is not a Business Day, then such payment shall be made on the next succeeding Business Day; and

(d) on that portion of the Loans that is accelerated pursuant to Section 9.2 or Section 9.3, immediately upon such acceleration. Interest accrued on the Loans or other monetary Obligations after the date such amount is due and payable (whether on the Maturity Date, upon acceleration or otherwise) shall be payable upon demand.

SECTION 3.8. Repayment Premium. Any repayment or prepayment of principal pursuant to this Article III (other than any repayments of principal made on the Maturity Date) shall be accompanied by the payment of the Repayment Premium.

SECTION 3.9. Upfront Fee and Exit Fee.

(a) Upfront Fee. The Borrower agrees that on the Closing Date, the Borrower shall pay an upfront fee in an aggregate amount equal to $900,000 (the "Upfront Fee") to the Lender, for its own account. The Borrower agrees that the Upfront Fee shall be (i) paid in U.S. Dollars, (ii) fully earned upon the Closing Date, (iii) nonrefundable and (iv) in addition to, and not creditable against, any other fee, cost or expense payable under the Loan Documents.

(b) Exit Fee. Upon the prepayment or repayment of all or any portion of the Loans (or upon the date any such prepayment or repayment is required to be paid), whether pursuant to Section 9.2 or Section 9.3. or otherwise, the Borrower shall pay to the Lender on the date on which such prepayment or repayment is paid or required to be paid, as the case may be, in addition to the other Obligations (including the Repayment Premium (if any)) so prepaid, repaid or required to be prepaid or repaid, an exit fee in an amount equal to three percent (3%) of the principal amount of the Loans prepaid, repaid or required to be prepaid or repaid, as the case may be, on such date.

SECTION 3.10. Original Issue Discount. The Borrower and the Lender acknowledge that the Loan will be treated as issued with original issue discount for U.S. federal tax purposes,

within the meaning of section 1273 of the Internal Revenue Code. The issue price, amount of original issue discount, issue date and yield to maturity for the Loan may be obtained by submitting a written request for such information to the Borrower care of Chief Financial Officer at 200 Minuteman Road, Suite 302, Andover, MA 01810-1046.

ARTICLE IV
LIBO RATE AND OTHER PROVISIONS

SECTION 4.1. Increased Costs. Etc. The Borrower agrees to reimburse the Lender for any increase in the cost to the Lender of, or any reduction in the amount of any sum receivable by the Lender in respect of, the Lender's Commitment and the making, continuation or maintaining of the Loans hereunder that may arise in connection with any Change in Law, except for such changes with respect to increased capital costs and Taxes which are governed by Section 4.2 and Section 4.3, respectively. The Lender shall notify the Borrower in writing of the occurrence of any such event, stating the reasons therefor and the additional amount required fully to compensate the Lender for such increased cost or reduced amount. Such additional amounts shall be payable by the Borrower directly to the Lender within ten Business Days of its receipt of such notice, and such notice shall, in the absence of manifest error, be conclusive and binding on the Borrower; provided that the Borrower shall not be required to compensate the Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 4.2. Increased Capital Costs. If any Change in Law affects or would affect the amount of capital required or expected to be maintained by the Lender or any Person controlling the Lender, and the Lender determines (in good faith and in its reasonable discretion) that the rate of return on its or such controlling Person's capital as a consequence of the Commitment or the Loans made by it hereunder is reduced to a level below that which the Lender or such controlling Person could have achieved but for the occurrence of any such circumstance, then upon notice from time to time by the Lender to the Borrower, the Borrower shall within ten Business Days following receipt of such notice pay directly to the Lender additional amounts sufficient to compensate the Lender or such controlling Person for such reduction in rate of return; provided that the Borrower shall not be required to compensate the Lender pursuant to this Section for any reductions incurred more than 180 days prior to the date that such Lender provides such notice to the Borrower; provided further that, if the Change in Law giving rise to such reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof. A statement of the Lender as to any such additional amount or amounts shall, in the absence of manifest error, be conclusive and binding on the Borrower. In determining such amount, the Lender may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable.

SECTION 4.3. Taxes. The Borrower covenants and agrees as follows with respect to Taxes.

(a) Any and all payments by the Borrower or any Subsidiary under each Loan Document shall be made without setoff, counterclaim or other defense, and free and clear of, and without deduction or withholding for or on account of, any Taxes, except as required by applicable law. In the event that any Taxes are imposed and required to be deducted or withheld from any payment required to be made by the Borrower or any of the Subsidiaries to or on behalf of the Lender under any Loan Document, then:

(i) if such Taxes are Non-Excluded Taxes, the amount of such payment shall be increased as may be necessary so that after the withholding or deduction for or on account of such Taxes, the Lender receives an amount equal to the sum it would have received had no such withholding or deduction been made; and

(ii) the Borrower or such Subsidiary shall withhold or deduct the full amount of such Taxes from such payment (as increased pursuant to clause (a)(i)) and shall pay such amount to the Governmental Authority imposing such Taxes in accordance with applicable law.

(b) In addition, the Borrower shall pay all Other Taxes imposed to the relevant Governmental Authority imposing such Other Taxes in accordance with applicable law.

(c) As promptly as practicable after the payment of any Taxes or Other Taxes required to be paid by the Borrower under Section 4.3(a) or (b), and in any event within 45 days of any such payment being due, the Borrower shall furnish to the Lender a copy of an official receipt (or a certified copy thereof) or other evidence of such payment reasonably satisfactory to the Lender evidencing the payment of such Taxes or Other Taxes.

(d) The Borrower shall indemnify the Lender for any Non-Excluded Taxes and Other Taxes levied, imposed or assessed on (and whether or not paid directly by) the Lender whether or not such Non-Excluded Taxes or Other Taxes are correctly or legally asserted by the relevant Governmental Authority. In addition, the Borrower shall indemnify the Lender for any incremental Taxes that may become payable by the Lender as a result of any failure of the Borrower to pay any Non- Excluded Taxes or Other Taxes when due to the appropriate Governmental Authority or to deliver to the Lender, pursuant to clause (c), documentation evidencing the payment of such Taxes. With respect to indemnification for Non-Excluded Taxes and Other Taxes actually paid or payable by the Lender or the indemnification provided in the immediately preceding sentence, such indemnification shall be made (or, at the option of the Lender, the Borrower shall pay such Non-Excluded Taxes or Other Taxes directly to the relevant Governmental Authority) within 30 days after the date the Lender makes a reasonably detailed written demand therefor. The Borrower acknowledges that any payment made to the Lender in respect of the indemnification obligations of the Borrower provided in this clause shall constitute a payment in respect of which the provisions of clause (a) and this clause shall apply.

(e) If the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, such Lender shall deliver to the Borrower, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Lender, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, on the Closing Date, and on the date on which a subsequent successor or assignee of the Lender otherwise acquires an interest in this Agreement, as applicable, and at such other times as may be necessary in the determination of the Borrower (in the reasonable exercise of its discretion), the Lender (and any successor or assign of the Lender) shall deliver to the Borrower two (2) properly completed and signed original IRS Forms W-8BEN, W-8BEN-E, W-8EXP, W-8ECI or W-8IMY (along with a Form W-9, W-8BEN-E, W-8BEN, W-8EXP or W-8ECI for each beneficial owner that will receive, directly or indirectly, any consideration payable or otherwise deliverable pursuant to this Agreement) or IRS Form W-9 (or any successor form), as applicable, and such other documentation required under the Code and reasonably requested by the Borrower to establish the appropriate amount of any deduction or withholding of United States federal Tax, if any, with respect to any payments to the Lender (or its successors or assigns), including any such additional documentation reasonably requested by the Borrower as may be necessary for the Borrower to comply with its obligations under FATCA. The Lender (and each of its successors or assigns) shall, from time to time after the initial delivery by such Person of such forms, certificates or other evidence, whenever a lapse in time, change in circumstances or Law, or additional guidance by a Governmental Authority renders such forms, certificates or other evidence obsolete or inaccurate in any respect, promptly deliver to the Borrower two (2) new originals of Internal Revenue Service Forms W-8BEN, W-8BEN-E, W-8EXP, W-8ECI, or W-8IMY (along with Forms W- 9, W-8BEN-E, W-8BEN, W-8EXP or W-8ECI for each beneficial owner for whom it expects to receive a payment) or Form W-9, or any successor form, as the case may be, properly completed and duly executed by such Person, and such other documentation required under the Code and reasonably requested by the Borrower to confirm or establish the extent to which such Person is or is not subject to deduction, backup withholding or withholding of U.S. federal Tax with respect to payments to such Person under this Agreement, or notify the Borrower of its inability to deliver any such forms, certificates or other evidence.

(f) If any payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower at the time or times prescribed by law and at such time or times reasonably requested by the Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower as may be necessary for the

Borrower to comply with its obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (f), "FATCA" shall include any amendments made to FATCA after the Closing Date.

(g) If the Lender determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 4.3 (including by the payment of additional amounts pursuant to this Section 4.3), it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made under this Section 4.3 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). The Borrower, upon the request of such Lender, shall repay to such Lender the amount paid over pursuant to this clause (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (g), in no event will the Lender be required to pay any amount to the Borrower pursuant to this clause (g) the payment of which would place the Lender in a less favorable net after-Tax position than the Lender would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This clause shall not be construed to require the Lender to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person.

(h) Each party's obligations under this Section 4.3 shall survive any assignment of rights by, or the replacement of, the Lender, the termination of the Commitment, and the repayment, satisfaction or discharge of all Obligations.

SECTION 4.4. Payments, Computations; Proceeds of Collateral Etc.

(a) Unless otherwise expressly provided in a Loan Document, all payments by the Borrower pursuant to each Loan Document shall be made without setoff, deduction or counterclaim not later than 2:00 p.m. on the date due in same day or immediately available funds to such account as the Lender shall specify from time to time by notice to the Borrower. Funds received after 2:00 p.m. on any day shall be deemed to have been received by the Lender on the next succeeding Business Day. All interest and fees shall be computed on the basis of the actual number of days (including the first day but excluding the last day) occurring during the period for which such interest or fee is payable over a year comprised of 360 days. Payments due on other than a Business Day shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest and fees in connection with that payment.

(b) All amounts received as a result of the exercise of remedies under the Loan Documents (including from the proceeds of collateral securing the Obligations) or under applicable Law shall be applied upon receipt to the Obligations as follows:

(i) first, to the payment in full in cash of all interest (including interest accruing after the commencement of a proceeding in bankruptcy, insolvency or similar Law, whether or not permitted as a claim under such Law) and fees owing under the Loan Documents, and all costs and expenses owing to the Lender pursuant to the terms of the Loan Documents, until paid in full in cash, (ii) second, after payment in full in cash of the amounts specified in clause (b)(i). to the payment of the principal amount of the Loans then outstanding, (iii) third, after payment in full in cash of the amounts specified in clauses (bid) and (b)(ii), to the payment of all other Obligations owing to the Lender, and (iv) fourth, after payment in full in cash of the amounts specified in clauses (b)(i) through (b)(m\ and following the Termination Date, to the Borrower or any other Person lawfully entitled to receive such surplus.

SECTION 4.5. Setoff. The Lender shall, upon the occurrence and during the continuance of any Event of Default, have the right to appropriate and apply to the payment of the Obligations owing to it (whether or not then due), and (as security for such Obligations) the Borrower hereby grants to the Lender a continuing security interest in, any and all balances, credits, deposits, accounts or moneys of the Borrower then or thereafter maintained with or on behalf of the Lender. The Lender agrees promptly to notify the Borrower after any such appropriation and application made by the Lender; provided that, the failure to give such notice shall not affect the validity of such setoff and application. The rights of the Lender under this Section are in addition to other rights and remedies (including other rights of setoff under applicable Law or otherwise) which the Lender may have.

ARTICLE V
CONDITIONS TO MAKING THE LOANS

SECTION 5.1. Credit Extensions. The obligation of the Lender to make the Initial Loan shall be subject to the execution and delivery of this Agreement by the parties hereto, the delivery of a Loan Request as requested pursuant to Section 2.3, and the satisfaction of each of the conditions precedent set forth below in this Article (other than Sections 5.17 and 5.18). The obligation of the Lender to make the Tranche A Delayed Draw Loan shall be subject solely to the prior making of the Initial Loan, the delivery of a Loan Request as requested pursuant to Section 2.3, and the satisfaction of each of the conditions precedent set forth below in Sections 5.3, 5.8, 5.17(a) and 5.18. The obligation of the Lender to make the Tranche B Delayed Draw Loan shall be subject solely to the prior or contemporaneous making of the Tranche A Delayed Draw Loan, the delivery of a Loan Request as requested pursuant to Section 2.3, and the satisfaction of each of the conditions precedent set forth below in Sections 5.3, 5.8, 5.17(b) and 5.18. The obligation of the Lender to make the Tranche C Delayed Draw Loan shall be subject solely to the prior making of the Tranche A Delayed Draw Loan, the delivery of a Loan Request as requested pursuant to Section 2.3, and the satisfaction of each of the conditions precedent set forth below in Sections 5.3, 5.8, 5.17(c), 5.18 and 5.19.

SECTION 5.2. Secretary's Certificate, Etc. The Lender shall have received from the Borrower and each Subsidiary party to a Loan Document, (i) a copy of a good standing certificate, dated a date reasonably close to the Closing Date, for each such Person (other than the Dutch Subsidiary), (ii) in respect of the Dutch Subsidiary a copy of an extract of the Dutch

Subsidiary from the Dutch Chamber of Commerce dated a date reasonably close to the Closing Date, and (iii) a certificate, dated as of the Closing Date, duly executed and delivered by such Person's Secretary or Assistant Secretary, managing board members, managing member or general partner, as applicable, as to

(a) resolutions of each such Person's Board of Directors (or other managing body, in the case of other than a corporation) then in full force and effect authorizing the execution, delivery and performance of each Loan Document to be executed by such Person and the transactions contemplated hereby and thereby;

(b) the incumbency and signatures of those of its officers, managing member or general partner, as applicable, authorized to act with respect to each Loan Document to be executed by such Person; and

(c) the full force and validity of each Organic Document of such Person and copies thereof; upon which certificates the Lender may conclusively rely until it shall have received a further certificate of the Secretary, Assistant Secretary, managing board members, managing member or general partner, as applicable, of any such Person canceling or amending the prior certificate of such Person.

SECTION 5.3. Closing Date Certificate. The Lender shall have received a Closing Date Certificate, dated as of the Closing Date, the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, and duly executed and delivered by an Authorized Officer of the Borrower, in which certificate the Borrower shall certify that

(i) the representations and warranties set forth in each Loan Document shall, in each case, be true and correct, (ii) no Default shall have then occurred and be continuing, or would result from the Loan to be advanced on the Closing Date, the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, and (iii) all of the conditions set forth in this Article V required to be satisfied on such date have been satisfied. The Closing Date Certificate shall be true and correct. All documents and agreements required to be appended to the Closing Date Certificate, if any, shall be in form and substance reasonably satisfactory to the Lender, shall have been executed and delivered by the requisite parties, and shall be in full force and effect.

SECTION 5.4. Payment of Outstanding Indebtedness. Etc. All Indebtedness identified in Schedule 8.2(b). together with all interest, all prepayment premiums and all other amounts due and payable with respect thereto, shall have been paid in full from the proceeds of the Loan and the commitments in respect of such Indebtedness shall have been terminated, and all Liens securing payment of any such Indebtedness shall have been released and the Lender shall have received all Uniform Commercial Code Form UCC-3 termination statements or other instruments (including customary payoff letters) as may be suitable or appropriate in connection therewith.

SECTION 5.5. Delivery of Note. The Lender shall have received a Note duly executed and delivered by an Authorized Officer of the Borrower.

SECTION 5.6. Financial Information. Etc. The Lender shall have received

(a) audited consolidated financial statements of the Borrower and the Subsidiaries for each of the Fiscal Years ended December 31, 2014, December 31, 2015, and December 31, 2016.

(b) unaudited consolidated balance sheets of the Borrower and the Subsidiaries for each Fiscal Quarter ended after December 31, 2016, together with the related consolidated statement of operations, shareholder's equity and cash flows for the twelve months then ended; and

(c) such other financial information as to the Borrower and the Subsidiaries and their respective businesses, assets and liabilities as the Lender may reasonably request.

SECTION 5.7. Compliance Certificate. The Lender shall have received an initial Compliance Certificate on a pro forma basis as if the Initial Loan had been made as of March 31, 2018 and as to such items therein as the Lender reasonably requests, dated the Closing Date, duly executed (and with all schedules thereto duly completed) and delivered by the chief financial or accounting Authorized Officer of the Borrower.

SECTION 5.8. Solvency, Etc. The Lender shall have received a solvency certificate duly executed and delivered by the chief financial or accounting Authorized Officer of the Borrower, dated as of the Closing Date, the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, in form and substance satisfactory to the Lender.

SECTION 5.9. Guarantee. The Lender shall have received executed counterparts of the Guarantee, dated as of the date hereof, duly executed and delivered by each Material Subsidiary.

SECTION 5.10. Security Agreements. The Lender shall have received executed counterparts of the Security Agreement and each Dutch Security Document, each dated as of the date hereof, duly executed and delivered by the Borrower and each Material Subsidiary, together with

(a) certificates (in the case of Capital Securities that are securities (as defined in the UCC)) evidencing all of the issued and outstanding Capital Securities owned by the Borrower or any Guarantor in the Borrower and the Subsidiaries (limited to 65% of the issued and outstanding voting Capital Securities and 100% of the issued and outstanding non-voting Capital Securities of any Excluded Foreign Subsidiary), which certificates in each case shall be accompanied by undated instruments of transfer duly executed in blank, or, in the case of Capital Securities that are uncertificated securities (as defined in the UCC), confirmation and evidence satisfactory to the Lender that the security interest therein has been transferred to and perfected by the Lender in accordance with Articles 8

and 9 of the UCC and all Laws otherwise applicable to the perfection of the pledge of such Capital Securities;

(b) financing statements suitable in form for naming the Borrower and each Subsidiary as a debtor and the Lender as the secured party, or other similar instruments or documents to be filed under the UCC of all jurisdictions as may be necessary or, in the opinion of the Lender, desirable to perfect the security interests of the Lender pursuant to the Security Agreement; and

(c) UCC Form UCC-3 termination statements, if any, necessary to release all Liens and other rights of any Person (i) in any assets of the Borrower or any Subsidiary, and (ii) securing any of the Indebtedness identified in Schedule 8.2(b), together with such other UCC Form UCC-3 termination statements as the Lender may reasonably request from the Borrower or any Subsidiary.

SECTION 5.11. Intellectual Property Security Agreements. The Lender shall have received a Patent Security Agreement, a Copyright Security Agreement and a Trademark Security Agreement, as applicable, each dated as of the Closing Date, duly executed and delivered by the Borrower or any Subsidiary that, pursuant to the Security Agreement, is required to provide such intellectual property security agreements to the Lender.

SECTION 5.12. Opinions of Counsel. The Lender shall have received a legal opinion, dated the Closing Date and addressed to the Lender, from Wilmer Cutler Pickering Hale and Dorr LLP, counsel to the Borrower and the Subsidiaries and NautaDutilh New York P.C., Dutch counsel to the Borrower and the Dutch Subsidiary, in form and substance satisfactory to the Lender.

SECTION 5.13. Insurance. The Lender shall have received accord or similar certificates from one or more insurance companies reasonably satisfactory to the Lender, evidencing property and liability coverage required to be maintained pursuant to each Loan Document, with the Lender named as loss payee or additional insured, as applicable.

SECTION 5.14. Closing Fees. Expenses. Etc. The Lender shall have received for its own account all fees, costs and expenses due and payable pursuant to Section 10.3.

SECTION 5.15. Anti-Terrorism Laws. The Lender shall have received, as applicable, all documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the U.S.A. Patriot Act.

SECTION 5.16. Satisfactory Legal Form. All documents executed or submitted pursuant hereto by or on behalf of the Borrower or any Subsidiary shall be satisfactory in form and substance to the Lender and its counsel, and the Lender and its counsel shall have received all information, approvals, resolutions, opinions, documents or instruments as the Lender or its counsel may reasonably request.

SECTION 5.17. Revenue Base.

(a) The Lender shall be satisfied that the Revenue Base for the twelve full calendar month period ended most recently prior to the Tranche A Delayed Draw Closing Date was at least $12,000,000; provided however, that the Revenue Base with respect to sales of Products in the United States for such twelve full calendar month period ended most recently prior to the Tranche A Delayed Draw Closing Date was at least $7,000,000; provided further that in no event shall such twelve calendar month period include the month in which the Tranche A Delayed Draw Closing Date occurs.

(b) The Lender shall be satisfied that the Revenue Base for the twelve full calendar month period ended most recently prior to the Tranche B Delayed Draw Closing Date was at least $12,000,000; provided however, that the Revenue Base with respect to sales of Products in the United States for such twelve full calendar month period ended most recently prior to the Tranche B Delayed Draw Closing Date was at least $9,500,000; provided further that in no event shall such twelve calendar month period include the month in which the Tranche B Delayed Draw Closing Date occurs.

(c) The Lender shall be satisfied that the Revenue Base for the twelve full calendar month period ended most recently prior to the Tranche C Delayed Draw Closing Date was at least $20,000,000; provided that in no event shall such twelve calendar month period include the month in which the Tranche C Delayed Draw Closing Date occurs.

SECTION 5.18. Disclosure Schedules. Immediately prior to the Delayed Draw Closing Date, the Borrower shall deliver to the Lender updates to Schedules 6.15(a), 6.16, 6.19 and 6.22, each such updated Schedule to be complete and accurate in all material respects as of the Delayed Draw Closing Date.

SECTION 5.19. FDA Approval. Borrower shall have received final FDA approval of an application for premarket approval of the Organ Care System OCS Heart System for the preservation of donor hearts in a near physiologic, beating and perfused state for heart transplantation.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement and to make the Loans hereunder, the Borrower represents and warrants on the Closing Date, the Tranche A Delayed Drawing Closing Date, the Tranche B Delayed Draw Closing Date and the Tranche C Delayed Draw Closing Date, to the Lender as set forth in this Article.

SECTION 6.1. Organization. Etc. The Borrower and each Subsidiary (a) is validly organized and existing and in good standing (where this is applicable) under the laws of the jurisdiction of its incorporation or organization, is duly qualified to do business and is in good standing as a foreign entity (where this is applicable) in each jurisdiction where the nature of its business requires such qualification (unless the failure to so qualify as a foreign entity could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect), and (b) has full power and authority and holds all requisite material governmental licenses, permits

and other approvals required (i) to enter into and perform its Obligations under each Loan Document to which it is a party, and (ii) to own and hold under lease its property and to conduct its business substantially as currently conducted by it.

SECTION 6.2. Due Authorization. Non-Contravention. Etc. The execution, delivery and performance by the Borrower and each Subsidiary of each Loan Document executed or to be executed by it are in each case within such Person's corporate or organizational powers, have been duly authorized by all necessary corporate or organizational action, and do not:

(a) contravene (i) the Borrower's or any Subsidiary's Organic Documents, (ii) any court decree or order binding on or affecting the Borrower or any Subsidiary or (iii) any Law or governmental regulation binding on or affecting the Borrower or any Subsidiary; or

(b) result in (i) or require the creation or imposition of any Lien on the Borrower's or any Subsidiary's properties (except as permitted by this Agreement) or (ii) a default under any material contract, agreement, or instrument binding on or affecting the Borrower or any Subsidiary.

SECTION 6.3. Government Approval Regulation. Etc. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person (other than those that have been, or on the Closing Date will be, duly obtained or made and which are, or on the Closing Date will be, in full force and effect) is required for the due execution, delivery or performance by the Borrower or any Subsidiary of any Loan Document to which it is a party.

SECTION 6.4. Validity, Etc. Each Loan Document to which the Borrower or any Subsidiary is a party constitutes the legal, valid and binding obligations of such Person enforceable against such Person in accordance with its respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity).

SECTION 6.5. Financial Information. The financial statements of the Borrower and the Subsidiaries furnished to the Lender pursuant to Sections 5.6 and 7J_ have been prepared in accordance with GAAP, consistently applied, subject, in the case of unaudited financial statements, to the absence of footnotes and changes resulting from normal, year-end audit adjustments, and present fairly the consolidated financial condition of the Persons covered thereby as at the dates thereof and the results of their operations for the periods then ended.

SECTION 6.6. No Material Adverse Change. Except as set forth on Schedule 6.6, there has been no material adverse change in the business, financial performance or condition, operations (including the results thereof), assets or properties of the Borrower and its Subsidiaries, taken as a whole, since December 31, 2017.

SECTION 6.7. Litigation, Labor Matters and Environmental Matters.

(a) Except as described on Schedule 6.7(a), there are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against,

threatened in writing against, or, to the knowledge of the Borrower, otherwise threatened against or affecting the Borrower or any Subsidiary (i) that would reasonably be expected, individually or in the aggregate, to result in liabilities in excess of $250,000, (ii) that involve this Agreement or the transactions contemplated hereby or (iii) that would reasonably be likely to result in a Material Adverse Effect.

(b) There are no labor controversies pending against, threatened in writing against, or, to the knowledge of the Borrower, otherwise threatened against or affecting the Borrower or any Subsidiary (i) that would reasonably be expected, individually or in the aggregate, to result in liabilities in excess of $250,000, (ii) that involve this Agreement or the transactions contemplated herby or (ii) that would reasonably be likely to result in a Material Adverse Effect.

(c) Neither the Borrower nor any Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any Permit under or in connection with any Environmental Law ("Environmental Permit"), (ii) is or has been subject to any Environmental Liability, (iii) has received notice of any Environmental Liability, or (iv) knows of any basis for any Environmental Liability, in each case of clauses (i) through (iv) above, which would reasonably be expected to result in a Material Adverse Effect.

SECTION 6.8. Subsidiaries. The Borrower has no Subsidiaries except those Subsidiaries which are identified in Schedule 6.8 (which Schedule also identifies the direct and indirect owners of the Capital Securities of such Subsidiaries) or which are permitted to have been organized or acquired after the Closing Date in accordance with Section 8.5 or Section 8.7.

SECTION 6.9. Ownership of Properties. The Borrower and each Subsidiary owns (i) in the case of owned real property, good and marketable fee title to, and (ii) in the case of owned personal property, good and valid title to, or, in the case of leased real or personal property, valid and enforceable leasehold interests (as the case may be) in, all of its material properties and assets, tangible and intangible, of any nature whatsoever, free and clear in each case of all Liens or claims, except for Liens permitted pursuant to Section 8.3.

SECTION 6.10. Taxes. The Borrower and each Subsidiary has filed all federal income and other material tax returns and reports or permitted extensions relating thereto required by Law to have been filed by it and has paid all material Taxes due and owing, except any such Taxes which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

SECTION 6.11. Benefit Plans, Etc. None of the Borrower or any of the Subsidiaries nor any of their respective ERISA Affiliates sponsors, maintains, contributes to, is required to contribute to, or has any liability with respect to any Benefit Plan. Except as disclosed on Schedule 6.11, none of the Borrower or any of the Subsidiaries is a party to any collective bargaining agreement, and none of the employees of the Borrower or any of the Subsidiaries are subject to any collective bargaining agreement. Each "employee benefit plan" as defined in section 3(3) of ERISA that (i) provides retirement benefits (ii) is sponsored by the Borrower, any Subsidiary or any of their respective ERISA Affiliates and (iii) is intended to be tax qualified

under section 401 of the Code has a determination letter or opinion letter from the Internal Revenue Service on which it is entitled to rely, and no assets of any such plan are invested in Capital Securities of the Borrower. Each employee benefit plan, program or arrangement sponsored, maintained, contributed to or required to be contributed to by the Borrower or any Subsidiary has complied, both in form and in operation, in all material respects with its terms and applicable Laws. Each employee benefit plan as defined in Section 3(3) of ERISA that provides medical insurance, dental insurance, vision insurance, life insurance or long-term disability benefits and that is sponsored by the Borrower or any of the Subsidiaries, is fully insured.

SECTION 6.12. Accuracy of Information. None of the information heretofore or contemporaneously furnished in writing to the Lender by or on behalf of the Borrower or any Subsidiary in connection with any Loan Document or any transaction contemplated hereby, when taken as a whole, contains any untrue statement of a material fact, or omits to state any material fact necessary to make any information not misleading in light of the circumstances under which they were made; provided, that, with respect to projected financial information, the Borrower and each of the Subsidiaries each represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time; it being understood by the Lender that such projected financial information are as to future events and are not to be viewed as facts, the projected financial information are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower and its Subsidiaries, that no assurance can be given that any particular projected financial information will be realized and that actual results during the period or periods covered by any such projections may significantly differ from the projected results and such differences may be material.

SECTION 6.13. Regulations U and X. None of the Borrower or any Subsidiary is engaged in the business of extending credit for the purpose of buying or carrying margin stock, and no proceeds of the Loans will be used to purchase or carry margin stock or otherwise for a purpose which violates, or would be inconsistent with, F.R.S. Board Regulation U or Regulation X. Terms for which meanings are provided in F.R.S. Board Regulation U or Regulation X or any regulations substituted therefor, as from time to time in effect, are used in this Section with such meanings.

SECTION 6.14. Solvency. The Borrower, individually, and the Borrower and the Subsidiaries taken as a whole, on a consolidated basis, both before and after giving effect to the Loans, are Solvent.

SECTION 6.15. Intellectual Property.

(a) Schedule 6.15(a) sets forth a complete and accurate list as of the Closing Date, the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, of all (i) Patents including any Patent applications and other material so defined as Patents, (ii) registered and material unregistered Trademarks (including domain names) and any pending registrations for Trademarks, (iii) any other registered Intellectual Property, in each case owned by or licensed to the Borrower or any of the Subsidiaries and material to the business of the Borrower or such Subsidiary. For each item of Intellectual Property listed on Schedule 6.15(a). the Borrower has, where relevant, indicated (A) the countries in

each case in which such item is registered, (B) the application numbers, (C) the registration or patent numbers, (D) with respect to the Patents, the expected expiration date of the issued Patents, (E) the owner of such item of Intellectual Property, (F) whether the patent remains in good standing and whether all maintenance and renewal fees and other fees have been timely paid and (G) with respect to Intellectual Property owned by any Third Party, the agreement pursuant to which that Intellectual Property is licensed to the Borrower or any Subsidiary. Any patent or patent information that was inadvertently left off the list, with no intent to mislead or omit, shall be added to the list as soon as its omission is discovered.

(b) With respect to all material Intellectual Property listed, or required to be listed, on Schedule 6.15(a):

(i) the Borrower or a Subsidiary owns such Intellectual Property free and clear of any and all Liens other than Liens permitted pursuant to Section 8.3 and all such Intellectual Property is in full force and effect, and has not expired, lapsed or been forfeited, cancelled or abandoned unless permitted hereunder, except, on the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, where such event or circumstance is not reasonably expected to be material to the Borrower and its Subsidiaries;

(ii) each of the Borrower and the Subsidiaries, as applicable, has taken commercially reasonable actions to maintain and protect such Intellectual Property and there are no unpaid maintenance or renewal fees payable by the Borrower or any of the Subsidiaries that are currently overdue for any of such registered Intellectual Property;

(iii) there is no proceeding challenging the validity or enforceability of any such Intellectual Property, or seeking to revoke or limit or enlarge the scope of any such Intellectual Property, none of the Borrower or any of the Subsidiaries is involved in any such proceeding with any Person and none of the Intellectual Property is the subject of any Other Administrative Proceeding, except, on the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, where such challenge is not reasonably expected to be material to the Borrower and its Subsidiaries and the Borrower has provided the Lender with notice and a detailed description of such proceeding at least 10 Business Days prior to the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as applicable;

(iv) to the knowledge of the Borrower, (A) each item listed as Intellectual Property is valid, enforceable and subsisting, and (B) no event has occurred, and nothing has been done or omitted to have been done, that would affect the validity or enforceability of such Intellectual Property;

(v) each of the Borrower and each Subsidiary, as applicable, is the sole and exclusive owner of all right, title and interest in and to all such Intellectual Property that is owned by it, and that there is no other owner such as an inventor who did not properly assign ownership rights to the Borrower before the effective date hereof, except for Intellectual Property listed on Schedule 6.15(b)(v) and except, on the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, for Dispositions permitted pursuant to Section 8.8;

(vi) each of the Borrower and each Subsidiary, as applicable, has made all necessary filings and recordations to protect its interest in such Intellectual Property to the extent such filing or recordation is necessary for the conduct of the business substantially in the manner presently conducted, and, to the extent necessary, has used proper statutory notice in connection with its use of any material Patent, Trademark and Copyright in any of the Intellectual Property;

(vii) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by the Borrower or any Subsidiary or to which the Borrower or such Subsidiary is bound that adversely affects in any material respect its rights to own or use any Intellectual Property;

(viii) each of the Borrower and each Subsidiary uses commercially reasonable standards of quality in the manufacture, distribution and sale of all products sold and in the provision of all services rendered under or in connection with all Trademarks and has taken all commercially reasonable action necessary to insure that all licensees of the Trademarks owned by the Borrower or such Subsidiary use such adequate standards of quality; and

(ix) the consummation of the transactions contemplated by this Agreement and the Security Agreement will not result in the termination or material impairment of any such Intellectual Property.

(c) To the knowledge of the Borrower, no Third Party is committing any act of Infringement of any material Intellectual Property listed, or required to be listed, on Schedule 6.15(a). except, on the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, where such Infringement is not reasonably expected to be material to the Borrower and its Subsidiaries, the Borrower has provided the Lender with notice and a detailed description of such Infringement at least 10 Business Days prior to the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as applicable, and the Borrower is diligently challenging such infringement by appropriate proceedings.

(d) With respect to each material license agreement listed on Schedule 6.15(a), (x) (i) such license agreement is in full force and effect and is binding upon and enforceable against the Borrower and the Subsidiaries party thereto and, to the Borrower’s knowledge, all other parties thereto in accordance with its terms, (ii) such

license agreement has not been amended or otherwise modified, except as set forth on Schedule 6.15(a), and (iii) no material default or breach by Borrower or its Subsidiaries, and to Borrower's knowledge, any other party thereto, has occurred and is continuing thereunder, and (y) none of the Borrower or any of its Subsidiaries has taken any action or omitted to take any action that would permit any other Person party to any such license agreement to terminate such license agreement (except to the extent such license is terminated or otherwise canceled pursuant to the terms thereof and not as a result of a breach by the Borrower or any Subsidiary thereunder or pursuant to the Borrower's reasonable commercial judgment (and not as a result of a breach by the Borrower or any Subsidiary thereunder)).

(e) Except as set forth on Schedule 6.15(e). none of the Borrower or any of the Subsidiaries has received written notice from any Third Party alleging that the conduct of its business (including the development, manufacture, use, sale or other commercialization of any Product) Infringes any Intellectual Property of that Third Party, except, on the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, where such Infringement is not reasonably expected to be material to the Borrower and its Subsidiaries, the Borrower has provided the Lender with notice and a detailed description of such Infringement at least 10 Business Days prior to the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as applicable, and the Borrower is diligently challenging such infringement by appropriate proceedings, and, to the knowledge of the Borrower, the conduct of its business and the business of the Subsidiaries (including the development, manufacture, use, sale or other commercialization of any Product (other than Products in development)) does not Infringe any Intellectual Property of any Third Party in any material respect.

(f) The Borrower and the Subsidiaries have used commercially reasonable efforts and precautions to protect their respective commercially significant unregistered Intellectual Property that is material to their businesses.

SECTION 6.16. Material Agreements. Set forth on Schedule 6.16 is a complete and accurate list as of the Closing Date, the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, of all Material Agreements of the Borrower or any of the Subsidiaries, with an adequate description of the parties thereto, subject matter thereof and amendments and modifications thereto. As of such dates, respectively, each such Material Agreement (i) is in full force and effect and is binding upon and enforceable against the Borrower and the Subsidiaries party thereto and all other parties thereto in accordance with its terms and (ii) is not subject to a default or material breach thereunder that could reasonably be expected to have a Material Adverse Effect. As of such dates, respectively, none of the Borrower or any of the Subsidiaries has taken any action that would permit any other Person party to any Material Agreement to have, and no such Person otherwise has, any defenses, counterclaims, termination rights or rights of setoff thereunder.

SECTION 6.17. Permits. The Borrower and the Subsidiaries have all material Permits, including Environmental Permits, necessary or required for the ownership, operation and conduct of their business and the distribution of the Products. All such Permits are validly held and there are no material defaults thereunder.

SECTION 6.18. Regulatory Matters.

(a) The business of the Borrower and the Subsidiaries has been, and currently is being, conducted in material compliance with all applicable U.S. federal, state, local or foreign laws, statutes, ordinances, rules, regulations, judgments, orders, injunctions, decrees, arbitration awards and Key Permits issued by any Governmental Authority (collectively, "Laws"). The Products were and/or are being researched, developed, designed, distributed and validated solely by the Borrower in compliance in all material respects with all applicable Laws, including the FD&C Act, NOTA, PHSA, AWA and Privacy Laws, and have been and continue to be performed, marketed, and conducted in compliance in all material respects with all applicable Laws, including the FD&C Act, NOTA, PHSA, FTC Act, AWA and Privacy Laws. All required and material notices, registrations and listings, supplemental applications or notifications, reports (including reports of adverse experiences) and other required and material filings and Regulatory Authorizations with respect to the Products have been filed with the FDA, USDA and all other applicable Governmental Authorities.

(b) To the Borrower's knowledge, no investigation by any Governmental Authority with respect to the Borrower or any Subsidiary is pending or threatened. None of the Borrower or any Subsidiary has received any written communication from any Person (including any Governmental Authority) alleging any material noncompliance with any Laws or any written communication from any Governmental Authority of any material issues, problems, or concerns regarding the quality or performance of the Products, and to the knowledge of the Borrower, there is no basis for any materially adverse regulatory action against the Borrower or any of the Subsidiaries or, to the knowledge of the Borrower, their respective suppliers, with respect to the Products. Without limiting the foregoing, (A) to the knowledge of Borrower (1) all information regarding product recalls, safety alerts, withdrawals, clinical holds, marketing suspensions, removals or the like conducted, undertaken or issued by any Person, whether or not at the request, demand or order of any Governmental Authority or otherwise, with respect to any Product has been provided to the Lender (2) no such product recalls, safety alerts, corrections, withdrawals, marketing suspensions, removals or the like have been requested, demanded or ordered by any Governmental Authority, and, to the knowledge of the Borrower, there is no basis for the issuance of any such product recalls, safety alerts, corrections, withdrawals, marketing suspensions, removals or the like by any Person with respect to any Products, and (B) none of the Borrower or any Subsidiary has received any written notice of, and the Borrower does not otherwise have knowledge of, any criminal, injunctive, seizure, detention or civil penalty actions that have at any time been commenced or threatened in writing by any Governmental Authority with respect to or in connection with any Products, or any consent decrees (including plea agreements) which relate to any Products, and, to the knowledge of the Borrower, there is no basis for the commencement for any criminal injunctive, seizure,

detention or civil penalty actions by any Governmental Authority relating to the Products or for the issuance of any consent decrees.

(c) The Borrower and each Subsidiary, as applicable, owns, free and clear of all Liens, except those permitted pursuant to Section 8.3, all Key Permits, including all authorizations under the FD&C Act, NOTA, AWA and state laws, necessary for the research and development and commercialization of the Products and to carry on Borrower's or such Subsidiary's business. All such Key Permits are valid, and in full force and effect and the Borrower and each Subsidiary, as applicable, is in compliance in all material respects with all terms and conditions of such Key Permits and with all filing and maintenance requirements (including any fee requirements) thereof. None of the Borrower or any Subsidiary has received any written notice that any Key Permits have been or are being revoked, withdrawn, suspended or challenged.

(d) The Borrower and each Subsidiary has made available to the Lender all Key Permits received from the FDA, CMS, HRS A, USD A or any other Governmental Authority in the Borrower's or such Subsidiary's possession or control. The Borrower and each Subsidiary has made available to the Lender all material adverse event reports and communications from the FDA (if any) and any other Governmental Authorities, including inspection reports, warning letters, untitled letters issued to the Borrower with respect to regulatory matters relating to the Borrower and any Subsidiaries, the conduct of their business, the operation of any manufacturing facilities owned or operated by the Borrower or any of the Subsidiaries, and the Products. There has been no material untrue statement of fact and no fraudulent statement made by the Borrower, any of the Subsidiaries, or any of their respective agents or representatives to the FDA, CMS, HRS A, USD A or any other Governmental Authority, and there has been no failure to disclose any material fact required to be disclosed to the FDA, CMS, HRSA, USDA or any other Governmental Authority.

(e) With respect to the Products, (i) all design, manufacturing, storage, distribution, packaging, labeling, sale, recordkeeping and other activities by the Borrower or any of the Subsidiaries and their respective suppliers relating to the Products have been conducted, and are currently being conducted, in compliance in all material respects with the applicable requirements of the FD&C Act, the PHSA, NOTA and other requirements of the FDA, the HRSA and all other Governmental Authorities, including, without limitation, cGMPs and adverse event reporting requirements, and (ii) none of the Borrower or any of the Subsidiaries, or, to the knowledge of the Borrower, any of their respective suppliers, has received written notice or threat of commencement of action by any Governmental Authority to withdraw its approval of or to enjoin production of the Products at any facility or any other Regulatory Authorization. To the Borrower's knowledge, no Product held for sale or distribution in the inventory of the Borrower or any of the Subsidiaries is adulterated or misbranded in any material respect. All labels and labeling (including package inserts) and product information are in material compliance with applicable FDA and other Governmental Authority requirements, and the Products are in material compliance with all classification, registration, listing, marking, tracking, reporting, and recordkeeping requirements of the FDA and any other Governmental Authority.

(f) All manufacturing facilities owned or operated by the Borrower or any of the Subsidiaries, or used in the production of any Product, are and have been operated in material compliance with cGMPs and all other applicable laws. All FDA Forms 483, Warning Letters, or untitled letters with respect to any such facility, or otherwise alleged any material non-compliance with cGMPs have been provided to the Lender. All such facilities are operated in material compliance with other applicable federal, state and local laws.

(g) No right of the Borrower or any Subsidiary to receive reimbursements pursuant to any government program or private program has ever been terminated or otherwise materially adversely affected as a result of any investigation or enforcement action, whether by any Governmental Authority or other Third Party, and none of the Borrower or any Subsidiary has been the subject of any inspection, investigation, or audit, by any Governmental Authority for the purpose of any alleged improper activity.

(h) There is no arrangement relating to the Borrower or any Subsidiary providing for any rebates, kickbacks or other forms of compensation that are unlawful to be paid to any Person in return for the referral of business or for the arrangement for recommendation of such referrals. All billings by the Borrower and the Subsidiaries for their respective services have been true and correct in all material respects and, to the Borrower's knowledge, are in compliance in all material respects with all applicable Laws, including the Federal False Claims Act, the Federal Anti-kickback Statute or any applicable state false claim or fraud Law.

(i) Neither the Borrower or any Subsidiary nor, to the Borrower's knowledge, any individual who is an officer, director, manager, employee, stockholder, agent or managing agent of the Borrower or any Subsidiary has been convicted of, charged with or, to the Borrower's knowledge, investigated for any federal or state health program-related offense or any other offense related to healthcare or been excluded or suspended from participation in any such program; or, to the Borrower's knowledge, within the past five (5) years, has been convicted of, charged with or, to the Borrower's knowledge, investigated for a violation of Laws related to fraud, theft, embezzlement, breach of fiduciary responsibility, financial misconduct, obstruction of an investigation or controlled substances, or has been subject to any judgment, stipulation, order or decree of, or criminal or civil fine or penalty imposed by, any Governmental Authority related to fraud, theft, embezzlement, breach of fiduciary responsibility, financial misconduct, obstruction of an investigation or controlled substances. Neither the Borrower or any Subsidiary nor, to the Borrower's knowledge, any individual who is an officer, director, employee, stockholder, agent or managing agent of the Borrower or any Subsidiary has been convicted of any crime or engaged in any conduct that has resulted or would reasonably be expected to result in a debarment or exclusion under (i) 21 U.S.C. Section 335a, (ii) Section 1128 of the Social Security Act or (iii) any similar applicable Law. No debarment proceedings in respect of the business of the Borrower and the Subsidiaries are pending or, to the Borrower's knowledge, threatened against the Borrower, any Subsidiary or any individual who is an officer, director, manager, employee, stockholder, agent or managing agent of the Borrower or any Subsidiary.

(j) All studies, tests and preclinical and clinical trials conducted relating to the Products, by or on behalf of the Borrower and the Subsidiaries and, to the knowledge of the Borrower, their respective licensees, licensors and Third Party services providers and consultants, have been conducted, and are currently being conducted, in accordance, in all material respects, with all applicable Laws, procedures and controls pursuant to, where applicable, cGCPs and other applicable Laws, rules and regulations. To the extent necessary by applicable Law, the Borrower and each Subsidiary, as applicable, has obtained all necessary Regulatory Authorizations, including an Investigational Application for the conduct of any clinical investigations conducted by or on behalf of the Borrower or such Subsidiary.

(k) To the Borrower's knowledge, none of the clinical investigators in any clinical trial conducted by or on behalf of the Borrower or any Subsidiary has been or is disqualified or otherwise sanctioned in any material respect by the FDA, the Department of Health and Human Services, or any other Governmental Authority and, to the Borrower's knowledge, no such disqualification, or other sanction of any such clinical investigator is pending or threatened. None of the Borrower or any Subsidiary has received any communication from the FDA or any other Governmental Authority or institutional review board (or ethics committee) requiring or threatening the termination or suspension in any material respect of any clinical trials conducted by, or on behalf of, the Borrower or a Subsidiary.

(l) The transactions contemplated by the Loan Documents (or contemplated by the conditions to effectiveness of any Loan Document) will not impair the Borrower's or any of the Subsidiaries' ownership of or rights under (or the license or other right to use, as the case may be) any Regulatory Authorizations relating to the Products in any material manner.

(m) The Borrower currently holds all AWA registrations and licenses required to carry out its current operations in material compliance with AWA requirements, including a USDA registration to operate as a research facility under the AWA for the facility at 200 Minuteman Rd., Suite 302, Andover, MA (Research Facility Registration No. 14-R-0203). The Borrower is in good standing under such registrations and licenses, has at all times since being licensed or registered been in material compliance with the AWA, has received no USDA inspectional observations or citations for material violations of the AWA, and has been the subject of no USDA enforcement actions, including without limitation Form 7060 or Warning Letters, investigations, stipulations, administrative actions, fines or settlements for any alleged material violations of the AWA. The Borrower maintains an Institutional Animal Care and Use Committee that reviews and approves all animal use protocols and all changes to such protocols and that performs all other functions required by the AWA.

(n) The Borrower has good, valid and marketable title to all animals it owns, which animals are in good condition and health, have been maintained according to generally accepted standards of good animal husbandry and in accordance with all AWA requirements, and no material portion of the animals suffers from disease and infestations.

SECTION 6.19. Transactions with Affiliates. Except as set forth on Schedule 6.19, none of the Borrower or any Subsidiary has entered into, renewed, extended or been a party to, any agreement (including the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any of its Affiliates during the three-year period immediately prior to the Closing Date, except for any such transactions between or among the Borrower and any Subsidiary. Such agreements between or among the Borrower and any Subsidiary and in effect as of the Closing Date shall also be listed on Schedule 6.19.

SECTION 6.20. Investment Company Act. None of the Borrower or any Subsidiary is an "investment company" or is "controlled" by an "investment company," as such terms are defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 6.21. OFAC. None of the Borrower, any Subsidiary or, to the knowledge of the Borrower, any Related Party (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction, or (c) is or has been (within the previous five years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. No Loan, nor the proceeds from any Loan, has been or will be used, directly or indirectly, to lend, contribute or provide to, or has been or will be otherwise made available to fund, any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by the Borrower, any Subsidiary, the Lender or any of their respective Affiliates of Sanctions.

SECTION 6.22. Deposit and Disbursement Accounts. Set forth on Schedule 6.22 is a complete and accurate list as of the Closing Date, the Tranche A Delayed Draw Closing Date, the Tranche B Delayed Draw Closing Date or the Tranche C Delayed Draw Closing Date, as the case may be, of all banks and other financial institutions at which the Borrower or any Subsidiary maintains deposit accounts, lockboxes, disbursement accounts, investment accounts or other similar accounts, such Schedule correctly identifies the name, address and telephone number of each bank or financial institution, the name in which each such account is held, the type of each such account, and the complete account number for each such account, and each such account (other than Excluded Accounts) is a Controlled Account as required pursuant to Section 7.13.

ARTICLE VII
AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with the Lender that until the Termination Date has occurred, the Borrower will, and will cause the Subsidiaries to, perform or cause to be performed the obligations set forth below.

SECTION 7.1. Financial Information. Reports. Notices. Etc. The Borrower will furnish the Lender copies of the following financial statements, reports, notices and information:

(a) as soon as available and in any event within 30 days after the end of each fiscal month, in each case with supporting detail and certified as complete and correct by

the chief financial or accounting Authorized Officer of the Borrower (subject to normal year-end audit adjustments), (x) unaudited reports of the Revenue Base for such fiscal month and for the period commencing at the end of the previous Fiscal Year and ending with the end of such fiscal month, and including in comparative form the figures for the corresponding fiscal month in, and the year to date portion of, the immediately preceding Fiscal Year and (y) unaudited reports of the Liquidity of the Borrower at the end of such fiscal month and at the end of the corresponding fiscal month in the preceding Fiscal Year, in comparative form and (z) a report of the number of employees of the Borrower and its Subsidiaries (the "Headcount") at the end of such fiscal month, the Headcount at the end of the immediately preceding fiscal month, a calculation showing the change in the Headcount, if any, and, if applicable, a brief description of any material change in the Headcount;

(b) as soon as available and in any event within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, an unaudited consolidated balance sheet of the Borrower and the Subsidiaries as of the end of such Fiscal Quarter and consolidated statements of income, shareholders' equity and cash flow of the Borrower and the Subsidiaries for such Fiscal Quarter and for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, and including (in each case) in comparative form the figures for the corresponding Fiscal Quarter in, and the year to date portion of, the immediately preceding Fiscal Year, certified as complete and correct by the chief financial or accounting Authorized Officer of the Borrower (subject to normal year-end audit adjustments and the absence of footnotes);

(c) as soon as available and in any event within 270 days after the end of the Fiscal Year ending December 31, 2017, and thereafter as soon as available and in any event within 180 days after the end of each Fiscal Year, a copy of the consolidated balance sheet of the Borrower and the Subsidiaries, and the related consolidated statements of income, shareholders' equity and cash flow of the Borrower and the Subsidiaries for such Fiscal Year, setting forth in comparative form the figures for the immediately preceding Fiscal Year, audited (without any Impermissible Qualification) by independent public accountants reasonably acceptable to the Lender;

(d) concurrently with the delivery of the financial information pursuant to clauses (b) and (c), a Compliance Certificate, executed by the chief financial or accounting Authorized Officer of the Borrower, (i) showing compliance with the financial covenants set forth in Section 8.4 and stating that no Default has occurred and is continuing (or, if a Default has occurred, specifying the details of such Default and the action that the Borrower or any of the Subsidiaries has taken or proposes to take with respect thereto) and (ii) stating that no Subsidiary has been formed or acquired since the delivery of the last Compliance Certificate (or, if a Subsidiary has been formed or acquired since the delivery of the last Compliance Certificate, a statement that such Subsidiary has complied with Section 7.8) and (iii) stating that no real property has been acquired by the Borrower or any of the Subsidiaries since the delivery of the last Compliance Certificate (or, if any real property has been acquired since the delivery of the last Compliance Certificate, a statement that the Borrower has complied with Section 7.8 with respect to such real property), and (iv) listing any new Material Agreement and

any existing Material Agreement that has been amended or terminated, in each case since the delivery of the last Compliance Certificate;

(e) as soon as possible and in any event within five Business Days after the Borrower obtains knowledge of the occurrence of a Default, a statement of an Authorized Officer of the Borrower setting forth details of such Default and the action which the Borrower or any of the Subsidiaries has taken or proposes to take with respect thereto;

(f) as soon as possible and in any event within five Business Days after the Borrower obtains knowledge of (i) the occurrence of any material adverse development with respect to any litigation, action, proceeding or labor controversy described in Schedule 6.7(a) or (ii) the commencement of any litigation, action, proceeding or labor controversy of the type and materiality described in Section 6.7, notice thereof and, to the extent the Lender requests, copies of all material non- privileged documentation relating thereto;

(g) as soon as possible and in any event within five Business Days after the Borrower obtains knowledge of any return, recovery, dispute or claim related to Product or inventory that involves in the aggregate more than $300,000;

(h) as soon as possible and in any event within three days after the Borrower obtains knowledge of (i) any claim that the Borrower, any of the Subsidiaries or one of their ERISA Affiliates has liability under a Benefit Plan, (ii) any effort to unionize the employees of the Borrower or any Subsidiary, or (iii) non-routine correspondence with the Internal Revenue Service regarding the qualification of a retirement plan sponsored by Borrower or any of its Subsidiaries under Section 401(a) of the Code;

(i) promptly after the sending or filing thereof, copies of all reports, notices, prospectuses and registration statements which the Borrower or any of the Subsidiaries files with the SEC or any national securities exchange;

(j) promptly upon receipt thereof, copies of all “management letters” (or equivalent) submitted to the Borrower or any of the Subsidiaries by the independent public accountants referred to in clause (c) in connection with each audit made by such accountants;

(k) as soon as available, but in any event not later than March 1 of each calendar year, the Borrower’s financial and business projections and budget for such year, with evidence of approval thereof by the Borrower’s board of directors;

(l) so long as a Qualified IPO has not occurred, (i) concurrently with the delivery to the board of directors or any committees thereof, all notices and any materials delivered to the board of directors or any committees thereof in connection with a board meeting or action to be taken by written consent, including a draft of any material resolutions or actions proposed to be adopted by written consent and (ii) as soon as available and in any event within three days after the execution or approval thereof, copies of any resolutions or written consents of the board of directors or any committees thereof; provided that, if disclosure of such materials, resolutions or written consents

would in the reasonable good faith judgment of the board of directors (A) cause a conflict of interest on the part of the Lender or breach an attorney-client privilege or (B) result in disclosure of trade secrets, then, in each case, the materials, resolutions and written consents pertaining to such issue need not be delivered to the Lender, so long as the Lender is given notice of the occurrence of such judgment by the board of directors that certain materials will not be delivered to the Lender;

(m) deliver, on a quarterly basis, together with the delivery of the applicable Compliance Certificate for such quarter, a report listing all applications for the registration of any Intellectual Property with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof filed during such quarter and upon the request of the Lender (subject to the terms of this Agreement and the Security Agreement), the Borrower or the applicable Guarantor shall execute and deliver all agreements, instruments and documents as the Lender may reasonably request to evidence the Lender's security interest in the Intellectual Property Collateral (as defined in the Security Agreement); and

(n) such other financial and other information as the Lender may from time to time reasonably request (including information and reports in such detail as the Lender may request with respect to the terms of and information provided pursuant to the Compliance Certificate).

SECTION 7.2. Maintenance of Existence; Compliance with Contracts. Laws, Etc. Each of the Borrower and each Subsidiary will preserve and maintain its legal existence (except as otherwise permitted by Section 8.7). perform in all material respects its obligations under Material Agreements to which the Borrower or any of the Subsidiaries is a party, and comply in all material respects with all applicable Laws, rules, regulations and orders, including the payment (before the same become delinquent), of all material Taxes, imposed upon the Borrower or any of the Subsidiaries or upon their respective property except to the extent being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP have been set aside on the books of the Borrower or any of the Subsidiaries, as applicable.

SECTION 7.3. Maintenance of Properties. Each of the Borrower and each Subsidiary will maintain, preserve, protect and keep its and their respective properties in good repair, working order and condition (ordinary wear and tear excepted), and make necessary repairs, renewals and replacements so that the business carried on by the Borrower or any of the Subsidiaries may be properly conducted at all times, unless the Borrower or any of the Subsidiaries determines in good faith that the continued maintenance of such property is no longer economically desirable, necessary or useful to the business of the Borrower or any of the Subsidiaries or the Disposition of such property is otherwise permitted by Section 8.7 or Section 8.8.

SECTION 7.4. Insurance. Each of the Borrower and each of the Subsidiaries will maintain:

(a) insurance on its property with financially sound and reputable insurance companies against business interruption, loss and damage in at least the amounts (and with only those deductibles) customarily maintained, and against such risks as are typically insured against in the same general area, by Persons of comparable size engaged in the same or similar business as the Borrower and the Subsidiaries; and

(b) all worker's compensation, employer's liability insurance or similar insurance as may be required under the laws of any state or jurisdiction in which it may be engaged in business.

Without limiting the foregoing, all property and liability insurance policies required pursuant to this Section shall (i) name the Lender as mortgagee and loss payee (in the case of property insurance) and additional insured (in the case of liability insurance), as applicable, and provide that no cancellation or modification as to the amount or scope of coverage of the policies will be made without the prior written consent of the Lender and (ii) be in addition to any requirements to maintain specific types of insurance contained in the other Loan Documents.

SECTION 7.5. Books and Records. Each of the Borrower and each of the Subsidiaries will keep books and records in accordance with GAAP which accurately reflect all of its business affairs and transactions and permit the Lender or any of its representatives, at reasonable times and intervals upon reasonable notice to the Borrower, to visit the Borrower's or any of the Subsidiaries' offices, to discuss the Borrower's or any Subsidiary's financial or other matters with its respective officers and employees, and its independent public accountants (and the Borrower hereby authorizes such independent public accountants to discuss the Borrower's and any Subsidiary's financial and other matters with the Lender or its representatives so long as a representative of the Borrower or any of the Subsidiaries is present) and to examine (and photocopy extracts from) any of its books and records; provided that so long as no Event of Default as occurred and is continuing, the Borrower shall only be required to pay any reasonable and documented fees and expenses incurred in connection with the Lender's visits once in any calendar year . The Borrower shall pay any reasonable and documented fees of such independent public accountant incurred in connection with the Lender's exercise of its rights pursuant to this Section.

SECTION 7.6. Environmental Law Covenant. Each of the Borrower and each of the Subsidiaries will (i) use and operate all of its and their businesses, facilities and properties in material compliance with all Environmental Laws, and keep and maintain all Environmental Permits and remain in compliance therewith, except in each case to the extent such non-compliance could not reasonably be expected to have or result in a Material Adverse Effect, and (ii) promptly notify the Lender of, and provide the Lender with copies of all material claims, complaints, notices or inquiries relating to, any actual or alleged non-compliance with any Environmental Laws or Environmental Permits or any actual or alleged Environmental Liabilities that the Borrower reasonably determines has or could reasonably be expected to result in a Material Adverse Effect. The Borrower and each of the Subsidiaries will promptly resolve, remedy and mitigate any such non-compliance or Environmental Liabilities, and shall keep the Lender informed as to the progress of same.

SECTION 7.7. Use of Proceeds. The Borrower will apply the proceeds of the Loan for general corporate purposes and to pay its own fees and expenses associated with the transactions contemplated hereby.

SECTION 7.8. Future Guarantors. Security, Etc.. The Borrower and each Guarantor will execute any documents, financing statements, agreements and instruments, and take all further action that may be required under applicable Law, or that the Lender may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant, preserve, protect and perfect the validity and first priority (subject to Liens permitted by Section 8.3) of the Liens created or intended to be created by the Loan Documents. The Borrower will (i) cause any subsequently acquired or organized Subsidiary that is a Material Subsidiary, and (ii) as promptly as possible but in any event within 30 days (or such later date as may be agreed upon by the Lender) after any Subsidiary qualifies independently as, or is designated by the Borrower or the Lender as, a Material Subsidiary, provide the Lender with written notice thereof and cause each such Subsidiary, in each case, to execute a supplement (in form and substance satisfactory to the Lender) to the Guarantee and each other applicable Loan Document in favor of the Lender and take such other actions as may be required or reasonably requested for the Lender to have a valid Lien with the priority intended to be created on and security interest in all of the assets of such Subsidiary, subject to no other Liens (other than Liens permitted by Section 8.3) and the limitations set forth below, effective upon its acquisition or formation; provided that only 65% of the total outstanding voting Capital Securities (but 100% of the total outstanding non-voting Capital Securities) of any Excluded Foreign Subsidiary shall be required to be pledged. In addition, from time to time, subject to the provisions of this Section, each of the Borrower and each of the Material Subsidiaries will, at its cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected Liens with respect to such of its assets and properties as the Lender shall designate, it being agreed that it is the intent of the parties that the Obligations shall be secured by, among other things, substantially all the assets of the Borrower and Material Subsidiaries (including real property and personal property acquired subsequent to the Closing Date); provided that notwithstanding the foregoing, any such designation by the Lender shall be subject to customary exceptions, limitations and exclusions consistent, as applicable, with those set forth in the Security Agreement. Such Liens will be created under the Loan Documents in form and substance satisfactory to the Lender, and the Borrower and each of the Material Subsidiaries shall deliver or cause to be delivered to the Lender all such instruments and documents (including mortgages, security agreements, pledges, legal opinions, title insurance policies and lien searches) under all applicable laws as the Lender shall reasonably request to evidence compliance with this Section.

SECTION 7.9. Obtaining of Permits. Etc. With respect to Products, each of the Borrower and each of the Subsidiaries will obtain, maintain and preserve, and take all necessary action to timely renew all material Permits and accreditations which are necessary in the proper conduct of its business.

SECTION 7.10. Product Licenses. The Borrower and each of the Subsidiaries shall (i) maintain each material Permit, including each Regulatory Authorization, from, or file any notice or registration in, each jurisdiction in which the Borrower or any Subsidiary is required to obtain any Permit or Regulatory Authorization or to file any notice or registration, in order to design,

manufacture, store, label, sell, promote, import or distribute the Products and (ii) promptly provide evidence of same to the Lender.

SECTION 7.11. Maintenance of Regulatory Authorizations, Contracts, Intellectual Property, Etc.

(a) With respect to the Products, each of the Borrower and each of the Subsidiaries will (i) in all material respects maintain in full force and effect all material Regulatory Authorizations, contract rights, authorizations or other rights necessary for the operations of its business, and in all material respects comply with the terms and conditions applicable to the foregoing; (ii) notify the Lender, promptly after learning thereof, of any material product recalls, safety alerts, corrections, withdrawals, marketing suspensions, removals or the like conducted, to be undertaken or issued, by the Borrower, any of the Subsidiaries or their respective suppliers whether or not at the request, demand or order of any Governmental Authority or otherwise with respect to any Product, or any basis for undertaking or issuing any such action or item; (iii) in all material respects design, manufacture, store, label, sell, promote, import and distribute all Products in compliance with cGMPs, the FD&C Act, the PHSA, and other applicable Laws; (iv) conduct all studies, tests and preclinical and clinical trials relating to the Products in all material respects in accordance with all cGCPs, and other applicable Laws; (v) operate all manufacturing facilities in material compliance with cGMPs, and all other applicable Laws; (vi) maintain in full force and effect or pursue the prosecution of, as the case may be, and pay all costs and expenses relating to, all material Intellectual Property owned or controlled by the Borrower or any of the Subsidiaries and all Material Agreements, except in the event that the Borrower determines in its reasonable commercial judgment not to do so; (vii) notify the Lender, promptly after learning thereof, of any material Infringement or other violation by any Person of its material Intellectual Property and aggressively pursue any such Infringement or other violation except in any specific circumstances where both (x) the Borrower or any Subsidiary is able to demonstrate that it is not commercially reasonable to do so and (y) where not doing so does not materially adversely affect any material Product; (viii) use commercially reasonable efforts to pursue and maintain in full force and effect legal protection for, and protect against Infringement with respect to, all material Intellectual Property, including material Patents, developed or controlled by the Borrower or any of the Subsidiaries, except in any specific circumstances where both (x) the Borrower or any Subsidiary is able to demonstrate that it is not commercially reasonable to do so and (y) where not doing so does not materially adversely affect any material Product; (ix) notify the Lender, promptly after learning thereof, of any material claim by any Person that the conduct of the Borrower's or any of the Subsidiaries' business (including the development, manufacture, use, sale or other commercialization of any Product) Infringes in any material respect any Intellectual Property of that Person and use commercially reasonable efforts to resolve such claim, except where the Borrower determines in its reasonable commercial judgment not to do so; and (x) notify the Lender, promptly after learning thereof, of any application or registration relating to any material item of its Intellectual Property which may, in the Borrower's or such Subsidiary's reasonable commercial judgment, become abandoned or dedicated to the public or placed in the public domain or invalid or unenforceable, or of any adverse determination or development (including the

institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any foreign counterpart thereof or any court) regarding the Borrower's or such Subsidiary's ownership of any of its Intellectual Property, its right to register the same or to keep and maintain and enforce the same.

(b) Each of the Borrower and each of the Subsidiaries will furnish to the Lender prompt written notice of the following, and, with respect to clauses (i) and (ii) below, copies of any material notices from, or material responses to, the FDA or other Governmental Authority:

(i) any notice that the FDA or other Governmental Authority is limiting, suspending or revoking any Regulatory Authorization, changing the market classification or labeling of or otherwise materially restricting the products of the Borrower or any of the Subsidiaries, or considering any of the foregoing;

(ii) the Borrower or any of the Subsidiaries becoming subject to any administrative or regulatory action, receipt of inspectional observations (e.g., on FDA Form 483), warning letter, untitled letter, or notice of violation letter, or any product of the Borrower or any of the Subsidiaries being seized, withdrawn, recalled, detained, or subject to a suspension of manufacturing or import alert, or the commencement of any proceedings in the United States or any other jurisdiction seeking the withdrawal, recall, suspension, import detention or refusal, or seizure of any product are pending or threatened against the Borrower or any of the Subsidiaries; or

(iii) copies of any material written recommendation from any Governmental Authority or other regulatory body that the Borrower or any of the Subsidiaries, or any obligor to which the Borrower or any of the Subsidiaries provides services, should have its licensure, provider or supplier number, or accreditation suspended, revoked, or limited in any way, or any penalties or sanctions imposed.

SECTION 7.12. Inbound Licenses. Each of the Borrower and each of the Subsidiaries will, promptly after entering into or becoming bound by any inbound license or agreement (other than over-the-counter or "open-source" software that is commercially available to the public): (i) provide written notice to the Lender of the material terms of such license or agreement with a description of its anticipated and projected impact on the Borrower's and the Subsidiaries' business and financial condition; and (ii) take such commercially reasonable actions as the Lender may reasonably request to obtain the consent of, or waiver by, any Person whose consent or waiver is necessary for the Lender to be granted and perfect a valid security interest in such license or agreement and to fully exercise its rights under any of the Loan Documents in the event of a disposition or liquidation of the rights, assets or property that is the subject of such license or agreement, provided that the Lender agrees that a failure to obtain such consent or waiver shall be not a breach of this clause (ii) so long as the Borrower and its Subsidiaries have exercised commercially reasonable efforts to obtain such consent or waiver.

SECTION 7.13. Cash Management. The Borrower and all Material Subsidiaries will:

(a) maintain a current and complete list of all accounts (of the type initially set forth on Schedule 6.22) and (other than (i) any pledged accounts securing letter of credit obligations, not exceeding $750,000 in the aggregate, with Liens thereon permitted pursuant to Section 8.3(q) and (ii) accounts exclusively used for (x) payroll, payroll taxes and other employee wage and benefit programs to or for the benefit of the Borrower's or a Subsidiary's employees, which shall in no event hold in the aggregate more than the amount reasonably expected to meet such payroll expenses for the following calendar month, including bonuses and other payments to be paid within the following calendar month, and (y) the receipt of receivables solely funded by Medicare or Medicaid, which shall in no event hold in the aggregate more than $5,000 and whose total cash balances shall be automatically swept to a Controlled Account (as defined below), on a monthly basis (collectively, the "Excluded Accounts")) promptly deliver any updates to such list to the Lender; in respect of any United States Deposit Account, execute and maintain an account control agreement for each such account (other than the Excluded Accounts) (each such account, a "U.S. Controlled Account"), in form and substance reasonably acceptable to the Lender; in respect of any Deposit Account held with a bank in the Netherlands, execute and deliver the Dutch Security Agreement and deliver to each depository bank in the Netherlands, and obtain the return of such notice duly acknowledged by such bank, a notice of pledge (substantially in the form attached to the Dutch Security Agreement) pursuant to the terms of the Dutch Security Agreement with respect to each such account (other than the Excluded Accounts) (each such account, a "Dutch Controlled Account" and together with each U.S. Controlled Account, the "Controlled Accounts"); and maintain each such Controlled Account as a cash collateral account, with all cash, checks and other similar items of payment in such account securing payment of the Obligations (and in which the Borrower and the Subsidiaries shall have granted a Lien to the Lender);

(b) deposit promptly after the date of receipt thereof in accordance with prudent business practices all cash, checks, drafts or other similar items of payment relating to or constituting payments made in respect of any and all accounts and other rights and interests into Controlled Accounts except to the extent permitted to be kept in Excluded Accounts; and

(c) at any time after the occurrence and during the continuance of an Event of Default, at the request of the Lender, promptly cause all payments constituting proceeds of accounts to be directed into lockbox accounts under agreements in form and substance satisfactory to the Lender.

SECTION 7.14. Post-Closing Deliverables. Notwithstanding anything to the contrary herein or in the Loan Documents (it being understood that to the extent that the existence of any of the following post-closing obligations that is not overdue would otherwise cause any representation, warranty, covenant, default or event of default in this Agreement or any other Loan Document to be in breach, the Lender hereby waives such breach for the period from the Closing Date until the first date on which such condition is required to be fulfilled (giving effect to any extensions thereof) pursuant to this Section 7.14). the Borrower shall deliver or cause to

be delivered the following items to the Lender no later than the dates set forth below (or such later date agreed to by the Lender in its sole discretion), and each such item shall be in form and substance reasonably satisfactory to the Lender:

(a) no later than thirty (30) days after the Closing Date, insurance endorsements from one or more insurance companies reasonably satisfactory to the Lender, evidencing property and liability coverage required to be maintained pursuant to each Loan Document, with the Lender named as loss payee or additional insured, as applicable;

(b) no later than and thirty (30) days after the Closing Date, landlord access agreements in form and substance satisfactory to the Lender from each landlord to the Borrower or any Material Subsidiary (other than the Dutch Subsidiary with respect to real property leases in the Netherlands); and

(c) no later than and thirty (30) days after the Closing Date, evidence that all deposit accounts, lockboxes, disbursement accounts, investment accounts or other similar accounts of the Borrower and each Subsidiary are Controlled Accounts (other than Excluded Accounts), which, for the avoidance of doubt, shall include execution of a (i) Charged Account Control Deed entered into by and among the Dutch Subsidiary, the Lender and Bank of America Merrill Lynch International Limited, (ii) Deposit Account Control Agreement entered into by and among the Borrower, the Lender and Bank of America, N. A., and (iii) Control Agreement entered into by and among the Borrower, the Lender and State Street Bank and Trust Company.

ARTICLE VIII
NEGATIVE COVENANTS

The Borrower covenants and agrees with the Lender that until the Termination Date has occurred, the Borrower and the Subsidiaries will perform or cause to be performed the obligations set forth below.

SECTION 8.1. Business Activities. None of the Borrower or any of the Subsidiaries will engage in any business activity except those business activities engaged in on the date of this Agreement and any reasonable extensions thereof or any activities reasonably related or incidental thereto; provided that the foregoing shall not prohibit the Borrower or any Subsidiary from developing any new products, services or technologies within or related to its general fields of ex-vivo organ perfusion, organ preservation, and organ transplantation, utilizing newly developed technologies in such fields or exploiting any existing Products in new territories or for different purposes related to ex-vivo perfusion for regenerative medicine for organ repair and regeneration, immune modulation and tolerance for transplantation, diagnostic and therapeutic interventions.

SECTION 8.2. Indebtedness. None of the Borrower or any of the Subsidiaries will create, incur, assume or permit to exist any Indebtedness, other than:

(a) Indebtedness in respect of the Obligations;

(b) until the Closing Date, Indebtedness that is to be repaid in full as further identified in Schedule 8.2(b):

(c) Indebtedness existing as of the Closing Date which is identified in Schedule 8.2(c). and refinancing of such Indebtedness in a principal amount not in excess of that which is outstanding on the Closing Date (as such amount has been reduced following the Closing Date);

(d) unsecured Indebtedness in respect of performance, surety or appeal bonds or any warranty or contractual service obligations, performance, surety, statutory, appeal, bid or completion of performance guarantees or similar obligations, in each case provided in the ordinary course of business in an aggregate amount at any time outstanding not to exceed $250,000;

(e) Purchase Money Indebtedness and Capitalized Lease Liabilities in a principal amount not to exceed $1,000,000 in the aggregate outstanding at any time, and, without duplication, Contingent Liabilities incurred in connection therewith;

(f) Permitted Subordinated Indebtedness;

(g) Indebtedness of any Subsidiary or the Borrower owing to the Borrower or any Subsidiary;

(h) Hedging Obligations under agreements entered into in order to manage existing or anticipated interest rate, exchange rate or commodity price risks and not for speculative purposes;

(i) Reimbursement obligations in connection with letters of credit that are secured by cash and issued on behalf of the Borrower or a Subsidiary thereof in an amount not to exceed $750,000 at any time outstanding;

(j) Indebtedness and related guarantees incurred as a result of endorsing negotiable instruments in the ordinary course of business;

(k) Indebtedness in respect of any agreement providing for treasury, depositary, or cash management services, including in connection with any automated clearing house transfers of funds or any similar transactions, securities settlements, foreign exchange contracts, assumed settlement, netting services, overdraft protections and other cash management, intercompany cash pooling and similar arrangements, in each case in the ordinary course of business;

(l) workers' compensation claims, payment obligations in connection with health, disability or other types of social security benefits, unemployment or other insurance obligations, reclamation and statutory obligations, in each case incurred in the ordinary course of the Borrower's or its Subsidiaries' business and not including Indebtedness for borrowed money;

(m) to the extent constituting Indebtedness, customary indemnification and working capital adjustments or similar obligations incurred or assumed in connection with Investments and Dispositions otherwise permitted hereunder; and

(n) other Indebtedness of the Borrower and the Subsidiaries in an aggregate amount at any time outstanding not to exceed $250,000; provided that, no Indebtedness otherwise permitted by clauses (e), (f) or (n) shall be assumed, created or otherwise incurred if a Default has occurred and is then continuing or would result therefrom.

SECTION 8.3. Liens. None of the Borrower or any of the Subsidiaries will create, incur, assume or permit to exist any Lien upon any of its property (including Capital Securities of any Person), revenues or assets, whether now owned or hereafter acquired, except:

(a) Liens securing payment of the Obligations;

(b) until the Closing Date, Liens securing payment of Indebtedness of the type described in clause (b) of Section 8.2:

(c) Liens existing as of the Closing Date and disclosed in Schedule 8.3(c) securing Indebtedness described in clause (c) of Section 8.2, and extensions, and renewals, refinancings of such Indebtedness; provided that, no such Lien shall encumber any additional property and the amount of Indebtedness secured by such Lien is not increased from that existing on the Closing Date (as such Indebtedness may have been permanently reduced subsequent to the Closing Date);

(d) Liens securing payment of Permitted Subordinated Indebtedness that are (i) subordinate to the Liens securing payment of the Obligations and all other Indebtedness owing from the Borrower or the Subsidiaries to the Lender and (ii) subject to a written subordination agreement satisfactory to the Lender in its sole discretion;

(e) Liens securing Indebtedness of the Borrower or the Subsidiaries permitted pursuant to Section 8.2(e) (and any related proceeds thereof or replacements or accession thereto) (provided that (i) such Liens shall be created within 180 days of the acquisition of the assets financed with such Indebtedness and such Liens do not at any time encumber any property other than the property so financed);

(f) Liens in favor of carriers, warehousemen, mechanics, materialmen, landlords and other like Persons, as well as retention of title arrangement (ieigendomsvoorbehoud), privilege (voorrecht), right of retention (recht van retentie), and right to reclaim goods (recht van reclame), in each case arising in the ordinary course of business for amounts not overdue or being diligently contested in good faith by appropriate proceedings;

(g) Liens on cash incurred or deposits of cash made in the ordinary course of business in connection with worker’s compensation, unemployment insurance, social security or other forms of governmental insurance or benefits, or to secure performance of tenders, statutory obligations, bids, contracts, leases or other similar obligations (other than for borrowed money) entered into in the ordinary course of business or to secure

obligations on surety and appeal bonds or indemnity, performance or other similar bonds, collectively under this clause (g); provided that the amount of any such liens to secure performance of contracts shall not exceed $250,000 at any time outstanding;

(h) judgment Liens in existence for less than 60 days after the entry thereof or with respect to which execution has been stayed or the payment of which is covered in full (subject to a customary deductible) by insurance maintained with responsible insurance companies and which do not otherwise result in an Event of Default under Section 9.1(f);

(i) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances not interfering in any material respect with the value or use of the property to which such Lien is attached;

(j) Liens for Taxes not at the time delinquent or thereafter payable without penalty or being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(k) licenses and/or sublicenses of Intellectual Property otherwise permitted under this Agreement or the other Loan Documents, and restrictions under licenses of Intellectual Property entered into in the ordinary course of business pursuant to which the Borrower or any of its Subsidiaries is a licensee;

(l) banker's liens, rights of setoff and Liens in favor of financial institutions incurred in the ordinary course of business arising in connection with the Borrower's or any Subsidiary's deposit accounts or securities accounts held at such institutions to secure solely payment of fees and similar costs and expenses and provided such accounts are maintained in compliance with Section 7.13(a) hereof;

(m) any Lien arising under Article 24 or 26 of the general terms and conditions (Algemene Bank Voorwaarden) of any member of the Dutch Bankers' Association (Nederlandse Vereniging van Bankeri) or any similar term applied by a financial institution in the Netherlands pursuant to its general terms and conditions and any netting or set-off arrangement entered into by the Borrower and any Subsidiary in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;

(n) leasehold interests in leases or subleases of real property;

(o) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties that are promptly paid on or before the date they become due;

(p) Liens on insurance proceeds securing the payment of financed insurance premiums that are promptly paid on or before the date they become due (provided that such Liens extend only to such insurance proceeds and not to any other property of assets);

(q) Liens on cash (and/or cash collateral) in an aggregate amount not exceeding $750,000 securing Indebtedness permitted under clause (i) of Section 8.2; and

(r) the interests of lessors under operating leases.

The Lender agrees to execute and deliver such collateral subordination agreements and related documents as reasonably requested of it to confirm the priority of the Liens permitted pursuant to clause (e) of Section 8.3.

SECTION 8.4. Minimum Liquidity. The Liquidity of the Borrower shall not at any time be less than $3,000,000.

SECTION 8.5. Investments. None of the Borrower or any of the Subsidiaries will purchase, make, incur, assume or permit to exist any Investment in any other Person, except:

(a) Investments existing on the Closing Date and identified in Schedule 8.5(a);

(b) Cash Equivalent Investments and any Investment which when made complies with the definition of the term "Cash Equivalent Investment" may continue to be held notwithstanding that such Investment if made thereafter would not comply with such requirements;

(c) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and other disputes with, customers or suppliers, in each case in the ordinary course of business;

(d) Investments consisting of any deferred portion of the sales price received by the Borrower or any of the Subsidiaries in connection with any Disposition permitted under Section 8.8:

(e) Investments constituting (i) accounts receivable arising, (ii) trade debt granted, or (iii) deposits made in connection with the purchase price of goods or services, in each case in the ordinary course of business;

(f) Permitted Acquisitions and Investments acquired as a result of Permitted Acquisition to the extent that such Investments were not made in contemplation of or in connection with such Permitted Acquisition and were in existence prior to the date of such Permitted Acquisition;

(g) Investments by the Borrower or any Guarantor in the Borrower or any Guarantor;

(h) Repurchases of stock from former employees, directors, or consultants of Borrower under the terms of applicable repurchase agreements at the original issue price of such securities in an aggregate amount not to exceed $250,000 in any fiscal year, provided no Event of Default has occurred, is continuing or would exist after giving effect to such repurchases;

(i) Investments consisting of loans not involving the net transfer on a substantially contemporaneous basis of cash proceeds to employees, officers or directors relating to the purchase of capital stock of Borrower pursuant to employee stock purchase plans or other similar agreements approved by Borrower's Board of Directors, not to exceed $250,000 in the aggregate;

(j) Investments consisting of travel advances and employee relocation loans, and other employee loans and advances in the ordinary course of business, not to exceed $100,000 in the aggregate outstanding at any given time;

(k) Investments in non-Guarantors not to exceed $750,000;

(l) Cash Investments in joint ventures and strategic alliances in the ordinary course of business or approved by Borrower's Board of Directors, provided that any such cash Investments by Borrower do not exceed $100,000 in the aggregate in any fiscal year;

(m) Investments consisting of security deposits with utilities, landlords and other like Persons made in the ordinary course of business;

(n) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and

(o) other Investments in an amount not to exceed $250,000 over the term of this Agreement.

SECTION 8.6. Restricted Payments, Etc. None of the Borrower or any of the Subsidiaries will declare or make a Restricted Payment, or make any deposit for any Restricted Payment, other than (a) to repurchase or redeem any class of stock or other equity interest pursuant to employee, director or consultant repurchase plans or other similar agreements, provided, however, in each case the repurchase or redemption price does not exceed the original consideration paid for such stock or equity interest, not to exceed $250,000 or (b) Restricted Payments made by the Borrower or any Subsidiary to the Borrower or any Subsidiaries.

SECTION 8.7. Consolidation, Merger; Permitted Acquisitions, Etc. None of the Borrower or any of the Subsidiaries will liquidate or dissolve, consolidate with, or merge into or with, any other Person, or purchase or otherwise acquire all or substantially all of the assets of any Person (or any division thereof), other than in connection with a Permitted Acquisition, except that, so long as no Event of Default has occurred and is continuing (or would occur), any Subsidiary may liquidate or dissolve voluntarily into, and may merge with and into, the Borrower or any Subsidiary; and provided further, in connection with any Permitted Acquisition, the Borrower or any Subsidiary of the Borrower may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it, so long as (i) the Person surviving such merger with any Subsidiary shall be a direct or indirect wholly-owned Subsidiary of the Borrower and a Guarantor, and (ii) in the case of any such merger to which the Borrower is a party, the Borrower is the surviving Person.

SECTION 8.8. Permitted Dispositions. None of the Borrower or any of the Subsidiaries will Dispose of any of its assets (including accounts receivable and Capital Securities of the Borrower or Subsidiaries) to any Person in one transaction or a series of transactions unless such Disposition:

(i) is inventory or obsolete, damaged, worn out or surplus property (including fixed assets no longer used or useful in the business of the Borrower and its Subsidiaries at the time of such Disposition) Disposed of in the ordinary course of its business;

(ii) is a transfer of products to customers in connection with product trials;

(iii) is a non-exclusive license or similar arrangement for the use of Intellectual Property in the ordinary course of business;

(iv) is from the Borrower or a Guarantor to the Borrower or a Guarantor;

(v) is a Disposition of cash that is not otherwise prohibited by the Loan Documents;

(vi) is a disposition consisting of the sale, transfer, assignment or other disposition of unpaid and overdue accounts receivable in connection with the collection, compromise or settlement thereof in the ordinary course of business and not as part of a financing transaction;

(vii) is a disposition resulting from Casualty Events; or

(viii) is a transfer of assets having a fair market value of not more than $250,000 in the aggregate in any fiscal year, with at least 75% cash as consideration.

SECTION 8.9. Modification of Certain Agreements. None of the Borrower or any of the Subsidiaries will consent to any amendment, supplement, waiver or other modification of, or enter into any forbearance from exercising any rights with respect to, the terms or provisions contained in (i) any Organic Documents of the Borrower or any of the Subsidiaries, if the result would have an adverse effect on the rights or remedies of the Lender under this Agreement or any Loan Document, or (ii) any agreement governing any Permitted Subordinated Indebtedness, if the result would shorten the maturity date thereof or advance the date on which any cash payment is required to be made thereon or would otherwise change any terms thereof in a manner adverse to the Lender.

SECTION 8.10. Transactions with Affiliates. None of the Borrower or any of the Subsidiaries will enter into or cause or permit to exist any arrangement, transaction or contract (including for the purchase, lease or exchange of property or the rendering of services) with any of its Affiliates, unless such arrangement, transaction or contract:

(a) is between or among the Borrower or any of the Guarantors;

(b) is the provision of normal and reasonable compensation, benefits, reimbursement of expenses and indemnification to, and other employment arrangements with, officers, directors and employees;

(c) consists of the issuance of Capital Securities to Affiliates in exchange for cash;

(d) a transaction listed on Schedule 6.19: or

(e) (i) is on fair and reasonable terms no less favorable to the Borrower or any Subsidiary than it could obtain in an arm's-length transaction with a Person that is not one of its Affiliates and (ii) is of the kind which would be entered into by a prudent Person in its position with a Person that is not one of its Affiliates.

SECTION 8.11. Restrictive Agreements. Etc. None of the Borrower or any of the Subsidiaries will enter into any agreement prohibiting (i) the creation or assumption of any Lien upon its properties, revenues or assets, whether now owned or hereafter acquired, (ii) the ability of the Borrower or any of the Subsidiaries to amend or otherwise modify any Loan Document, or (iii) the ability of the Borrower or any Subsidiary to make any payments, directly or indirectly, to the Borrower, including by way of dividends, advances, repayments of loans, reimbursements of management and other intercompany charges, expenses and accruals or other returns on investments. The foregoing prohibitions shall not apply to restrictions contained (x) in any Loan Document, (y) in the case of clause (IT (A) in any agreement governing any Indebtedness permitted by clauses (e) or (i) of Section 8.2 as to the assets financed with the proceeds of such Indebtedness and secured by Liens permitted by clauses (e) or (q) of Section 8.3, or (B) in leases, licenses and other contracts on the assignment thereof.

SECTION 8.12. Sale and Leaseback. None of the Borrower or any of the Subsidiaries will directly or indirectly enter into any agreement or arrangement providing for the sale or transfer by it of any property (now owned or hereafter acquired) to a Person and the subsequent lease or rental of such property or other similar property from such Person.

SECTION 8.13. Product Agreements. None of the Borrower or any of the Subsidiaries will enter into any amendment with respect to any existing Product Agreement or enter into any new Product Agreement that contains any provision that permits any counterparty other than the Borrower or any of the Subsidiaries to terminate such Product Agreement for any reason related to a change of control of the Borrower or any of the Subsidiaries. The Borrower and the Subsidiaries shall use commercially reasonable efforts to avoid entering into any amendment with respect to any existing Product Agreement or entering into any new Product Agreement that contains (a) any provision that permits any counterparty other than the Borrower or any of the Subsidiaries to terminate such Product Agreement for any reason related to the insolvency of the Borrower or any of the Subsidiaries or assignment of such Product Agreement by the Borrower or any of the Subsidiaries, (b) any provision which restricts or penalizes a security interest in, or the assignment of, any Product Agreements, upon the sale, merger or other disposition of all or a material portion of a Product to which such Product Agreement relates or (c) any other provision

that has or is likely to adversely effect, in any material respect, any Product to which such agreement relates or to the Lender's rights hereunder.

SECTION 8.14. Change in Name. Location or Executive Office or Executive Management; Change in Fiscal Year . None of the Borrower or any of the Subsidiaries will (i) change its legal name or any trade name used to identify it in the conduct of its business or ownership of its properties, (ii) change its jurisdiction of organization or legal structure, (iii) relocate its chief executive office, principal place of business or any office in which it maintains books or records relating to its business (including the establishment of any new office or facility), (iv) change its federal taxpayer identification number or organizational number (or equivalent), in each of clauses (i) through (iv) without 30 days' prior written notice to the Lender, (v) replace its chief executive officer or chief financial officer without written notification to the Lender within 30 days thereafter, or (vi) change its Fiscal Year or any of its Fiscal Quarters.

SECTION 8.15. Benefit Plans and Agreements. None of the Borrower or any Subsidiary will (i) become the sponsor of, incur any responsibility to contribute to or otherwise incur actual or potential liability with respect to, any Benefit Plan, (ii) allow any "employee benefit plan" as defined in section 3(3) of ERISA that provides retirement benefits, is sponsored by the Borrower or any Subsidiary and is intended to be tax qualified under section 401 or 501 of the Code to cease to be tax qualified, (iii) allow the assets of any tax qualified retirement plan sponsored by the Borrower or any of its Subsidiaries to become invested in Capital Securities of the Borrower or any Subsidiary, (iv) allow any employee benefit plan, program or arrangement sponsored, maintained, contributed to or required to be contributed to by the Borrower or any Subsidiary to fail to comply in all material respects with its terms and applicable law, or (v) allow any employee benefit plan as defined in Section 3(3) of ERISA that provides medical insurance, dental insurance, vision insurance, life insurance or long-term disability benefits and that is sponsored by the Borrower or any of the Subsidiaries, to become self-insured. The Borrower will not enter into any employment, change in control, severance, independent contractor, or consulting agreements or grant any equity awards other than in the course of ordinary business and consistent with past practice.

ARTICLE IX
EVENTS OF DEFAULT

SECTION 9.1. Listing of Events of Default. Each of the following events or occurrences described in this Article shall constitute an "Event of Default".

(a) Non-Payment of Obligations. The Borrower shall default in the payment or prepayment when due of (i) any principal of or interest on any Loan, or (ii) any fee described in Article III or any other monetary Obligation, and in the case of clause (ii) such default shall continue unremedied for a period of three Business Days after such amount was due.

(b) Breach of Warranty. Any representation or warranty made or deemed to be made by the Borrower or any of the Subsidiaries in any Loan Document (including

any certificates delivered pursuant to Article V) is or shall be incorrect when made or deemed to have been made in any material respect.

(c) Non-Performance of Certain Covenants and Obligations. The Borrower or any Subsidiary shall default in the due performance or observance of any of its obligations under Section 7.L Section 7.7. or Article VIII.

(d) Non-Performance of Other Covenants and Obligations. The Borrower or any Subsidiary shall default in the due performance and observance of any other covenant, obligation or agreement contained in any Loan Document executed by it, and such default shall continue unremedied for a period of 30 days after the earlier to occur of (i) notice thereof given to the Borrower by the Lender or (ii) the date on which the Borrower has knowledge of such default.

(e) Default on Other Indebtedness. A default shall occur in the payment of any amount when due (subject to any applicable grace period), whether by acceleration or otherwise, of any principal or stated amount of, or interest or fees on, any Indebtedness of the Borrower or any of the Subsidiaries having a principal or stated amount, individually or in the aggregate, in excess of $500,000, or a default shall occur in the performance or observance of any obligation or condition with respect to such Indebtedness if the effect of such default is to accelerate the maturity of any such Indebtedness or such default shall continue unremedied for any applicable period of time sufficient to permit the holder or holders of such Indebtedness, or any trustee or agent for such holders, to cause or declare such Indebtedness to become due and payable or to require such Indebtedness to be prepaid, redeemed, purchased or defeased, or require an offer to purchase or defease such Indebtedness to be made, prior to its expressed maturity.

(f) Judgments. Any judgment or order for the payment of money individually or in the aggregate in excess of $500,000 (exclusive of any amounts fully covered by insurance (less any applicable deductible) and as to which the insurer has acknowledged its responsibility to cover such judgment or order) shall be rendered against the Borrower or any of the Subsidiaries and such judgment shall not have been vacated or discharged or stayed or bonded pending appeal or paid within 60 days after the entry thereof or enforcement proceedings shall have been commenced by any creditor upon such judgment or order.

(g) Change in Control. Any Change in Control shall occur.

(h) Bankruptcy, Insolvency, Etc. The Borrower or (except as permitted pursuant to Section 8.7) any of the Subsidiaries shall

(i) become insolvent or generally fail to pay, or admit in writing its inability or unwillingness generally to pay, debts as they become due;

(ii) apply for, consent to, or acquiesce in the appointment of a trustee, receiver, sequestrator or other custodian for any substantial part of the property of any thereof, or make a general assignment for the benefit of creditors;

(iii) in the absence of such application, consent or acquiescence in or permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for a substantial part of the property of any thereof, and such trustee, receiver, sequestrator or other custodian shall not be discharged within 60 days; provided that, each of the Borrower and each Subsidiary hereby expressly authorizes the Lender to appear in any court conducting any relevant proceeding during such 60-day period to preserve, protect and defend its rights under the Loan Documents;

(iv) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law or any dissolution, winding up or liquidation proceeding, in respect thereof, and, if any such case or proceeding is not commenced by the Borrower or any Subsidiary, such case or proceeding shall be consented to or acquiesced in by the Borrower or such Subsidiary, as the case may be, or shall result in the entry of an order for relief or shall remain for 60 days undismissed; provided that, each of the Borrower and each Subsidiary hereby expressly authorizes the Lender to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend its rights under the Loan Documents; or

(v) take any action authorizing, or in furtherance of, any of the foregoing.

(i) Impairment of Security, Etc. Any Loan Document or any Lien granted thereunder shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower or any Subsidiary thereto; the Borrower, any Subsidiary or any other party shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability; or, except as permitted under any Loan Document, any Lien securing any Obligation shall, in whole or in part, cease to be a perfected first priority Lien.

(j) Key Permit Events. Any Key Permit or any of the Borrower's or any Subsidiary's material rights or interests thereunder is terminated or amended in any manner adverse to the Borrower or any Subsidiary in any material respect.

(k) Material Adverse Change. Any circumstance occurs that has had or could reasonably be expected to have a Material Adverse Effect.

(l) Key Person Event. If Waleed Hassanein ceases to be employed full time by the Borrower and actively working as the President and Chief Executive Officer, unless within 120 days after such individual ceases to be employed full time and actively working the Borrower hires a replacement for such individual reasonably acceptable to the Lender.

(m) Regulatory Matters. If any of the following occurs: (i) the FDA, CMS, EMA or any other Governmental Authority (A) issues a letter or other communication asserting that any Product lacks a required Regulatory Authorization or (B) initiates enforcement action against, or issues a warning letter with respect to, the Borrower or any of the Subsidiaries, or any of their Products or the manufacturing facilities therefor, that, in the case of either clause (A) or (B), causes the Borrower or such Subsidiary to discontinue marketing or withdraw any of its Products, or causes a delay in the manufacture or offering of any of its Products, which discontinuance, withdrawal or delay could reasonably be expected to last for more than three months; (ii) a recall which could reasonably be expected to result in liability to the Borrower and the Subsidiaries in excess of $750,000; or (iii) the Borrower or any of the Subsidiaries enters into a settlement agreement with the FDA, CMS, EMA or any other Governmental Authority that results in aggregate liability as to any single or related series of transactions, incidents or conditions in excess of $750,000.

SECTION 9.2. Action if Bankruptcy. If any Event of Default described in clauses (i) through (iv) of Section 9.1(h) with respect to the Borrower shall occur, the Commitments (if not theretofore terminated) shall automatically terminate and the outstanding principal amount of the Loans and all other Obligations shall automatically be and become immediately due and payable, without notice or demand to any Person.

SECTION 9.3. Action if Other Event of Default. If any Event of Default (other than any Event of Default described in clauses (i) through (iv) of Section 9.1(h)) shall occur for any reason, whether voluntary or involuntary, and be continuing, the Lender may, by notice to the Borrower declare all or any portion of the outstanding principal amount of the Loans and other Obligations to be due and payable and/or the Commitments (if not theretofore terminated) to be terminated, whereupon the full unpaid amount of the Loans and other Obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand or presentment, and the Commitments shall terminate.

ARTICLE X
MISCELLANEOUS PROVISIONS

SECTION 10.1. Waivers. Amendments. Etc. The provisions of each Loan Document may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to by the Lender and the Borrower.

No failure or delay on the part of the Lender in exercising any power or right under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on the Borrower or any of the Subsidiaries in any case shall entitle it or any of them to any notice or demand in similar or other circumstances. No waiver or approval by the Lender under any Loan Document shall, except as may be otherwise stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

SECTION 10.2. Notices; Time. All notices and other communications provided under any Loan Document shall be in writing or by email and addressed, delivered or transmitted, if to the Borrower or the Lender, to the applicable Person at its physical address or email address set forth on Schedule 10.2 hereto, or at such other physical address or email address as may be designated by such party in a notice to the other parties. Any notice, if mailed and properly addressed with postage prepaid or if properly addressed and sent by pre-paid courier service, shall be deemed given when received; any notice, if transmitted by email, shall be deemed given upon the earlier of (x) the confirmation of receipt by the recipient and (y) the opening of business on the next Business Day for the recipient. Unless otherwise indicated, all references to the time of a day in a Loan Document shall refer to New York City time.

SECTION 10.3. Payment of Costs and Expenses. Notwithstanding anything to the contrary in that certain Summary of Terms, dated as of February 26, 2018, by and between OrbiMed Advisors LLC (an Affiliate of the Lender) and the Borrower, the Borrower agrees to pay on demand all expenses of the Lender (including the fees and out-of-pocket expenses of Covington & Burling LLP, counsel to the Lender, and of local counsel, if any, who may be retained by or on behalf of the Lender) in connection with:

(a) the negotiation, preparation, execution and delivery of each Loan Document, including schedules and exhibits, and any amendments, waivers, consents, supplements or other modifications to any Loan Document as may from time to time hereafter be required, whether or not the transactions contemplated hereby are consummated;

(b) the filing or recording of any Loan Document (including any financing statements) and all amendments, supplements, amendment and restatements and other modifications to any thereof, searches made following the Closing Date in jurisdictions where financing statements (or other documents evidencing Liens in favor of the Lender) have been recorded and any and all other documents or instruments of further assurance required to be filed or recorded by the terms of any Loan Document;

(c) the preparation and review of the form of any document or instrument relevant to any Loan Document; and

(d) legal diligence, consulting and other advice in connection with the Borrower, the Subsidiaries and any of their Related Parties.

The Borrower agrees to reimburse the Lender upon demand for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and legal expenses of counsel to the Lender) incurred by the Lender in connection with (x) the negotiation of any restructuring or "work-out" with the Borrower, whether or not consummated, of any Obligations and (y) the enforcement of any Obligations.

SECTION 10.4. Indemnification. In consideration of the execution and delivery of this Agreement by the Lender, the Borrower hereby indemnifies, agrees to defend, exonerates and holds the Lender and each of its officers, directors, employees and agents (collectively, the "Indemnified Parties") free and harmless from and against any and all actions, causes of action,

suits, losses, costs, liabilities, obligations and damages, and expenses incurred in connection therewith (irrespective of whether any such Indemnified Party is a party to the action for which indemnification hereunder is sought), including reasonable attorneys' and professionals' fees and disbursements, whether incurred in connection with actions between the parties hereto or the parties hereto and third parties (collectively, the "Indemnified Liabilities"), including, without limitation, Indemnified Liabilities arising out of or relating to (i) the entering into and performance of any Loan Document by any of the Indemnified Parties (including any action brought by or on behalf of the Borrower as the result of any determination by the Lender pursuant to Article V not to fund any Loan), and (ii) any Environmental Liability; provided that the Borrower shall have no obligation or liability under this Section 10.4 with respect to any Indemnified Liabilities that arise from or are the direct result of such Indemnified Party's gross negligence or willful misconduct. If and to the extent that the foregoing indemnification may be unenforceable for any reason, the Borrower agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. This Section 10.4 shall not apply with respect to Taxes other than any Taxes that represent Indemnified Liabilities arising from any non-Tax claim.

SECTION 10.5. Survival. The obligations of the Borrower under Section 4.L Section 4.2, Section 4.3, Section 10.3 and Section 10.4, shall in each case survive any assignment by the Lender and the occurrence of the Termination Date. The representations and warranties made by the Borrower in each Loan Document shall survive the execution and delivery of such Loan Document.

SECTION 10.6. Severability. Any provision of any Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of such Loan Document or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 10.7. Headings. The various headings of each Loan Document are inserted for convenience only and shall not affect the meaning or interpretation of such Loan Document or any provisions thereof.

SECTION 10.8. Execution in Counterparts. Effectiveness. Etc. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. This Agreement shall become effective when counterparts hereof executed on behalf of the Borrower and the Lender, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Agreement by email (e.g., "pdf' or "tiff') or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.9. Governing Law; Entire Agreement. EACH LOAN DOCUMENT (OTHER THAN ANY DUTCH SECURITY DOCUMENT OR OTHER DUTCH LAW GOVERNED DOCUMENT OR SECURITY ARRANGEMENT) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (OTHER THAN ANY DUTCH

SECURITY DOCUMENT OR OTHER DUTCH LAW GOVERNED DOCUMENT OR SECURITY ARRANGEMENT) CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). The Loan Documents constitute the entire understanding among the parties hereto with respect to the subject matter thereof and supersede any prior agreements, written or oral, with respect thereto.

SECTION 10.10. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; provided that, the Borrower may not assign or transfer its rights or obligations hereunder without the consent of the Lender.

SECTION 10.11. Other Transactions. Nothing contained herein shall preclude the Lender, from engaging in any transaction, in addition to those contemplated by the Loan Documents, with the Borrower or any of its Affiliates in which the Borrower or such Affiliate is not restricted hereby from engaging with any other Person.

SECTION 10.12. Forum Selection and Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, ANY LOAN DOCUMENT (OTHER THAN ANY DUTCH SECURITY DOCUMENT OR OTHER DUTCH LAW GOVERNED DOCUMENT OR SECURITY ARRANGEMENT), OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR THE BORROWER IN CONNECTION HEREWITH OR THEREWITH SHALL BE BROUGHT AND MAINTAINED IN THE COURTS OF THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT, ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE LENDER'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH OF THE BORROWER AND THE LENDER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK AT THE ADDRESS FOR NOTICES SPECIFIED IN SECTION 10.2. EACH OF THE BORROWER AND THE LENDER HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT EITHER THE BORROWER OR THE LENDER HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE BORROWER AND THE LENDER, EACH ON ITS OWN BEHALF, HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED

BY LAW SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THE LOAN DOCUMENTS (OTHER THAN ANY DUTCH SECURITY DOCUMENT OR OTHER DUTCH LAW GOVERNED DOCUMENT OR SECURITY ARRANGEMENT).

SECTION 10.13. Waiver of Jury Trial. THE LENDER AND THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, EACH LOAN DOCUMENT (OTHER THAN ANY DUTCH SECURITY DOCUMENT OR OTHER DUTCH LAW GOVERNED DOCUMENT OR SECURITY ARRANGEMENT), OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR THE BORROWER IN CONNECTION THEREWITH. THE BORROWER ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER ENTERING INTO THE LOAN DOCUMENTS.

SECTION 10.14. Confidential Information. Subject to the provisions of Section 10.15, at all times prior to the first anniversary of the Credit Agreement Termination Date, the Receiving Party shall keep confidential and shall not publish or otherwise disclose any Confidential Information furnished to it by the Disclosing Party, except to those of the Receiving Party's employees, advisors or consultants who have a need to know such information to assist such Party in the performance of such Party's obligations or in the exercise of such Party's rights hereunder and who are subject to reasonable obligations of confidentiality consistent with this Section 10.14 (collectively, "Recipients"). Notwithstanding anything to the contrary set forth herein, (a) the Lender may disclose this Agreement and the terms and conditions hereof and any information related hereto, to (i) its Affiliates, (ii) potential and actual assignees of any of the Lender's rights hereunder and (iii) potential and actual investors in, or lenders to, the Lender (including, in each of the foregoing cases, such Person's employees, advisors or consultants); provided that in each case, unless an Event of Default has occurred and is continuing, each such Recipient shall be subject to reasonable obligations of confidentiality; and (b) upon receiving consent from the Lender, which consent shall not be unreasonably withheld, delayed or conditioned, the Borrower may disclose this Agreement and the terms and conditions hereof and information related hereto, to potential or actual permitted acquirers or assignees, collaborators and other (sub)licensees, permitted subcontractors, investment bankers, investors, lenders (including, in each of the foregoing cases, such Person's employees, advisors or consultants who have a need to receive and review such information); provided that in each case, each such Recipient shall be subject to reasonable obligations of confidentiality. In addition to the foregoing, the Receiving Party may disclose Confidential Information belonging to the Disclosing Party to the extent (and only to the extent) such disclosure is reasonably necessary in order to comply with applicable Laws (including any securities law or regulation or the rules of a securities exchange) and with judicial process, if in the reasonable opinion of the Receiving Party's counsel, such disclosure is necessary for such compliance, provided that the Receiving Party (x) will only disclose those portions of the Confidential Information that are necessary or required to be so disclosed, and (y) to the extent legally permissible, will notify the Disclosing

Party of the Receiving Party's intent to make any disclosure pursuant thereto sufficiently prior to making such disclosure so as to allow the Disclosing Party time to take whatever action it may deem appropriate to protect the confidentiality of the information to be disclosed.

SECTION 10.15. Exceptions to Confidentiality. The Receiving Party's obligations set forth in this Agreement shall not extend to any Confidential Information of the Disclosing Party:

(a) that is or hereafter becomes part of the public domain (other than as a result of a disclosure by the Receiving Party or its Recipients in violation of this Agreement);

(b) that is received from a Third Party without restriction on disclosure and without, to the knowledge of the Receiving Party, breach of any agreement between such Third Party and the Disclosing Party;

(c) that the Receiving Party can demonstrate by competent evidence was already in its possession without any limitation on disclosure prior to its receipt from the Disclosing Party;

(d) that is generally made available to Third Parties by the Disclosing Party without restriction on disclosure; or

(e) that the Receiving Party can demonstrate by competent evidence was independently developed by the Receiving Party without use of or reference to the Confidential Information.

SECTION 10.16. Register. Orbimed Royalty Opportunities II, LP, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in the United States a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower and the Lender shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

TRANSMEDICS, INC.,
as the Borrower

By: /s/ Stephen M. Gordon
Name: Stephen M. Gordon
Title: Chief Financial Officer

ORBIMED ROYALTY OPPORTUNITIES II, LP,
as the Lender

By OrbiMed Advisors LLC,
its investment manager

By: /s/ W. Carter Neild
Name: W. Carter Neild
Title: Member

Schedule 1.1

Investment Policy

Attached.

Investment Policy Guidelines

1. PURPOSE

To establish guidelines for the investment of TransMedics, Inc.'s surplus cash balances. Surplus cash balances are balances in corporate accounts not required within 60 days for working capital, capital investment, debt repayment, or other outstanding near-term financial obligations.

2. OBJECTIVES

The objectives of the policy are, in order of priority:

2.1 Preservation of capital.

2.2 Fulfillment of liquidity needs.

2.3 To achieve an acceptable rate of return

3. ELIGIBLE ASSET CLASSES

All investments must be U.S. dollar-denominated.

Borrowing for investments purposes is prohibited.

Investment in securities with underlying leverage risk.

3.1 U.S. Treasury obligations issued or guaranteed by the U.S. Government or Government agency obligations.

- 3.1.1 Treasury Bills
- 3.1.2 Treasury Notes
- 3.1.3 Treasury Bonds
- 3.1.4 Federal Home Loan Bank
- 3.1.5 Federal Farm Credit Bank
- 3.1.6 Fannie Mae
- 3.1.7 Freddy Mac

3.2 Money market funds

- 3.2.1 2(a)7 Fund

3.2.2 Seeksto achieve and maintain a net asset value of $1.00/share

3.2.3 Consistof a minimum of $1 billion in assets

3.2.4 Must be AAA-rated by at least one of the nationally recognized credit rating agencies.

3.3 Repurchase agreements (“repo”)

3.3.1 Fully collateralized at a minimum of 102% or more by U.S. government securities, specifically U.S. treasuries and/or U.S. agencies as defined in 3.1.

3.4 Municipal securities, specifically revenue and general obligation (which also includes variable rate municipals).

3.5 Corporate debt obligations, specifically commercial paper, corporate notes, corporate bonds and/or medium-term notes.

4. CREDIT QUALITY

In all categories described above, the emphasis will be on securities of high credit quality.

At the time of purchase, investments which bear a short-term credit rating must have a minimum rating and be explicitly rated by two of the following rating services: A1 by Standard & Poor’s, PI by Moody’s and/or F-l by Fitch (no split-rated paper permitted) - for municipal securities (if assigned a short-term credit rating), the minimum must be SP1 by S&P or MIG1 by Moody’s.

At the time of purchase, investments which bear a long-term credit rating must have a minimum rating and be explicitly rated by two of the following rating services: A by Standard & Poor’s, A2 by Moody’s and/or A by Fitch.

At the time of purchase, investments, which bear a AAA-rating, may only be rated by one of the three rating agencies.

5. COMMUNICATION

The investment provider will contact the Finance department upon the occurrence of any of the following events:

- The issuer is placed on “Negative Outlook” or “CreditWatch with Negative Implications”;
- A security is downgraded; and
- a security is downgraded causing the credit quality to fall below the minimum standards stated in this Investment Policy.

6. INVESTMENT PARAMETERS

6.1 There are no limits with respect to US Treasury and agency obligations and money market funds.

6.2 Other asset classes are subject to no more than 5% of the aggregate market value of the portfolio at the time of investment in any one issuer, and no more than 5% of the total issue size outstanding.

7. MATURITY LIMITS

7.1 No single instrument having a final stated maturity of more than 1 year.

7.2 The dollar-weighted average maturity of the investment portfolio will not exceed 180 days.

7.3 For securities that have put dates, the put date may be used instead of the maturity date for maturity limit purposes.

8. LIQUIDITY REQUIREMENT

8.1 A minimum of 60 days of expected monthly cash outflow should be targeted to be available each business day.

9. INVESTMENT PERFORMANCE

9.1 TransMedics' Board approved professional advisors (if any is used) shall issue a quarterly investment performance analysis using time-weighted measures.

10 TRADING GUIDELINES

10.1 Normal investing practice is to reinvest the funds on the day a security matures in order to minimize lost interest.

10.2 TransMedics must have access to an on-line system maintained by TransMedics' Board approved professional advisors that has a daily transaction log and shall be available for TransMedics' review at any time.

11 CUSTODY

11.1 Assets may be held in a segregated bank custody account with separate fiduciary documents executed by the bank. Assets may also be held by the investment manager or securities dealer.

12. FIDUCIARY DISCRETION

12.1 TransMedics' Board approved professional advisors shall have full discretion to invest TransMedics Inc.'s portfolio subject to strict adherence to these guidelines.

12.2 TransMedics' Board approved professional advisors, must comply with its appropriate rules and regulations as set forth by it's governing bodies (i.e., the SEC).

Schedule 6.6

Material Adverse Change

None.

Schedule 6.7(a)

Litigation

None.

Schedule 6.8

Existing Subsidiaries

1. TransMedics B. V., a Dutch limited liability company - 100% wholly owned by Borrower
2. TransMedics GmbH, a German limited liability company -100% wholly owned by TransMedics B.V.
3. TransMedics Pty Ltd, an Australian limited liability company - 100% wholly owned by Borrower

Schedule 6.11

Collective Bargaining Agreements

(1) TransMedics B.V.'s only employee in France is employed under the general conditions of the national collective bargaining agreement of the Manufacturing and Trade of Pharmaceutical, Para Pharmaceutical and veterinary products IDCC reference 1555 (the "Collective Bargaining Agreement"). The employee shall pertain to the level 10 of the Collective Bargaining Agreement.

(2) TransMedics B.V.'s only employee in Italy is subject to the national collective bargaining agreement for commercial executives ("CCNL Dirigenti Cemmercio").

Schedule 6.15(a)

Intellectual Property

(i) Patents

List of TransMedics IP Portfolio of Patents 06/01/18

Granted US			
Patent Number	**Filing Date**	**Title**	**Expiration Date**
6,046,046	03-Apr-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
6,100,082	23-Sep-1997	PERFUSION APPARATUS AND METHOD INCLUDING CHEMICAL COMPOSITIONS FOR MAINTAINING AN ORGAN	May 20, 2019
6,953,655	23-Mar-2000	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
7,572,622	14-Aug-2003	HEART PRESERVATION CHAMBER	January 29, 2026
7,651,835	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	March 13, 2027
8,304,181	25-Apr-2007	METHOD FOR EX-VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	March 6, 2028
8,409,846	17-Feb-2005	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
8,420,380	08-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	October 28, 2029
8,465,970	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	February 12, 2028
8,535,934	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	October 28, 2029
8,585,380	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	February 12, 2028

Granted US			
Patent Number	**Filing Date**	**Title**	**Expiration Date**
8,822,203	28-Sep-2010	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	November 20, 2028
9,055,740	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	June 15, 2028
9,078,428	07-0ct-2005	SYSTEMS, METHODS, COMPOSITIONS AND SOLUTIONS FOR PERFUSING AN ORGAN	August 23, 2027
9,215,867	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	December 29, 2027
9,247,728	08-Apr-2008	SYSTEM AND METHOD FOR EX VIVO LUNG CARE	October 28, 2029
9,301,519	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	February 12, 2028
9,457,179	06-.M-2007	SYSTEMS FOR MONITORING AND APPLYING ELECTRICAL CURRENTS IN AN ORGAN PERFUSION SYSTEM	July 8, 2031
9,462,802	08-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	December 18, 2031
9,516,875	12-Feb-2013	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	April 8, 2028
9,756,849	27-Mar-2015	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	June 24, 2018
9,756,850	10-Feb-2017	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
9,756,851	24-Feb-2017	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
9,814,230	08-Apr-2008	SYSTEMS AND METHODS FOR Ex vivo LUNG CARE	October 28, 2029

Granted US			
Patent Number	**Filing Date**	**Title**	**Expiration Date**
9,894,894	16-Aug-2012	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	February 8, 2026

Pending US		
Application No.	**Filing Date**	**Title**
12/099687	08-Apr-2008	SYSTEMS AND METHODS FOR Ex vivo LUNG CARE
13/446706	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
14/464426	20-Aug-2014	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
14/728771	02-.Tim-2015	EX VIVO ORGAN CARE SYSTEM
14/734769	09-.Tun-2015	SYSTEMS, METHODS, COMPOSITIONS AND SOLUTIONS FOR PERFUSING AN ORGAN
14/939845	12-Nov-2015	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE
15/207303	1 l-Jul-2016	SYSTEMS FOR MONITORING AND APPLYING ELECTRICAL CURRENTS IN AN ORGAN PERFUSION SYSTEM
15/258194	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
15/857953	29-Dec-2017	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
728233	Australia	23-Sept-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
2005294206	Australia	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
2008260409	Australia	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE USING LACTATE AS AN INDICATOR	April 24, 2028
2009212725	Australia	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
2012216796	Australia	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
2012242578	Australia	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
2013216566	Australia	07-0ct-2005	SYSTEMS AND METHODS RELATED TO ORGAN PRESERVATION	October 7, 2025
2014202736	Australia	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO	January 30, 2029
2014256394	Australia	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
2015202735	Australia	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO	January 30, 2029
2015246083	Australia	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
2016201793	Australia	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE USING LACTATE AS AN INDICATOR	April 24, 2028
2016222388	Australia	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
1017274	Austria	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
1017274	Belgium	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Belgium	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Belgium	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Belgium	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
2304598	Canada	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
2584066	Canada	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
2685302	Canada	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
2881613	Canada	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
ZL201310556156.3	China	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
ZL200580042038.4	China	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
ZL201210449227.5	China	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
ZL200880020749.5	China	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
ZL200980110231.5	China	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
ZL201280025150.7	China	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
ZL201310148246.9	China	30-Jan-2009	SYSTEMS AND METHODS FOR EX- VIVO LUNG CARE	January 30, 2029
1017274	Denmark	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Denmark	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Denmark	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Denmark	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Europe	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Europe	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
1942726	Europe	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Europe	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Finland	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	France	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
1768490	France	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	France	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	France	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Germany	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Germany	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Germany	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Germany	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1101890	Hong Kong	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1145942	Hong Kong	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
1185516	Hong Kong	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
1192115	Hong Kong	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO	January 30, 2029
1200054	Hong Kong	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
1017274	Ireland	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Ireland	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Ireland	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Ireland	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
182403	Israel	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
194748	Israel	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
201739	Israel	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
207289	Israel	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
211084	Israel	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
228816	Israel	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
243261	Israel	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
1017274	Italy	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Italy	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
1942726	Italy	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Italy	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
5113522	Japan	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
5462406	Japan	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
5599322	Japan	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
5746534	Japan	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
5889861	Japan	23-Sept-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
5923551	Japan	23-Sep-1998	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE - VA Case	September 23, 2018
5923552	Japan	23-Sep-1998	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE - VA Case	September 23, 2018
5933666	Japan	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
6029650	Japan	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
6134771	Japan	23-Sep-1998	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	September 23, 2018
6144238	Japan	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
6284698	Japan	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
6343696	Japan	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
1017274	Luxembourg	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	Monaco	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	Netherlands	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Netherlands	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Netherlands	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Netherlands	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
554543	New Zealand	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
580648	New Zealand	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
586901	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
591524	New Zealand	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
597482	New Zealand	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
600702	New Zealand	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
603329	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
608461	New Zealand	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
614472	New Zealand	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
616699	New Zealand	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
623220	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
625575	New Zealand	24-April-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
702992	New Zealand	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
709775	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
713560	New Zealand	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
717789	New Zealand	07-0ct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
728515	New Zealand	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
1017274	Portugal	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	Spain	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Spain	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Spain	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Spain	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Sweden	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Sweden	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Sweden	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Sweden	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Switzerland	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	United Kingdom	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	United Kingdom	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
1942726	United Kingdom	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	United Kingdom	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028

Pending Foreign			
Application Number	**Country**	**Filing Date**	**Title**
2015271799	Australia	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
2016318622	Australia	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
2017204594	Australia	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
2017251745	Australia	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE USING LACTATE AS AN INDICATOR
2017254983	Australia	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE
2997267	Canada	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
2649703	Canada	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
2713443	Canada	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
2833266	Canada	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
2899880	Canada	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
2937022	Canada	24-Apr-2008	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON

Pending Foreign			
Application Number	**Country**	**Filing Date**	**Title**
2948767	Canada	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO
2950759	Canada	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
2980782	Canada	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
2985229	Canada	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
201680051905.9	China	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
201510886161.X	China	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
201580039132.8	China	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
201610772591.3	China	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
201810088427.X	China	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
16844964.3	Europe	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
09707471.0	Europe	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
12770852.7	Europe	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
15803127.8	Europe	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
16205395.3	Europe	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
17172411.5	Europe	24-Apr-2008	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS
11104344.2	Elong Kong	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE

Pending Foreign			
Application Number	**Country**	**Filing Date**	**Title**
14108359.2	Elong Kong	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
16105788.7	Elong Kong	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO
17110784.0	Elong Kong	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
17112684.7	Elong Kong	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
235148	Israel	24-Apr-2008	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
243262	Israel	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
243263	Israel	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
247534	Israel	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO
249263	Israel	07-0ct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE
249277	Israel	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
253737	Israel	24-Apr-2008	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
257512	Israel	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
258702	Israel	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
2018-512425	Japan	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
2016-570779	Japan	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
2017-248794	Japan	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
2015-231545	Japan	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNG EX VIVO

Pending Foreign			
Application Number	**Country**	**Filing Date**	**Title**
2016-223133	Japan	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
2016-210448	Japan	24-Apr-2008	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE USING LACTATE AS AN INDICATOR
2015-189389	Japan	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
2017-131257	Japan	23-Sep-1998	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE
2018-057705	Japan	24-Apr-2008	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
2018-097232	Japan	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
724681	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
726895	New Zealand	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
732515	New Zealand	07-0ct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVAHON
739110	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
739881	New Zealand	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
740353	New Zealand	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS

(ii) Trademarks

Issued Registrations

Mark	Country	Reg. No.	Reg. Date
MISCELLANEOUS design	Australia Madrid Protocol	933367	08/01/07

			
MISCELLANEOUS design 	Canada		790432
MISCELLANEOUS design 	China Madrid Protocol Class 1	933367	08/01/07
MISCELLANEOUS design 	China Madrid Protocol Class 41	933367	08/01/07
MISCELLANEOUS design 	Curacao Madrid Protocol	933367	08/01/07
	European Community Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Israel Class 1 Class 10	203139	12/04/08
MISCELLANEOUS design 	Japan Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Monaco Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Caribbean Netherlands Madrid Protocol	933367	08/01/07

MISCELLANEOUS design 	New Zealand	773266	06/05/07
MISCELLANEOUS design 	Norway Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	St. Maarten Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Switzerland Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	United States Class 1	3378043	02/05/08
MISCELLANEOUS design 	United States Class 10	3378044	02/05/08
MISCELLANEOUS design 	United States Class 41	3378045	02/05/08
MISCELLANEOUS design 	St. Maarten Madrid Protocol	933367	08/01/07
TRANSMEDICS	Australia Madrid Protocol	868714	08/31/05
TRANSMEDICS	European Community Madrid Protocol	868714	08/31/05
TRANSMEDICS	Japan Madrid Protocol	868714	08/31/05

TRANSMEDICS	Madrid Protocol	868714	08/31/05
TRANSMEDICS	Monaco Madrid Protocol	868714	08/31/05
TRANSMEDICS	Switzerland Madrid Protocol	868714	08/31/05
TRANSMEDICS	United States Class 1	3133609	08/22/06
TRANSMEDICS	United States Class 10	3130424	08/15/06
TRANSMEDICS	United States Class 41	3133607	08/22/06

(iii) Other Registered Intellectual Property

License Agreements

(1) License Agreement between the Borrower and the Department of Veterans Affairs, dated August 27, 2002.

(2) Development and Supply Agreement between the Borrower and Fresenius Kabi AB, dated May 24, 2005.

(3) Patent License Agreement between the Borrower and Terumo Cardiovascular Systems Corporation, dated July 17, 2006.

(4) Development Agreement by and between the Borrower and Fresenius Kabi Austria GmbH, dated December 18, 2012.

(5) Contract Manufacturing Agreement by and between the Borrower and Fresenius Kabi Austria GmbH, dated April 1, 2015.

Schedule 6.15(b)(v)

Intellectual Property Not Assigned to Borrower

None.

Schedule 6.15(e)

Infringement Notices

None.

Schedule 6.16

Material Agreements

6.16 (i)

1. Contract Manufacturing Agreement (Lung Solution) between the Borrower and Fresenius Kabi Austria GmbH, dated April 1, 2015.

2. Lease between the Borrower and Whetstone 200 Minuteman Park, LLC along with subsequent First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment.

Original date of lease agreement June 25, 2004
First Amendment - September 28, 2004
Second Amendment - November 29, 2005
Third Amendment - June 12, 2006
Fourth Amendment - February 1, 2007
Fifth Amendment - April 30, 2010

3. Lease between the Borrower and Whetstone 30 Minuteman Park, LLC along with subsequent Second Amendment and Third Amendment.

Original Lease - June 25, 2004
Second Amendment - November 29, 2005
Third Amendment - April 30, 2010

6.16(iii)

1. Development and Supply Agreement (Heart Solution) between the Borrower and Fresenius Kabi, AB, dated May 24, 2005.

2. Sterilization Agreement between the Borrower and Professional Contract Sterilization, Inc. (PCS), dated January 26, 2018. (Contract ETO Sterilizer)

3. Processing Agreement between the Borrower and Isomedix Operations, Inc., dated March 14, 2016. (Contract ETO & Gamma Sterilizer)

4. Framework Supply Agreement between the Borrower and MAQUET Cardiopulmonary GmbH, dated December 16, 2015. (Oxygenator - Heart)

5. OEM Contract between the Borrower and Novalung GmbH, dated January 19, 2012. (Oxygenator - Lung and Liver)

6. Agreement for Supply of Cylinder Gases between the Borrower and Air Liquide Healthcare America Corp., dated October 22, 2012.

7. European Logistics and Customer Service Agreement between the Borrower and Healthlink Europe B.V., dated October 2, 2006.

8. Master Services Agreement between the Borrower and eClinical Solutions LLC and subsequent Statement of 001 and 0002, dated May 25, 2017 and March 25, 2018, respectively.

Schedule 6.19

Transactions with Affiliates

1. Research Agreement by and between the Borrower and Lung Biotechnology PBC, dated May 3, 2016. This agreement expired in May 2017.

2. In addition to the above, the Borrower has entered into various equity purchase agreements with its Affiliates:

a. Series C Preferred Stock Purchase Agreement, dated August 5, 2011, by and among the Company and the Purchasers (as defined therein), as amended by the Amendment, dated August 12, 2011, by and among the Company and the Purchasers (as defined therein).
b. Series D Preferred Stock Purchase Agreement, dated November 7, 2012, by and among the Company and the Purchasers (as defined therein).
c. Series E Preferred Stock Purchase Agreement, dated June 14, 2013 by and among the Company and the Purchasers (as defined therein).
d. Series F Preferred Stock Purchase Agreement, dated May 29, 2015 by and among the Company and the Purchasers (as defined therein).
e. Amended and Restated Series F Preferred Stock Purchase Agreement, dated May 12, 2016 by and among the Company and the Purchasers (as defined therein).

Schedule 6.22

Deposit and Disbursement Accounts

Financial Institution	Acct. Owner	Acct. #	Acct. Type
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

Addresses & Contact

[***]

[***]

[***]

[***]

[***]

Account #’s

[***]

[***]

[***]

[***]

[***]

Schedule 8.2(b)

Indebtedness to be Paid

1. Indebtedness under that certain Loan and Security Agreement dated as of September 11, 2015, by and between TransMedics, Inc. and Hercules Technology Growth Capital, Inc., and amended by Amendment No. 1 to Loan and Security Agreement, dated as of August 4, 2016.

Schedule 8.2(c)

Existing Indebtedness

1. Indebtedness incurred in connection with minimum annual royalty payments to The Department of Veterans Affairs pursuant to that certain License Agreement entered into as of August 27, 2002 by and between The Department of Veterans Affairs, as licensor, and TransMedics, Inc. and all its affiliates, as licensee.

2. Reimbursement obligation for cash collateralized letter of credit in the amount of $250,000 for the benefit of 200 Minuteman Limited Partnership in connection with the lease of the space located at 200 Minuteman Road, Andover, Massachusetts.

3. Reimbursement obligation for cash collateralized letter of credit in the amount of $250,000 for the benefit of 30 Minuteman Limited Partnership in connection with the lease of the space located at 30 Minuteman Road, Andover, Massachusetts.

4. Minimum purchase requirements in connection with the Contract Manufacturing Agreement by and between the Borrower and Fresenius Kabi Austria GmbH, dated April 1, 2015.

Schedule 8.3(c)

Existing Liens

1. Liens securing reimbursement obligation for cash collateralized letter of credit in the amount of $250,000 for the benefit of 200 Minuteman Limited Partnership in connection with the lease of the space located at 200 Minuteman Road, Andover, Massachusetts.

2. Liens securing reimbursement obligation for cash collateralized letter of credit in the amount of $250,000 for the benefit of 30 Minuteman Limited Partnership in connection with lease of the space located at 30 Minuteman Road, Andover, Massachusetts.

Schedule 8.5(a)

Investments

1. Investments in the Borrower's Subsidiaries existing on the Closing Date as follows:

    a. TransMedics B.V., a Dutch limited liability company - 100% wholly owned by Borrower
    b. TransMedics GmbH, a German limited liability company -100% wholly owned by TransMedics B.V.
    c. TransMedics Pty Ltd, an Australian limited liability company - 100% wholly owned by Borrower

Schedule 10.2

Notice Information

If to Borrower:	TransMedics, Inc. Attention: Chief Financial Officer 200 Minuteman Road, Suite 302 Andover, MA 01810 Facsimile: [***] Telephone: [***]
with a copy to:	Wilmer Cutler Pickering Hale and Dorr LLP Attention: Rosemary Reilly, Esquire 60 State Street Boston, MA 02109 Facsimile: [***] Telephone: [***]
If to Lender:	OrbiMed Royalty Opportunities II, LP c/o OrbiMed Advisors LLC 601 Lexington Avenue, 54th Floor New York, NY 10022 Attention: Matthew Rizzo Telephone: [***] Email: [***]
with a copy to:	Covington & Burling LLP Attention: Peter Schwartz The New York Times Building 620 Eighth Avenue New York, NY 10018 Facsimile: [***] Telephone: [***]

EXHIBIT A

FORM OF PROMISSORY NOTE

$65,000,000 [●], 2018

FOR VALUE RECEIVED, TRANSMEDICS, INC., a Delaware corporation (the "Borrower"), hereby promises to pay to the order of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender") on the Maturity Date pursuant to the terms of the Credit Agreement (as defined below) the principal sum of (a) THIRTY-FIVE MILLION DOLLARS ($35,000,000), if a Tranche A Delayed Draw Loan is made to the Borrower, FORTY MILLION DOLLARS ($40,000,000), (c) if a Tranche A Delayed Draw Loan and a Tranche B Delayed Draw Loan are made to the Borrower, FORTY-FIVE MILLION DOLLARS ($45,000,000), (d) if a Tranche A Delayed Draw Loan and a Tranche C Delayed Draw Loan are made to the Borrower, SIXTY MILLION DOLLARS ($60,000,000), (e) if a Tranche A Delayed Draw Loan, a Tranche B Delayed Draw Loan and a Tranche C Delayed Draw Loan are made to the Borrower, SIXTY- FIVE MILLION DOLLARS ($65,000,000), or (f) in any case if less or more, the aggregate unpaid principal amount of the Loans made (or continued) by the Lender pursuant to the Credit Agreement, dated as of June [●], 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between the Borrower and the Lender. Unless otherwise defined herein or the context otherwise requires, terms used in this Note have the meanings provided in the Credit Agreement.

The Borrower also promises to pay interest pursuant to the terms of the Credit Agreement on the unpaid principal amount hereof from time to time outstanding from the date hereof until maturity (whether by acceleration or otherwise) and, after maturity upon demand, until paid in full, at the rates per annum and on the dates specified in the Credit Agreement, as well as any other amounts that may be due to the Lender upon maturity (whether by acceleration or otherwise) under or in respect of this Note pursuant to the terms of the Credit Agreement.

Subject to Section 3.4 and Section 3.7 of the Credit Agreement, payments of both principal and interest are to be made in U.S. Dollars in same day or immediately available funds to the account designated by the Lender pursuant to the Credit Agreement.

This Note is referred to in, and evidences Indebtedness incurred under, the Credit Agreement, to which reference is made for a description of the security and guarantee for this Note and for a statement of the terms and conditions on which the Borrower is permitted and required to make prepayments and repayments of the unpaid principal amount of the Indebtedness evidenced by this Note and on which such Indebtedness may be declared to be immediately due and payable. Any prepaid principal of this Note may not be reborrowed.

All parties hereto, whether as makers, endorsers or otherwise, severally waive presentment for payment, demand, protest and notice of dishonor.

This Note has been issued with original issue discount ("OID") for U.S. Federal income tax purposes. The issue price, amount of OID, issue date and yield to maturity with respect to this Note may be obtained by writing to the Borrower at the following address:

TransMedics, Inc.
Attention: Chief Financial Officer
200 Minuteman Road, Suite
302 Andover, MA 01810

With a copy to:
Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, MA 02109
Attn: Rosemary G. Reilly
Email: [***]

THIS NOTE HAS BEEN DELIVERED IN NEW YORK, NEW YORK, AND SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

[*Signature Page Follows*]

TRANSMEDICS, INC.

By: _____
Name:
Title:

[*Signature Page to Promissory Note]*

EXHIBIT B
FORM OF LOAN REQUEST

[DATE]

OrbiMed Royalty Opportunities II, LP
c/o OrbiMed Advisors LLC
601 Lexington Avenue, 54th Floor
New York, NY 10022
Attention: Matthew Rizzo

Ladies and Gentlemen:

Reference is hereby made to that certain Credit Agreement, dated as of June [•], 2018 (as amended, supplemented or otherwise modified from time to time and in effect on the date hereof, the "Credit Agreement"), by and between TRANSMEDICS, INC., a Delaware corporation (the "Borrower"), and ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

Unless otherwise defined herein or the context otherwise requires, terms used herein have the meanings provided in the Credit Agreement.

Pursuant to the provisions of Section 2.2 of the Credit Agreement, the Borrower hereby requests [an Initial][a Tranche A Delayed Draw][a Tranche B Delayed Draw][a Tranche C Delayed Draw]Loan of $[_____] to be made on _____, 20__ (the "Proposed Disbursement Date"), which Loan shall be evidenced by that certain Promissory Note dated as of [●], 2018 in the aggregate original principal amount of up to $65,000,000.00.

The undersigned, solely in his capacity as an Authorized Officer of the Borrower and not in his individual capacity, hereby represent(s) and warrant(s) to the Lender that:

(a) the proceeds of the proposed Loan are to be used for the purposes set forth in Section 7.7 of the Credit Agreement;

(b) bank account details and wire transfer instructions for disbursement of the proceeds of the proposed Loan are set forth on Schedule A hereto; and

(c) all conditions required to be satisfied (or waived in writing by the Lender), as set forth in Article V of the Credit Agreement, as applicable, as of the Proposed Disbursement Date for the making of the Loan requested hereby have been and are, or will be, fully satisfied (or duly waived in writing by the Lender).

(d) The officer signing below is an Authorized Officer of the Borrower and is authorized to request the Loan contemplated hereby and issue this Loan Request on behalf of the Borrower.

[*Signature Page Follows*]

Very truly yours,

TRANSMEDICS, INC., as the Borrower

By: _____
Name:
Title:

[Signature Page to Loan Request]

Schedule A

Disbursement / Wire Instructions

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

TRANSMEDICS, INC.

DATE:_____ __, 20

This Compliance Certificate (this "Certificate") is delivered pursuant to [Section 5.7][Section 7.1(d)] of the Credit Agreement, dated as of [_____], 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TRANSMEDICS, INC., a Delaware corporation (the "Borrower"), and ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender"). Unless otherwise defined herein or the context otherwise requires, terms used in this Certificate have the meanings provided in the Credit Agreement.

This Certificate relates to the [fiscal month][Fiscal Quarter][Fiscal Year] commencing on _____ __, 20_ and ending on _____, __, 20__ (such latter date being the "Computation Date").

The undersigned is duly authorized to execute and deliver this Certificate on behalf of the Borrower. By executing this Certificate, the undersigned, solely in [his/her] capacity as the chief financial or accounting Authorized Officer of the Borrower and not in [his/her] individual capacity, hereby certifies to the Lender that as of the date first written above:

(a) [Attached hereto as Annex I are (i) an unaudited report of the Revenue Base for the fiscal month ending on the Computation Date and for the period commencing at the end of the previous Fiscal Year and ending with the end of such fiscal month, and including in comparative form the figures for the corresponding fiscal month in, and the year to date portion of, the immediately preceding Fiscal Year, (ii) an unaudited report of the Liquidity of the Borrower at the end of such fiscal month, and the Liquidity of the Borrower at the end of the corresponding calendar month in the preceding Fiscal Year, in comparative form, and (iii) a report of the number of employees of the Borrower and its Subsidiaries (the "Headcount") at the end of such fiscal month, the Headcount at the end of the immediately preceding fiscal month, a calculation showing the change in the Headcount, if any, and, if applicable, a brief description of any material change in the Headcount, in each case with supporting detail and which Annex I is complete and correct (subject to normal year-end audit adjustments and the absence of footnotes).][1]

[Attached hereto as Annex I are the unaudited consolidated balance sheet of Borrower and the Subsidiaries as of the end of such Fiscal Quarter and consolidated statements of income, shareholders' equity and cash flow of the Borrower and the Subsidiaries for such Fiscal Quarter and for the period commencing at the end of the previous Fiscal Year and ending with the end of such Fiscal Quarter, and including (in each case) in comparative form the figures for the corresponding Fiscal Quarter in, and year to date portion of, the immediately preceding Fiscal

[1] INCLUDE FOR MONTHLY FINANCIAL DELIVERABLES ONLY.

Year, and which Annex I is complete and correct (subject to normal year-end audit adjustments and the absence of footnotes).][2]

[Attached hereto as Annex I are the consolidated balance sheet of Borrower and the Subsidiaries, and the related consolidated statements of income, shareholders' equity and cash flow of the Borrower and the Subsidiaries for such Fiscal Year, setting forth in comparative form the figures for the immediately preceding Fiscal Year, audited (without any Impermissible Qualification) by independent public accountants acceptable to the Lender.][3]

(b) The financial statements delivered with this Certificate in accordance with Section [7.1(a), (b) or (c)] of the Credit Agreement, as applicable, fairly present in all material respects the financial condition of the Borrower and the Subsidiaries (subject to the absence of footnotes and to normal year-end audit adjustments in the case of unaudited financial statements).

(c) [As of the Computation Date, the Borrower and the Subsidiaries are in compliance in all respects with the minimum Liquidity set forth in Section 8.4 of the Credit Agreement].[4]

(d) [No Default has occurred and is continuing[except as set forth on Attachment 121 hereto, which includes a description of the nature and period of existence of such Default and what action the Borrower or any of the Subsidiaries has taken, is taking or proposes to take with respect thereto]].[5]

(e) [Subsequent to the date of the most recent Compliance Certificate submitted by the undersigned pursuant to Section 7.1(d) of the Credit Agreement, neither the Borrower nor any Subsidiary has formed or acquired any new Subsidiary [except as set forth on Attachment [2] hereto, in which case such new Subsidiary has complied with the requirements of Section 7.8 of the Credit Agreement]][6].

(f) [Subsequent to the date of the most recent Compliance Certificate submitted by the undersigned pursuant to Section 7.1(d) of the Credit Agreement, neither the Borrower nor any Subsidiary has acquired any ownership interest in any real property [except as set forth on Attachment [3] hereto, in which case the Borrower has complied with the requirements of Section 7.8 of the Credit Agreement with respect to such real property]].[7]

(g) [Subsequent to the date of the most recent Compliance Certificate submitted by the undersigned pursuant to Section 7.1(d) of the Credit Agreement, no new Material Agreement has been entered into and no existing Material Agreement has been amended or terminated[except as set forth on Attachment [4] hereto]].[8]

(h) [Subsequent to the date of the most recent Compliance Certificate submitted by the undersigned pursuant to Section 7.1(d) of the Credit Agreement, all applications for the

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2 INCLUDE FOR QUARTERLY FINANCIAL DELIVERABLES ONLY.
3 INCLUDE FOR ANNUAL FINANCIAL DELIVERABLES ONLY.
4 INCLUDE FOR QUARTERLY AND ANNUAL FINANCIALS ONLY.
5 INCLUDE FOR QUARTERLY AND ANNUAL FINANCIALS ONLY.
6 INCLUDE FOR QUARTERLY AND ANNUAL FINANCIALS ONLY.
7 INCLUDE FOR QUARTERLY AND ANNUAL FINANCIALS ONLY.
8 INCLUDE FOR QUARTERLY AND ANNUAL FINANCIALS ONLY.

registration of any Intellectual Property Collateral with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof filed by either the Borrower or any Subsidiary is set forth on Attachment [5] hereto.][9]

[Signature Page Follows]

9 INCLUDE FOR QUARTERLY AND ANNUAL FINANCIALS ONLY.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed and delivered, and the certification and warranties contained herein to be made, by its chief financial or accounting Authorized Officer as of the date first above written.

TRANSMEDICS, INC.

By: _____
Name:
Title:

[*Signature Page to Compliance Certificate*]

Annex I

[Attachment 1]

[Attachment 2]

[Attachment 3]

[Attachment 4]

[Attachment 5]

EXHIBIT D

FORM OF GUARANTEE

This GUARANTEE, dated as of [_____], 2018 (as amended, supplemented or otherwise modified from time to time, this "Guarantee"), is made by [Insert names of all subsidiaries][, a [Describe type of entity] (together with any additional Persons named pursuant to Section 5.5, each a "Guarantor" and collectively the "Guarantors"), in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H,

WHEREAS, pursuant to the Credit Agreement, dated as of June [●], 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between the Borrower and the Lender, the Lender has extended a Commitment to make Loans to the Borrower; and

WHEREAS, as a condition precedent to the making of the Initial Loan under the Credit Agreement, the Guarantors are required to execute and deliver this Guarantee;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Lender to make the Loans to the Borrower, each Guarantor hereby agrees, for the benefit of the Lender, as follows.

ARTICLE I

DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Guarantee, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Credit Agreement" is defined in the first recital.

"Guarantor" is defined in the preamble.

"Guarantee" is defined in the preamble.

"Lender" is defined in the preamble.

"Obligor" is defined in Section 2.1(a).

Section 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Guarantee, including its preamble and recitals, have the meanings provided in the Credit Agreement.

ARTICLE II
GUARANTEE PROVISIONS

Section 2.1. Guarantee. Each Guarantor jointly and severally, absolutely, unconditionally and irrevocably:

(a) guarantees the full and punctual payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, and performance of all Obligations of the Borrower and the Subsidiaries (each, an "Obligor") now or hereafter existing, whether for principal, interest (including interest accruing at the then applicable Default rate as provided in Section 3.6 of the Credit Agreement, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), fees, expenses or otherwise (including all such amounts which would become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code, 11 U.S.C. §362(a), and the operation of Sections 502(b) and 506(b) of the United States Bankruptcy Code, 11 U.S.C. §502(b) and §506(b)); and

(b) indemnifies and holds harmless the Lender for any and all costs and expenses (including the reasonable fees and out-of-pocket expenses of counsel to the Lender) incurred by the Lender in enforcing any rights under this Guarantee, except to the extent such amounts arise or are incurred as a consequence of the Lender's own gross negligence or willful misconduct;

provided, that each Guarantor shall only be liable under this Guarantee for the maximum amount of such liability that can be hereby incurred without rendering this Guarantee, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount. This Guarantee constitutes a guarantee of payment when due and not of collection, and each Guarantor specifically agrees that it shall not be necessary or required that the Lender exercise any right, assert any claim or demand or enforce any remedy whatsoever against such Guarantor or any other Person before or as a condition to the obligations of such Guarantor becoming due hereunder.

SECTION 2.2. Reinstatement. Etc. Each Guarantor agrees that this Guarantee shall continue to be effective or be reinstated (including on or after the Termination Date), as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is invalidated, declared to be fraudulent or preferential, set aside, rescinded or must otherwise be restored by the Lender, including upon the occurrence of any Event of Default set forth in Section 9.1(h) of the Credit Agreement or otherwise, all as though such payment had not been made.

SECTION 2.3. Guarantee Absolute. Etc. This Guarantee shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment, and shall remain in full force and effect until (unless reinstated pursuant to Section 2.2 above) the Termination Date has occurred. Each Guarantor guarantees that the Obligations shall be paid strictly in accordance with the terms of each Loan Document under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto. The liability of each Guarantor under this Guarantee shall be absolute, unconditional and irrevocable irrespective of:

(a) any lack of validity, legality or enforceability of any Loan Document;

(b) the failure of the Lender (i) to assert any claim or demand or to enforce any right or remedy against such Guarantor or any other Person (including any other guarantor) under the provisions of any Loan Document or otherwise, or (ii) to exercise any right or remedy against any other guarantor (including such Guarantor and any other Guarantor) of, or collateral securing, any Obligations;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations, or any other extension, compromise or renewal of any Obligation, or any amendment to, rescission, waiver, or other modification of, or any consent to or departure from, any of the terms of any Loan Document;

(d) any reduction, limitation, impairment or termination of any Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each Guarantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Obligations or otherwise;

(e) any addition, exchange or release of any collateral or of any Person that is (or will become) a guarantor of the Obligations, or any surrender or non-perfection of any collateral, or any amendment to, or waiver or release of, or addition to, or consent to or departure from, any other guarantee held by the Lender securing any of the Obligations; or

(f) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any Obligor, any surety or any guarantor (including any Guarantor).

SECTION 2.4. Setoff. Each Guarantor hereby irrevocably authorizes the Lender, without the requirement that any notice be given to such Guarantor (such notice being expressly waived by such Guarantor), upon the occurrence and during the continuance of any Event of Default, to appropriate and apply to the payment of the Obligations owing to it (whether or not then due), and (as security for such Obligations) each Guarantor hereby grants to the Lender a continuing security interest in, any and all balances, credits, deposits, accounts or moneys of such Guarantor then or thereafter maintained with or on behalf of the Lender. The Lender agrees to notify such Guarantor after any such set-off and application made by the Lender; provided, that the failure to give such notice shall not affect the validity of such setoff and application. The rights of the Lender under this Section are in addition to other rights and remedies (including other rights of setoff under applicable law or otherwise) which the Lender may have.

SECTION 2.5. Waiver. Etc. Each Guarantor waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guarantee and any requirement that the Lender protect, secure, perfect or insure any Lien, or any property subject thereto, or exhaust any right or take any action against any Obligor or any other Person (including any Guarantor) or entity or any collateral securing the Obligations, as the case may be.

SECTION 2.6. Postponement of Subrogation. Etc. Each Guarantor agrees that it will not exercise any rights which it may acquire by way of rights of subrogation under any Loan Document to which it is a party, nor shall such Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Obligor or Guarantor, in respect of any payment made under any Loan Document or otherwise, until following the Termination Date. Any amount paid to such Guarantor on account of any such subrogation rights prior to the Termination Date shall be held in trust for the benefit of the Lender and shall immediately be paid and turned over to the Lender in the exact form received by such Guarantor (duly endorsed in favor of the Lender, if required), to be credited and applied against the Obligations, whether matured or unmatured, in accordance with Section 2,7; provided, that if such Guarantor has made payment to the Lender of all or any part of the Obligations and the Termination Date has occurred, then, at such Guarantor's request, the Lender will, at the expense of such Guarantor, execute and deliver to such Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Obligations resulting from such payment. In furtherance of the foregoing, at all times prior to the Termination Date, such Guarantor shall refrain from taking any action or commencing any proceeding against the Borrower or any other Obligor or Guarantor (or their successors or assigns, whether in connection with a bankruptcy proceeding or otherwise) to recover any amounts in respect of payments made under this Guarantee to the Lender.

SECTION 2.7 Payments; Application. Each Guarantor agrees that all obligations of such Guarantor hereunder shall be paid solely in U.S. Dollars to the Lender in immediately available funds, without set-off, counterclaim or other defense and in accordance with Sections 3.2, 3.3, 4.3 and 4.4 of the Credit Agreement, free and clear of and without deduction for any Non-Excluded Taxes, such Guarantor hereby agreeing to comply with and be bound by the provisions of Sections 3.2, 3.3, 4.3 and 4.4 of the Credit Agreement in respect of all payments and application of such payments made by it hereunder and the provisions of which Sections are hereby incorporated into and made a part of this Guarantee by this reference as if set forth herein; provided, that references to the "Borrower" in such Sections shall be deemed to be references to such Guarantor, and references to "this Agreement" in such Sections shall be deemed to be references to this Guarantee.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into the Credit Agreement and make the Loans thereunder, each Guarantor represents and warrants to the Lender as set forth below.

SECTION 3.1. Credit Agreement Representations and Warranties. The representations and warranties contained in Article VI of the Credit Agreement, insofar as the representations and warranties contained therein are applicable to such Guarantor and its properties, are true and correct in all material respects as of the Closing Date and the Delayed Draw Closing Date, if applicable, each such representation and warranty set forth in such Article (insofar as applicable as aforesaid) and all other terms of the Credit Agreement to which reference is made therein, together with all related definitions and ancillary provisions, being hereby incorporated into this Guarantee by this reference as though specifically set forth in this Article.

SECTION 3.2. Financial Condition, Etc. Each Guarantor has knowledge of the Borrower's and each other Guarantor's financial condition and affairs and has adequate means to obtain from each such Person on an ongoing basis information relating thereto and to each such Person's ability to pay and perform the Obligations, and agrees to assume the responsibility for keeping, and to keep, so informed for so long as this Guarantee is in effect. Each Guarantor acknowledges and agrees that the Lender shall have no obligation to investigate the financial condition or affairs of the Borrower or any other Guarantor for the benefit of such Guarantor nor to advise such Guarantor of any fact respecting, or any change in, the financial condition or affairs of each such Person that might become known to the Lender at any time, whether or not the Lender knows or believes or has reason to know or believe that any such fact or change is unknown to such Guarantor, or might (or does) materially increase the risk of such Guarantor as guarantor, or might (or would) affect the willingness of such Guarantor to continue as a guarantor of the Obligations.

SECTION 3.3. Best Interests. It is in the best interests of each Guarantor to execute this Guarantee inasmuch as each Guarantor will, as a result of being an Affiliate of the Borrower, derive substantial direct and indirect benefits from the Loans made to the Borrower by the Lender pursuant to the Credit Agreement, and each Guarantor agrees that the Lender is relying on this representation in agreeing to make the Loans to the Borrower.

ARTICLE IV
COVENANTS, ETC.

SECTION 4.1. Covenants. Each Guarantor covenants and agrees that, at all times prior to the Termination Date, it will perform, comply with and be bound by all of the agreements, covenants and obligations contained in the Credit Agreement (including Articles VII and VIII of the Credit Agreement) which are applicable to such Guarantor or its properties, each such agreement, covenant and obligation contained in the Credit Agreement and all other terms of the Credit Agreement to which reference is made in this Article, together with all related definitions and ancillary provisions, being hereby incorporated into this Guarantee by this reference as though specifically set forth in this Article.

ARTICLE V
MISCELLANEOUS PROVISIONS

SECTION 5.1. Loan Document. This Guarantee is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof. Notwithstanding anything contained herein to the contrary, to the extent that any provision in this Guarantee conflicts with any provision in the Credit Agreement, the terms of the Credit Agreement shall control.

SECTION 5.2. Binding on Successors, Transferees and Assigns; Assignment. This Guarantee shall remain in full force and effect until the Termination Date has occurred, shall be binding upon each Guarantor and its successors, transferees and assigns and shall inure to the benefit of and be enforceable by the Lender; provided, that such Guarantor may not (unless otherwise permitted under the terms of the Credit Agreement) assign any of its obligations

hereunder without the prior written consent of the Lender. Without limiting the generality of the foregoing, the Lender may assign or otherwise transfer (in whole or in part) its Commitment, Note or Loans held by it to any other Person to the extent permitted by the Credit Agreement, and such other Person shall thereupon become vested with all rights and benefits in respect thereof granted to the Lender under each Loan Document (including this Guarantee) or otherwise.

SECTION 5.3. Amendments, Etc. No amendment to or waiver of any provision of this Guarantee, nor consent to any departure by any Guarantor from its obligations under this Guarantee, shall in any event be effective unless the same shall be in writing and signed by the Lender and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 5.4. Notices. All notices and other communications provided for hereunder shall be given or made as set forth in Section 10.2 of the Credit Agreement.

SECTION 5.5. Release of Guarantors. Subject to Section 2.2 of this Guarantee, upon (a) the Disposition of a Guarantor to a Person that is not an Obligor or any Subsidiary thereof in accordance with the terms of the Credit Agreement and this Guarantee or (b) the occurrence of the Termination Date, the guarantees made herein shall automatically terminate with respect to such Guarantor (in the case of clause (a)) or (ii) all Guarantors (in the case of clause (b)).

SECTION 5.6. Additional Guarantors. Upon the execution and delivery by any other Person of a supplement in the form of Annex I hereto, such Person shall become a “Guarantor” hereunder with the same force and effect as if it were originally a party to this Guarantee and named as a “Guarantor” hereunder. The execution and delivery of such supplement shall not require the consent of any other Guarantor hereunder, and the rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Guarantee.

SECTION 5.7. No Waiver; Remedies. In addition to, and not in limitation of, Section 2,3 and Section 2,5, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 5.8. Further Assurances. Each Guarantor agrees, upon the written request of the Lender, to execute and deliver to the Lender, from time to time, any additional instruments or documents deemed to be reasonably necessary by the Lender to cause this Guarantee to be, become or remain valid and effective in accordance with its terms.

SECTION 5.9. Section Captions. Section captions used in this Guarantee are for convenience of reference only and shall not affect the construction of this Guarantee.

SECTION 5.10. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining

provisions of this Guarantee or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 5.11. Governing Law, Entire Agreement, Etc. THIS GUARANTEE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS GUARANTEE OR ANY OTHER LOAN DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Guarantee, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, written or oral, with respect hereto.

SECTION 5.12. Forum Selection And Consent To Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTEE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR ANY GUARANTOR IN CONNECTION HEREWITH SHALL BE BROUGHT AND MAINTAINED IN THE COURTS OF THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE LENDER'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE LENDER BY ACCEPTANCE OF THIS GUARANTEE AND EACH GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK AT THE ADDRESS FOR NOTICES SPECIFIED IN SECTION 10.2 OF THE CREDIT AGREEMENT. THE LENDER BY ACCEPTANCE OF THIS GUARANTEE AND EACH GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT

ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE LENDER BY ACCEPTANCE OF THIS GUARANTEE OR ANY GUARANTOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE LENDER BY ACCEPTANCE OF THIS GUARANTEE AND SUCH GUARANTOR, EACH ON ITS OWN BEHALF, HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS GUARANTEE.

SECTION 5.13. Counterparts. This Guarantee may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. This Guarantee shall become effective when counterparts hereof executed on behalf of each Guarantor shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Guarantee by email (e.g., "pdf' or "tiff') or telecopy shall be effective as delivery of a manually executed counterpart of this Guarantee.

SECTION 5.14. Waiver of Jury Trial. THE LENDER BY ACCEPTANCE OF THIS GUARANTEE AND EACH GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTEE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR ANY GUARANTOR IN CONNECTION HEREWITH. EACH GUARANTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO THE LOAN DOCUMENTS.

[*Signature Page Follows*]

IN WITNESS WHEREOF, each Guarantor has caused this Guarantee to be duly executed and delivered by its Authorized Officer as of the date first above written.

[NAME OF GUARANTOR]

By: _____
Name:
Title:

[*Signature Page to Guarantee*]

ANNEX I
to Guarantee

SUPPLEMENT TO
GUARANTEE

This SUPPLEMENT, dated as of _____, __, ____, (this "Supplement"), is to the Guarantee, dated as of [•], 2018 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Guarantee"), by the Guarantors (such term, and other terms used in this Supplement, to have the meanings set forth in Article I of the Guarantee) from time to time party thereto, in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H,

WHEREAS, pursuant to a Credit Agreement, dated as of [ ], 2018 (as amended, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower; and

WHEREAS, pursuant to the provisions of Section 5.5 of the Guarantee, each of the undersigned is becoming a Guarantor under the Guarantee; and

WHEREAS, each of the undersigned desires to become a "Guarantor" under the Guarantee in order to induce the Lender to continue to extend the Loans under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the undersigned agrees, for the benefit of the Lender, as follows.

SECTION 1. Party to Guarantee, Etc. In accordance with the terms of this Guarantee, by its signature below, each of the undersigned hereby irrevocably agrees to become a Guarantor under the Guarantee with the same force and effect as if it were an original signatory thereto and each of the undersigned hereby (a) agrees to be bound by and comply with all of the terms and provisions of the Guarantee applicable to it as a Guarantor and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct as of the date hereof, unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date. In furtherance of the foregoing, each reference to a "Guarantor" and/or "Guarantors" in the Guarantee shall be deemed to include each of the undersigned.

SECTION 2. Representations. Each of the undersigned Guarantors hereby represents and warrants that this Supplement has been duly authorized, executed and delivered by it and that this Supplement and the Guarantee constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. Full Force of Guarantee. Except as expressly supplemented hereby, the Guarantee shall remain in full force and effect in accordance with its terms.

SECTION 4. Severability. Wherever possible each provision of this Supplement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Supplement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Supplement or the Guarantee.

SECTION 5. Governing Law. Entire Agreement. Etc. THIS SUPPLEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Supplement, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter thereof and supersedes any prior agreements, written or oral, with respect thereto.

SECTION 6. Effective. This Supplement shall become effective when a counterpart hereof executed by the Guarantor shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Supplement by email (e.g., “pdf’ or “tiff’) or telecopy shall be effective as delivery of a manually executed counterpart of this Supplement.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Supplement to be duly executed and delivered by its Authorized Officer as of the date first above written.

[NAME OF ADDITIONAL SUBSIDIARY]

By: _____
Name:
Title:

[NAME OF ADDITIONAL SUBSIDIARY]

By: _____
Name:
Title:

[*Signature page to Guarantee Supplement*]

EXHIBIT E

FORM OF PLEDGE AND SECURITY AGREEMENT

This PLEDGE AND SECURITY AGREEMENT, dated as of June [•], 2018 (as amended, supplemented or otherwise modified from time to time, this "Security Agreement"), is made by TRANSMEDICS, INC., a Delaware corporation (the "Borrower"), TRANSMEDICS B.V., a Dutch private limited liability company *(besloten vennootschap met beperkte aansprakelijkheid)* ("BV" and together with the Borrower and any other entity that may become a party hereto as provided herein, each a "Grantor" and, collectively, the "Grantors") in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, dated as of June [●], 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between the Borrower and the Lender, the Lender has extended a Commitment to make Loans to the Borrower; and

WHEREAS, as a condition precedent to the making of the Initial Loan under the Credit Agreement, each Grantor is required to execute and deliver this Security Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees, for the benefit of the Lender, as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Borrower" is defined in the preamble.

"Collateral" is defined in Section 2.1.

"Collateral Accounts" is defined in Section 4.3(b).

"Computer Hardware and Software Collateral" means (a) all of the Grantors' computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware, including all operating system software, utilities and application programs in whatsoever form; (b) all software programs (including both source code, object code and all related applications and data files) designed for use on the computers and electronic data processing hardware described in clause (a) above; (c) all firmware associated therewith; (d) all documentation (including flow

charts, logic diagrams, manuals, guides, specifications, training materials, charts and pseudo codes) with respect to such hardware, software and firmware described in the preceding clauses (a) through (c); and (e) all rights with respect to all of the foregoing, including copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, improvements, error corrections, updates, additions or model conversions of any of the foregoing.

"Control Agreement" means an authenticated record in form and substance reasonably satisfactory to the Lender, that provides for the Lender to have "control" (as defined in the UCC) over certain Collateral.

"Copyright Collateral" means all Copyrights of the Grantors, including the Copyrights referred to in Item A of Schedule V, and registrations and recordings thereof and all applications for registration thereof, all exclusive and nonexclusive licenses from third parties or rights to use copyrights owned by such third parties, including each copyright license referred to in Item B of Schedule V, and all Proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and Proceeds of suit, which are owned or in-licensed by the Grantors.

"Credit Agreement" is defined in the first recital.

"Distributions" means all dividends paid on Capital Securities, liquidating dividends paid on Capital Securities, shares (or other designations) of Capital Securities resulting from (or in connection with the exercise of) stock splits, reclassifications, warrants, options, non-cash dividends, mergers, consolidations, and all other distributions (whether similar or dissimilar to the foregoing) on or with respect to any Capital Securities constituting Collateral.

"Excluded Assets" is defined in Section 2.1.

"Excluded Capital Securities" means 35% of the total outstanding voting Capital Securities of any Excluded Foreign Subsidiary.

"Filing Statements" is defined in Section 3.7(b).

"General Intangibles" means all "general intangibles" and all "payment intangibles", each as defined in the UCC, and shall include all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations and all Intellectual Property Collateral (in each case, regardless of whether characterized as general intangibles under the UCC).

"Grantor" and "Grantors" are defined in the preamble.

"Intellectual Property Collateral" means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral, the Trade Secrets Collateral, Product Agreements and Regulatory Authorizations.

"Intercompany Note" means any promissory note evidencing loans made by any Grantor to any other Grantor.

"Investment Property" means, collectively, (a) all "investment property" as such term is defined in Section 9-102(a)(49) of the UCC and (b) whether or not constituting "investment property" as so defined, all Pledged Notes.

"Lender" is defined in the preamble.

"Patent Collateral" means:

(a) all of the Grantors' (i) Patents throughout the world, including each patent and patent application referred to in Item A of Schedule III;

(b) all reissues, divisions, continuations, continuations in part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all patent licenses, and other agreements providing any Grantor with the right to use any items of the type referred to in clauses (a) and (b) above, including each patent license referred to in Item B of Schedule III; and

(d) all Proceeds of, and rights associated with, the foregoing (including licenses, royalties income, payments, claims, damages and Proceeds of infringement suits) and the right to sue third parties for past, present or future infringements of any Patent and for breach or enforcement of any patent license.

"Permitted Liens" means all Liens permitted by Section 8.3 of the Credit Agreement.

"Pledged Notes" means all promissory notes listed on Item J of Schedule II (as such schedule may be amended or supplemented from time to time), all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor.

"Securities Act" is defined in Section 6.2(a).

"Security Agreement" is defined in the preamble.

"Trade Secrets Collateral" means all of the Grantors' common law and statutory trade secrets and all other confidential, proprietary or useful information, and all know-how obtained by or used in or contemplated at any time for use in the business of any Grantor (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying or referring in any way to such Trade Secret, all Trade Secret licenses, including each Trade Secret license referred to in Schedule VI, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"Trademark Collateral" means :

(a) (i) all of the Grantors' Trademarks, now existing or hereafter adopted or acquired including those referred to in Item A of Schedule IV, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether

pending or filed, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America, or any State thereof or any other country or political subdivision thereof or otherwise, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing;

(b) all Trademark licenses for the grant by or to any Grantors of any right to use any Trademark, including each Trademark license referred to in Item B of Schedule IV; and

(c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable clause (b);

(d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b); and

(e) all Proceeds of, and rights associated with, the foregoing, including any claim by any Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto throughout the world.

SECTION 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Credit Agreement.

SECTION 1.3. UCC Definitions. When used herein the terms “Account”, “Certificated Securities”, “Chattel Paper”, “Commercial Tort Claim”, “Commodity Account”, “Commodity Contract”, “Deposit Account”, “Document”, “Electronic Chattel Paper”, “Equipment”, “Goods”, “Instrument”, “Inventory”, “Letter-of-Credit Rights”, “Payment Intangibles”, “Proceeds”, “Promissory Notes”, “Securities Account”, “Security Entitlement”, “Supporting Obligations” and “Uncertificated Securities” have the meaning provided in Article 8 or Article 9, as applicable, of the UCC. “Letters of Credit” has the meaning provided in Section 5-102 of the UCC.

ARTICLE II
SECURITY INTEREST

SECTION 2.1. Grant of Security Interest. Each Grantor hereby grants to the Lender, for its benefit, a continuing security interest in all of such Grantor’s right, title and interest in and to the following property, whether now or hereafter existing, owned or acquired by such Grantor, and wherever located (collectively, the “Collateral”):

(a) Accounts;

(b) Chattel Paper;

(c) Commercial Tort Claims listed on Item I of Schedule II (as such schedule may be amended or supplemented from time to time);

(d) Deposit Accounts;

(e) Documents;

(f) General Intangibles;

(g) Goods (including Goods held on consignment with third parties);

(h) Instruments;

(i) Investment Property;

(j) Letter-of-Credit Rights and Letters of Credit;

(k) Supporting Obligations;

(l) all books, records, writings, databases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this Section;

(m) all Proceeds of the foregoing and, to the extent not otherwise included, (A) all payments under insurance (whether or not the Lender is the loss payee thereof) in respect of Collateral and (B) all tort claims; and

(n) all other property and rights of every kind and description and interests therein.

Notwithstanding the foregoing, the term "Collateral" shall not include:

(i) any General Intangibles or other rights, in each case arising under any contracts, instruments, licenses or other documents as to which the grant of a security interest would violate or invalidate any such contract, instrument, license or other document or give any other party to such contract, instrument, license or other document the right to terminate its obligations thereunder;

(ii) trademark applications filed in the United States Patent and Trademark Office on the basis of such Grantor's "intent to use" such trademark, unless and until acceptable evidence of use of the Trademark has been filed with the United States Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C. 1051, et seq.), to the extent that granting a Lien in such Trademark application prior to such filing would adversely affect the enforceability or validity of such Trademark application;

(iii) any asset, the granting of a security interest in which would be void or illegal under any applicable governmental law, rule or regulation, or pursuant thereto would result in, or permit the termination of, such asset;

(iv) any asset subject to a Permitted Lien (other than Liens in favor of the Lender) securing obligations permitted under the Credit Agreement to the extent that the grant of other Liens on such asset (A) would result in a breach or violation of, or constitute a default under, the agreement or instrument governing such Permitted Lien, (B) would result in the loss of use of such asset or (C) would permit the holder of such Permitted Lien to terminate the Grantor's use of such asset;

(v) any Excluded Capital Securities; or

(vi) Excluded Accounts and assets therein (together with paragraphs (i) through (v) collectively, the "Excluded Assets")

provided, that the property described in paragraphs (i), (iii) and (iv) above shall only be excluded from the term "Collateral" to the extent the conditions stated in such paragraphs are not rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or any other applicable law.

SECTION 2.2. Security for Obligations. This Security Agreement and the Collateral in which the Lender is granted a security interest hereunder by the Grantors secure the payment and performance of all of the Obligations.

SECTION 2.3. Grantors Remain Liable. Anything herein to the contrary notwithstanding:

(a) the Grantors will remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and will perform all of their duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed;

(b) the exercise by the Lender of any of its rights hereunder will not release any Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral; and

(c) the Lender will not have any obligation or liability under any contracts or Agreements included in the Collateral by reason of this Security Agreement, nor will the Lender be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.4. Distributions on Capital Securities; Payments on Pledged Notes. In the event that any (a) Distribution with respect to any Capital Securities or (b) payment with respect to any Pledged Notes, in each case pledged hereunder, is permitted to be paid (in accordance with Section 8.6 of the Credit Agreement), such Distribution or payment may be paid directly to the applicable Grantor. If any Distribution or payment is made in contravention of Section 8.6 of the Credit Agreement, such Grantor shall hold the same segregated and in trust for the Lender until paid to the Lender in accordance with Section 4.1.5.

SECTION 2.5. Security Interest Absolute, Etc. This Security Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable grant of security interest, and

shall remain in full force and effect until the Termination Date. All rights of the Lender and the security interests granted to the Lender hereunder, and all obligations of the Grantors hereunder, shall, to the fullest extent permitted by applicable law, in each case, be absolute, unconditional and irrevocable irrespective of:

(a) any lack of validity, legality or enforceability of any Loan Document (other than this Security Agreement);

(b) the failure of the Lender (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any of the Subsidiaries or any other Person (including any other Grantor) under the provisions of any Loan Document or otherwise, or (ii) to exercise any right or remedy against any guarantor (including any other Grantor) of, or Collateral securing, any Obligations;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations, or any other extension, compromise or renewal of any Obligations;

(d) any reduction, limitation, impairment or termination of any Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each Grantor hereby waives, until payment of all Obligations, any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Obligations or otherwise;

(e) any amendment to, rescission, waiver, or other modification of, or any consent to or departure from, any of the terms of any Loan Document;

(f) any addition, exchange or release of any Collateral or of any Person that is (or will become) a Grantor (including the Grantors hereunder), or any surrender or nonperfection of any Collateral, or any amendment to or waiver or release or addition to, or consent to or departure from, any guaranty held by the Lender securing any of the Obligations; or

(g) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of the Borrower or any of the Subsidiaries, any surety or any guarantor.

SECTION 2.6. Postponement of Subrogation. Each Grantor agrees that it will not exercise any rights against another Grantor which it may acquire by way of rights of subrogation under any Loan Document to which it is a party until following the Termination Date. No Grantor shall seek or be entitled to seek any contribution or reimbursement from the Borrower or any of the Subsidiaries, in respect of any payment made by such Grantor under any Loan Document or otherwise, until following the Termination Date. Any amount paid to any Grantor on account of any such subrogation rights prior to the Termination Date shall be held in trust for the benefit of the Lender and shall immediately be paid and turned over to the Lender in the exact form received by such Grantor (duly endorsed in favor of the Lender, if required), to be

credited and applied against the Obligations, whether matured or unmatured, in accordance with Section 6.1(b); provided that if such Grantor has made payment to the Lender of all or any part of the Obligations and the Termination Date has occurred, then at such Grantor's request, the Lender will, at the expense of such Grantor, execute and deliver to such Grantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to such Grantor of an interest in the Obligations resulting from such payment. In furtherance of the foregoing, at all times prior to the Termination Date, such Grantor shall refrain from taking any action or commencing any proceeding against the Borrower or any of the Subsidiaries (or their successors or assigns, whether in connection with a bankruptcy proceeding or otherwise) to recover any amounts in respect of payments made under this Security Agreement to the Lender.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into the Credit Agreement and make the Loans thereunder, the Grantors represent and warrant to the Lender as set forth below.

SECTION 3.1. As to Capital Securities of the Subsidiaries, Investment Property.

(a) With respect to any Domestic Subsidiary of any Grantor that is

(i) a corporation, business trust, joint stock company or similar Person, all Capital Securities issued by such Subsidiary are duly authorized and validly issued, fully paid and non-assessable, and represented by a certificate or certificates; and

(ii) a partnership or limited liability company, no Capital Securities issued by such Subsidiary (A) is dealt in or traded on securities exchanges or in securities markets, (B) expressly provides that such Capital Securities is a security governed by Article 8 of the UCC or (C) is held in a Securities Account, except, with respect to this clause (a)(ii), Capital Securities (x) for which the Lender is the registered owner or (y) with respect to which the issuer has agreed in an authenticated record with such Grantor and the Lender to comply with any instructions of the Lender without the consent of such Grantor.

(b) Each Grantor has delivered or made arrangements to deliver all Certificated Securities constituting Collateral held by such Grantor in a Subsidiary on the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable) or such later date as may have been agreed by the Lender in writing to the Lender, together with duly executed undated blank stock powers, or other equivalent instruments of transfer acceptable to the Lender.

(c) With respect to Uncertificated Securities constituting Collateral owned by any Grantor in a Subsidiary on the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable), such Grantor has caused the issuer thereof to do any of the following: (i) register the Lender as the registered owner of such security, (ii) agree in an authenticated record with such Grantor and the Lender that such issuer will comply with instructions with respect to such security originated by the Lender without further consent of such Grantor or (iii) with respect to any such

Uncertificated Securities in a Subsidiary organized under the laws of a jurisdiction outside of the United States, take steps necessary to perfect such Grantor's pledge of such security under the law of the applicable foreign jurisdiction of the Subsidiary; provided that none of the foregoing clauses (i), (ii) or (iii) shall be required with respect to any Uncertificated Securities constituting Collateral owned by any Grantor in a Subsidiary organized under the laws of Australia or Germany.

(d) The percentage of the issued and outstanding Capital Securities of each Subsidiary pledged on the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable) by each Grantor hereunder is as set forth on Schedule I. All shares of such Capital Securities have been duly and validly issued and are fully paid and nonassessable.

(e) Each of the Intercompany Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

SECTION 3.2. Grantor Name, Location, Etc. In each case as of the date hereof:

(a) (i) The jurisdiction in which each Grantor is located for purposes of Sections 9-301 and 9-307 of the UCC and (ii) the address of each Grantor's executive office and principal place of business is set forth in Item A of Schedule II.

(b) The Grantors do not have any trade names other than those set forth in Item C of Schedule II hereto.

(c) During the twelve months preceding the date hereof (or preceding the date such Grantor becomes a party to this Security Agreement, as applicable), no Grantor has been known by any legal name different from the one set forth on the signature page hereto, nor has such Grantor been the subject of any merger or other corporate reorganization, except as set forth in Item D of Schedule II hereto.

(d) Each Grantor's federal taxpayer identification number (or foreign equivalent) is (and, during the twelve months preceding the date hereof (or preceding the date such Grantor becomes a party to this Security Agreement, as applicable), such Grantor has not had a federal taxpayer identification number (or equivalent) different from that) set forth in Item E of Schedule II hereto.

(e) No Grantor is a party to any federal, state or local government contract except as set forth in Item F of Schedule II hereto.

(f) No Grantor maintains any Deposit Accounts, Securities Accounts or Commodity Accounts with any Person, in each case, except as set forth on Item G of Schedule II.

(g) No Grantor is the beneficiary of any Letters of Credit, except as set forth on Item H of Schedule II.

(h) No Grantor has Commercial Tort Claims except as set forth on Item I of Schedule II.

(i) The name set forth on the signature page attached hereto is the true and correct legal name (as defined in the UCC) of each Grantor.

SECTION 3.3. Ownership, No Liens, Etc. Each Grantor owns its Collateral free and clear of any Lien, except for (a) any security interest created by this Security Agreement and (b) Permitted Liens. No effective UCC financing statement or other filing similar in effect covering all or any part of the Collateral is on file in any recording office, except those filed in favor of the Lender relating to this Security Agreement, Permitted Liens or as to which a duly authorized termination statement relating to such UCC financing statement or other instrument has been delivered to the Lender on the Closing Date.

SECTION 3.4. Possession of Inventory, Control, Etc.

(a) Each Grantor has, and agrees that it will maintain, exclusive possession of its Documents, Instruments, Promissory Notes, Goods, Equipment and Inventory, other than (i) Equipment, Inventory and other property that is in transit in the ordinary course of business, (ii) Equipment, Inventory and other property that in the ordinary course of business is in the possession or control of a warehouseman, bailee agent, contract manufacturer, vendor, supplier or other Person, including, without limitation, at clinical sites or trade and exhibition shows, (iii) Inventory that is in the possession of a consignee in the ordinary course of business and (iv) Instruments or Promissory Notes that have been delivered to the Lender pursuant to Section 3.5. In the case of Equipment or Inventory described in clause (ii) above, no lessor or warehouseman of any premises or warehouse upon or in which such Equipment or Inventory is located has (x) issued any warehouse receipt or other receipt in the nature of a warehouse receipt in respect of any such Equipment or Inventory, (y) issued any Document for any such Equipment or Inventory, or (z) any Lien (other than Permitted Liens) on any such Equipment or Inventory. Each Grantor (other than the Dutch Subsidiary with respect to real property leases in the Netherlands) shall furnish to the Lender landlord access agreements, in form and substance satisfactory to the Lender, from each landlord to such Grantor for each real property lease entered into by such Grantor after the date hereof.

(b) Each Grantor is the sole entitlement holder of its Deposit Accounts and no other Person (other than the Lender pursuant to this Security Agreement or any other Person with respect to Permitted Liens) has control or possession of, or any other interest in, any of its Deposit Accounts or any other securities or property credited thereto.

SECTION 3.5. Negotiable Documents, Instruments and Chattel Paper. Each Grantor has delivered to the Lender possession of all originals of all Documents, Instruments, Promissory Notes, and tangible Chattel Paper (other than any Document, Instrument, Promissory Note or tangible Chattel Paper not exceeding $75,000 in principal amount) owned or held by such

Grantor on the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable).

SECTION 3.6. Intellectual Property Collateral Security Agreements. Each Grantor has executed and delivered to the Lender Intellectual Property Collateral security agreements for all Copyrights, Patents and Trademarks owned by such Grantor, including all Copyrights, Patents and Trademarks on Schedule III through V (as such schedules may be amended or supplemented from time to time by notice by such Grantor to the Lender);

SECTION 3.7. Validity, Etc.

(a) This Security Agreement creates a valid security interest in the Collateral securing the payment of the Obligations to the extent such security interest may be created pursuant to Article 9 of the UCC.

(b) As of the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable), each Grantor has filed or caused to be filed all UCC-1 financing statements in the filing office for each Grantor's jurisdiction of organization listed in Item A of Schedule II (collectively, the "Filing Statements") (or has delivered to the Lender the Filing Statements suitable for timely and proper filing in such offices) and has taken all other actions requested by the Lender necessary for the Lender to obtain control of the Collateral as provided in Sections 9-104, 9-105, 9-106 and 9-107 of the UCC.

(c) Upon the filing of the Filing Statements with the appropriate agencies therefor the security interests created under this Security Agreement shall constitute a perfected security interest in the Collateral described on such Filing Statements in favor of the Lender to the extent that a security interest therein may be perfected by filing a financing statement pursuant to the relevant UCC, prior to all other Liens, except for Permitted Liens (in which case such security interest shall be junior in priority of right only to the Permitted Liens until the obligations secured by such Permitted Liens have been satisfied).

SECTION 3.8. Authorization, Approval, Etc. Except as have been obtained or made and are in full force and effect, no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required either

(a) for the grant by the Grantors of the security interest granted hereby or for the execution, delivery and performance of this Security Agreement by the Grantors;

(b) for the perfection or maintenance of the security interests hereunder including the first priority nature of such security interest (except with respect to the Filing Statements or, with respect to Intellectual Property Collateral, the recordation of any agreements with the United States Patent and Trademark Office or the United States Copyright Office or, with respect to foreign Intellectual Property Collateral, the taking of appropriate action under applicable foreign law and, with respect to after-acquired Intellectual Property Collateral, any subsequent filings in United States intellectual

property offices or the taking of appropriate action under applicable foreign law) or the exercise by the Lender of its rights and remedies hereunder; or

(c) for the exercise by the Lender of the voting or other rights provided for in this Security Agreement, except (i) with respect to any securities issued by a Subsidiary of the Grantors, as may be required in connection with a disposition of such securities by laws affecting the offering and sale of securities generally, the remedies in respect of the Collateral pursuant to this Security Agreement and (ii) any "change of control" or similar filings required by state licensing agencies.

SECTION 3.9. Best Interests. It is in the best interests of each Grantor (other than the Borrower) to execute this Security Agreement inasmuch as such Grantor will, as a result of being an Affiliate of the Borrower, derive substantial direct and indirect benefits from the Loans made to the Borrower by the Lender pursuant to the Credit Agreement, and each Grantor agrees that the Lender is relying on this representation in agreeing to make such Loans pursuant to the Credit Agreement to the Borrower.

ARTICLE IV
COVENANTS

Each Grantor covenants and agrees that, until the Termination Date, such Grantor will perform, comply with and be bound by the obligations set forth below.

SECTION 4.1. As to Investment Property, Etc.

SECTION 4.1.1. Capital Securities of Subsidiaries. No Grantor will allow any of its Subsidiaries:

(a) that is a corporation, business trust, joint stock company or similar Person, to issue Uncertificated Securities;

(b) that is a partnership or limited liability company, to (i) issue Capital Securities that are to be dealt in or traded on securities exchanges or in securities markets, (ii) expressly provide in its Organic Documents that its Capital Securities are securities governed by Article 8 of the UCC, or (iii) place such Subsidiary's Capital Securities in a Securities Account; and

(c) to issue Capital Securities in addition to or in substitution for the Capital Securities pledged hereunder and that constitute Collateral hereunder, except to such Grantor (and such Capital Securities are immediately pledged and delivered to the Lender pursuant to the terms of this Security Agreement).

SECTION 4.1.2. Investment Property (other than Certificated Securities). With respect to any Deposit Accounts, Securities Accounts, Commodity Accounts, Commodity Contracts or Security Entitlements constituting Investment Property owned or held by any Grantor, such Grantor will cause (except for Excluded Accounts) the intermediary maintaining such Investment Property to execute a Control Agreement relating to such Investment Property pursuant to which such intermediary agrees to comply with the Lender's instructions with

respect to such Investment Property without further consent by such Grantor (which instructions the Lender hereby agrees not to give unless an Event of Default has occurred and is continuing).

SECTION 4.1.3. Certificated Securities (Stock Powers). Each Grantor agrees that all Certificated Securities constituting Collateral, including the Capital Securities delivered by such Grantor pursuant to this Security Agreement, will be accompanied by duly executed undated blank stock powers, or other equivalent instruments of transfer reasonably acceptable to the Lender.

SECTION 4.1.4. Continuous Pledge. Each Grantor will (subject to the terms of the Credit Agreement) (a) deliver to the Lender all Investment Property and all Payment Intangibles to the extent that such Investment Property or Payment Intangibles are evidenced by a Document, Instrument, Promissory Note or Chattel Paper (other than any Document, Instrument, Promissory Note or Chattel Paper not exceeding $75,000 in the principal amount), and (b) at all times keep pledged to the Lender pursuant hereto, on a first-priority, perfected basis, a security interest therein and in all interest and principal with respect to such Payment Intangibles, and all Proceeds and rights from time to time received by or distributable to such Grantor in respect of any of the foregoing Collateral. Each Grantor agrees that it will, promptly following receipt thereof, deliver to the Lender possession of all originals of negotiable Documents, Instruments, Promissory Notes and Chattel Paper that it acquires following the Closing Date (other than any Document, Instrument, Promissory Note or Chattel Paper not exceeding $75,000 in the principal amount).

SECTION 4.1.5. Voting Rights, Dividends, Etc. Each Grantor agrees:

(a) upon receipt of notice of the occurrence and continuance of an Event of Default from the Lender and without any request therefor by the Lender, so long as such Event of Default shall continue, to deliver (properly endorsed where required hereby or requested by the Lender) to the Lender all dividends and Distributions with respect to Investment Property; all interest, principal, other cash payments on Payment Intangibles; and all Proceeds of the Collateral, in each case thereafter received by such Grantor, all of which shall be held by the Lender as additional Collateral, except for payments made in accordance with Section 8.6 of the Credit Agreement; and

(b) immediately upon the occurrence and during the continuance of an Event of Default and so long as the Lender has notified such Grantor of the Lender's intention to exercise its voting power under this clause,

(i) with respect to Collateral consisting of general partner interests or limited liability company interests, to promptly modify its Organic Documents to admit the Lender as a general partner or member, as applicable;

(ii) that the Lender may exercise (to the exclusion of such Grantor) the voting power and all other incidental rights of ownership with respect to any Investment Property constituting Collateral and such Grantor hereby grants the Lender an irrevocable proxy, exercisable under such circumstances, to vote such Investment Property; and

(iii) to promptly deliver to the Lender such additional proxies and other documents as may be necessary to allow the Lender to exercise such voting power.

All dividends, Distributions, interest, principal, cash payments, Payment Intangibles and Proceeds that may at any time and from time to time be held by such Grantor, but which such Grantor is then obligated to deliver to the Lender, shall, until delivery to the Lender, be held by such Grantor separate and apart from its other property in trust for the Lender. The Lender agrees that unless an Event of Default shall have occurred and be continuing and the Lender shall have given the notice referred to in clause (b), such Grantor will have the exclusive voting power with respect to any Investment Property constituting Collateral and the Lender will, upon the written request of such Grantor, promptly deliver such proxies and other documents, if any, as shall be reasonably requested by such Grantor which are necessary to allow such Grantor to exercise that voting power; provided that no vote shall be cast, or consent, waiver, or ratification given, or action taken by such Grantor that would impair any such Collateral or be inconsistent with or violate any provision of any Loan Document.

SECTION 4.2. Change of Name, Etc. No Grantor will change its name or place of incorporation or organization or federal taxpayer identification number except as otherwise permitted by the Credit Agreement.

SECTION 4.3. As to Accounts.

(a) Each Grantor shall have the right to collect all Accounts so long as no Event of Default shall have occurred and be continuing.

(b) Upon (i) the occurrence and continuance of an Event of Default and (ii) the delivery of notice by the Lender to each Grantor, all Proceeds of Collateral received by such Grantor shall be delivered in kind to the Lender for deposit in a Deposit Account of such Grantor maintained with the Lender or otherwise is a Controlled Account (together with any other Deposit Accounts or Security Accounts pursuant to which any portion of the Collateral is deposited with the Lender, the "Collateral Accounts"), and such Grantor shall not commingle any such Proceeds, and shall hold separate and apart from all other property, all such Proceeds in express trust for the benefit of the Lender until delivery thereof is made to the Lender.

(c) Following the delivery of notice pursuant to clause (b)(ii), and so long as an Event of Default shall have occurred and be continuing, the Lender shall have the right to apply any amount in the Collateral Account, in accordance with Section 4.4(b) of the Credit Agreement, to the payment of any Obligations which are then due and payable.

(d) With respect to each of the Collateral Accounts, it is hereby confirmed and agreed that (i) deposits in such Collateral Account are subject to a security interest as contemplated hereby, (ii) so long as an Event of Default shall have occurred and be continuing, such Collateral Account shall be under the control of the Lender and (iii) so

long as an Event of Default shall have occurred and be continuing, the Lender shall have the sole right of withdrawal over such Collateral Account.

SECTION 4.4. As to Grantors' Use of Collateral.

(a) Subject to clause (b), each Grantor (i) may in the ordinary course of its business, at its own expense, sell, lease or furnish under contracts of service any of the Inventory normally held by such Grantor for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by such Grantor for such purpose, (ii) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as the Lender may reasonably request following the occurrence of an Event of Default or, in the absence of such request, as such Grantor may deem advisable, and (iii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of Goods, the sale or lease of which shall have given rise to such Collateral.

(b) At any time following the occurrence and during the continuance of an Event of Default, whether before or after the maturity of any of the Obligations, the Lender may (i) revoke any or all of the rights of each Grantor set forth in clause (a), (ii) notify any parties obligated on any of the Collateral to make payment to the Lender of any amounts due or to become due thereunder and (iii) enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby.

(c) Upon the request of the Lender following the occurrence and during the continuance of an Event of Default, each Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Lender of any amounts due or to become due thereunder.

(d) At any time following the occurrence and during the continuation of an Event of Default, the Lender may endorse, in the name of such Grantor, any item, howsoever received by the Lender, representing any payment on or other Proceeds of any of the Collateral.

SECTION 4.5. As to Intellectual Property Collateral. Each Grantor covenants and agrees to comply with the following provisions as such provisions relate to any Intellectual Property Collateral material to the operations or business of such Grantor:

(a) [reserved];

(b) [reserved];

(c) [reserved];

(d) [reserved]; and

(e) such Grantor will quarterly (and sooner if requested by Lender) execute and deliver to the Lender (as applicable) a Patent Security Agreement, Trademark Security Agreement and/or Copyright Security Agreement, as the case may be, in the forms of Exhibit A, Exhibit B and Exhibit C hereto following its obtaining an interest in any such Intellectual Property, and shall execute and deliver to the Lender any other document reasonably required to evidence the Lender's interest in any part of such item of Intellectual Property Collateral unless such Grantor shall determine in good faith (with the consent of the Lender) that any Intellectual Property Collateral is of negligible economic value to such Grantor.

SECTION 4.6. As to Letter-of-Credit Rights.

(a) Each Grantor, by granting a security interest in its Letter-of-Credit Rights to the Lender, intends to (and hereby does) collaterally assign to the Lender its rights (including its contingent rights) to the Proceeds of all Letter-of-Credit Rights of which it is or hereafter becomes a beneficiary or assignee.

(b) Upon the occurrence of an Event of Default, such Grantor will, promptly upon request by the Lender, (i) notify (and such Grantor hereby authorizes the Lender to notify) the issuer and each nominated person with respect to each of the Letters of Credit that the Proceeds thereof have been assigned to the Lender hereunder and any payments due or to become due in respect thereof are to be made directly to the Lender and (ii) arrange for the Lender to become the transferee beneficiary of such Letter of Credit.

SECTION 4.7. As to Commercial Tort Claims. Each Grantor covenants and agrees that, until the payment in full of the Obligations and termination of all Commitments, with respect to any Commercial Tort Claim hereafter arising which the Company holds that could reasonably be expected to have a value in excess of $50,000, it shall deliver to the Lender a supplement in form and substance reasonably satisfactory to the Lender, together with all supplements to schedules thereto, identifying such new Commercial Tort Claim.

SECTION 4.8. Electronic Chattel Paper and Transferable Records. If any Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the U.S. Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, with a value in excess of $75,000, such Grantor shall promptly notify the Lender thereof and, at the request of the Lender, shall take such action as the Lender may reasonably request to vest in the Lender control under Section 9-105 of the UCC of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Lender agrees with such Grantor that the Lender will arrange, pursuant to procedures satisfactory to the Lender and so long as such procedures will not result in the Lender's loss of control, for the Grantor to make alterations to the electronic chattel paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the U.S. Federal Electronic

Signatures in Global and National Commerce Act or Section 16 of the U.S. Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such electronic chattel paper or transferable record.

SECTION 4.9. Further Assurances, Etc. Each Grantor agrees that, from time to time at its own expense, it will, subject to the terms of this Security Agreement, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that the Lender may reasonably request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, such Grantor will:

(a) from time to time upon the request of the Lender, promptly deliver to the Lender such stock powers, instruments and similar documents, reasonably satisfactory in form and substance to the Lender, with respect to such Collateral as the Lender may request and will, from time to time upon the request of the Lender, after the occurrence and during the continuance of any Event of Default, promptly transfer any securities constituting Collateral into the name of any nominee designated by the Lender; if any Collateral shall be evidenced by an Instrument, negotiable Document, Promissory Note or tangible Chattel Paper, deliver and pledge to the Lender hereunder such Instrument, negotiable Document, Promissory Note or tangible Chattel Paper (other than any Instrument, negotiable Document, Promissory Note or tangible Chattel Paper in principal amount less than $75,000) duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Lender;

(b) file (and hereby authorize the Lender to file) such Filing Statements or continuation statements, or amendments thereto, and such other instruments or notices (including any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3727, any successor or amended version thereof or any regulation promulgated under or pursuant to any version thereof), as may be necessary or that the Lender may reasonably request in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Lender hereby;

(c) at all times keep pledged to the Lender pursuant hereto, on a first-priority, perfected basis (free and clear of all Liens except for Permitted Liens), at the request of the Lender, all Investment Property constituting Collateral, all dividends and Distributions with respect thereto, and all interest and principal with respect to Promissory Notes, and all Proceeds and rights from time to time received by or distributable to such Grantor in respect of any of the foregoing Collateral;

(d) [reserved];

(e) not create any tangible Chattel Paper without placing a legend on such tangible Chattel Paper reasonably acceptable to the Lender indicating that the Lender has a security interest in such Chattel Paper;

(f) furnish to the Lender, from time to time at the Lender's reasonable request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Lender may reasonably request, all in reasonable detail; and

(g) do all things reasonably requested by the Lender in accordance with this Security Agreement in order to enable the Lender to have and maintain control over the Collateral consisting of Investment Property, Deposit Accounts, Letter-of-Credit-Rights and Electronic Chattel Paper.

With respect to the foregoing and the grant of the security interest hereunder, each Grantor hereby authorizes the Lender to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral. Each Grantor agrees that a carbon, photographic or other reproduction of this Security Agreement or any UCC financing statement covering the Collateral or any part thereof shall be sufficient as a UCC financing statement where permitted by law. Each Grantor hereby authorizes the Lender to file financing statements describing as the collateral covered thereby "all of the debtor's personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral described in this Security Agreement.

ARTICLE V
THE LENDER

SECTION 5.1. Lender Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Lender as its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Lender's discretion, following the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Security Agreement, including:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse, and collect any drafts or other Instruments, Documents and Chattel Paper, in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings which the Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Lender with respect to any of the Collateral; and

(d) to perform the affirmative obligations of such Grantor hereunder.

Each Grantor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

SECTION 5.2. Lender May Perform. If any Grantor fails to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, that

the Lender deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein to the extent provided for herein, and the expenses of the Lender incurred in connection therewith shall be payable by such Grantor pursuant to Section 10.3 of the Credit Agreement.

SECTION 5.3. Lender Has No Duty. The powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Lender shall have no duty as to any Collateral or responsibility for

(a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Investment Property, whether or not the Lender has or is deemed to have knowledge of such matters, or

(b) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 5.4. Reasonable Care. The Lender is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession; provided that the Lender shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral, if it takes such action for that purpose as each Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of any Event of Default, but failure of the Lender to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

ARTICLE VI
REMEDIES

SECTION 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Lender may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of the Lender on default under the UCC (whether or not the UCC applies to the affected Collateral) and also may

(i) take possession of any Collateral not already in its possession without demand and without legal process;

(ii) require each Grantor to, and each Grantor hereby agrees that it will, at its expense and upon request of the Lender forthwith, assemble all or part of the Collateral as directed by the Lender and make it available to the Lender at a place to be designated by the Lender that is reasonably convenient to both parties;

(iii) enter onto the property where any Collateral is located and take possession thereof without demand and without legal process; and

(iv) without notice except as specified below, lease, license, sell or otherwise dispose of the Collateral or any part thereof in one or more parcels at any public or private sale, at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash Proceeds received by the Lender in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied by the Lender against all or any part of the Obligations as set forth in Section 4.4(b) of the Credit Agreement.

(c) The Lender may

(i) transfer all or any part of the Collateral into the name of the Lender or its nominee, with or without disclosing that such Collateral is subject to the Lien hereunder;

(ii) notify the parties obligated on any of the Collateral to make payment to the Lender of any amount due or to become due thereunder;

(iii) withdraw, or cause or direct the withdrawal, of all funds with respect to the Collateral Account;

(iv) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or

renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto;

(v) endorse any checks, drafts, or other writings in any Grantor's name to allow collection of the Collateral;

(vi) take control of any Proceeds of the Collateral; and

(vii) execute (in the name, place and stead of any Grantor) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Collateral.

SECTION 6.2. Securities Laws. If the Lender shall determine to exercise its right to sell all or any of the Collateral that are Capital Securities pursuant to Section 6.1(a)(iv), each Grantor

acknowledges that the Lender may be unable to effect a public sale or other disposition of the Capital Securities by reason of certain prohibitions contained in the Securities Act of 1933, as from time to time amended (the "Securities Act"), federal banking laws, and other applicable laws, but may be compelled to resort to one or more private sales thereof to a restricted group of purchasers. Each Grantor agrees that any such private sale may be at prices and other terms less favorable to the seller than if sold at public sales and that such private sales shall not solely by reason thereof be deemed not to have been made in a commercially reasonable manner. The Lender shall be under no obligation to delay a sale of any of the Capital Securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act, or such other federal banking or other applicable laws, even if the issuer would agree to do so. Subject to the foregoing, the Lender agrees that any sale of the Capital Securities shall be made in a commercially reasonable manner and each Grantor agrees that, upon request of the Lender, such Grantor will, at its own expense:

(a) execute and deliver, and cause (or, with respect to any issuer which is not a Subsidiary of such Grantor, use its reasonable best efforts to cause) each issuer of the Collateral contemplated to be sold and the directors and officers thereof to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts and things, as may be necessary or, in the reasonable opinion of the Lender, advisable to register such Collateral under the provisions of the Securities Act of 1933, as from time to time amended (the "Securities Act"), and cause the registration statement relating thereto to become effective and to remain effective for such period as prospectuses are required by law to be furnished, and to make all amendments and supplements thereto and to the related prospectus which, in the opinion of the Lender, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto;

(b) cause the issuer to exempt the Collateral under or comply with the state securities or "Blue Sky" laws and to obtain all necessary governmental approvals for the sale of the Collateral, as requested by the Lender;

(c) if required, cause (or, with respect to any issuer that is not a Subsidiary of such Grantor, use its best efforts to cause) each such issuer to make available to its security holders, as soon as practicable, an earnings statement that will satisfy the provisions of Section 11(a) of the Securities Act; and

(d) do or cause to be done all such other acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

Each Grantor acknowledges the impossibility of ascertaining the amount of damages that would be suffered by the Lender by reason of the failure by such Grantor to perform any of the covenants contained in this Section and consequently agrees, to the fullest extent permitted by applicable law, that, if such Grantor shall fail to perform any of such covenants, it shall pay, as liquidated damages and not as a penalty, an amount equal to the value (as reasonably determined by the Lender) of such Collateral on the date the Lender shall demand compliance with this Section.

SECTION 6.3. Compliance with Restrictions. Each Grantor agrees that in any sale of any of the Collateral whenever an Event of Default shall have occurred and be continuing, the Lender is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority or official, and such Grantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Lender be liable nor accountable to such Grantor for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

SECTION 6.4. Protection of Collateral. The Lender may from time to time, at its option, perform any act which any Grantor fails to perform after being requested in writing so to perform (it being understood that no such request need be given after the occurrence and during the continuance of an Event of Default) and the Lender may from time to time take any other action which the Lender deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein.

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.1. Loan Document. This Security Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof. Notwithstanding anything contained herein to the contrary, to the extent any provision in this Security Agreement conflicts with any provision in the Credit Agreement, the terms of the Credit Agreement shall control.

SECTION 7.2. Binding on Successors, Transferees and Assigns; Assignment. This Security Agreement shall remain in full force and effect until the Termination Date has occurred, shall be binding upon the Grantors and their successors, transferees and assigns and shall inure to the benefit of and be enforceable by the Lender; provided that no Grantor may assign any of its obligations hereunder without the prior consent of the Lender.

SECTION 7.3. Amendments, Etc. No amendment or modification to or waiver of any provision of this Security Agreement, nor consent to any departure by any Grantor from its obligations under this Security Agreement, shall in any event be effective unless the same shall be in writing and signed by the Lender and the Grantors and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.4. Notices. All notices and other communications provided for hereunder shall be delivered or made as provided in Section 10.2 of the Credit Agreement.

SECTION 7.5. Release of Liens. Upon (a) the Disposition of Collateral to a Person other than a Grantor or a Subsidiary of a Grantor in accordance with the Credit Agreement or (b) the occurrence of the Termination Date, the security interests granted herein in such Collateral to the extent Disposed of shall automatically terminate with respect to (i) such Collateral (in the case of clause (a)) or (ii) all Collateral (in the case of clause (b)). Upon any such Disposition or termination, the Lender will, at the Grantors' sole expense, deliver to the Grantors, without any representations, warranties or recourse of any kind whatsoever, all Collateral held by the Lender hereunder, and execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

SECTION 7.6. Additional Grantors. Upon the execution and delivery by any other Person of a supplement in the form of Annex I hereto, such Person shall become a "Grantor" hereunder as of the date of such supplement with the same force and effect as if it was originally a party to this Security Agreement and named as a "Grantor" hereunder. The execution and delivery of such supplement shall not require the consent of any other Grantor hereunder, and the rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

SECTION 7.7. No Waiver; Remedies. In addition to, and not in limitation of Section 2.4, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 7.8. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 7.9. Governing Law, Entire Agreement, Etc. THIS SECURITY AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Security Agreement, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter thereof and supersedes any prior agreements, written or oral, with respect thereto.

SECTION 7.10. Counterparts. This Security Agreement may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. This Security Agreement shall become effective when counterparts hereof executed on behalf of all of the signatories hereto, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Security

Agreement by email (e.g., “pdf’ or “tiff’) or telecopy shall be effective as delivery of a manually executed counterpart of this Security Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be duly executed and delivered by its Authorized Officer as of the date first above written.

TRANSMEDICS, INC.

By: _____
Name:
Title:

TRANSMEDICS B.V.

By: _____
Name:
Title:

ORBIMED ROYALTY OPPORTUNITIES II, LP,
as the Lender

By OrbiMed Advisors LLC, its investment manager

By: _____
Name:
Title:

SCHEDULE I
to Security Agreement

Name of Grantor:	Interest:

SCHEDULE II
to Security Agreement

Item A. Location of each Grantor.

Name of Grantor:	Location for purposes of UCC:

Item B. Filing locations last five years.

Item C. Trade names.

Name of Grantor:	Trade Names:

Item D. Merger or other corporate reorganization.

Item E. Grantor’s federal taxpayer ID numbers.

Name of Grantor:	Taxpayer ID numbers:

Item F. Government Contracts.
Item G. Deposit Accounts, Securities Accounts and Commodities Accounts.

Name of Grantor:	Description of Deposit Accounts, Securities Accounts and Commodities Accounts:

Item H. Letter of Credit Rights. Item I. Commercial Tort Claims.

Item J. Pledged Notes.

Name of Grantor:	Description of Pledged Notes:

Item B. Patent

Item B. Patent Licenses

SCHEDULE IV
to Security Agreement

Item A. Trademarks

Item B. Trademark Licenses

Item A. Copyright/Mask Work

Item B. Copyright/Mask Work Licenses

SCHEDULE VI
to Security Agreement

Trade Secret or Know-How Licenses

EXHIBIT A
to Security Agreement

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT, dated as of _____, __ 20__ (this "Agreement"), is made by [NAME OF GRANTOR], a (the "Grantor"), in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June [•], 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor and its Affiliates have executed and delivered a Pledge and Security Agreement in favor of the Lender, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (f) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Lender a continuing security interest in all of the Patent Collateral (as defined below) to secure all of the Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of the Lender, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Lender, for its benefit, a continuing security interest in all of the Grantor's right, title and interest in and to the following property, whether now or hereafter existing or acquired by the Grantor (the "Patent Collateral"):

(a) Patents throughout the world, including each patent and patent application referred to in Item A of Schedule I attached hereto;

(b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all patent licenses and other agreements providing the Grantor with the right to use any items of the type referred to in clauses (a) and (b) above, including each patent license referred to in Item B of Schedule I attached hereto; and

(d) all Proceeds of, and rights associated with, the foregoing (including licenses, royalties income, payments, claims, damages and Proceeds of infringement suits) and the right to sue third parties for past, present or future infringements of any Patent and for breach or enforcement of any patent license.

Notwithstanding anything to the contrary herein, Patent Collateral shall not include any Excluded Assets (as defined in the Security Agreement).

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Lender in the Patent Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted in furtherance of, and not in limitation of, the security interest granted to the Lender for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Patent Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Patent Collateral (in the case of clause (i)) or (B) all Patent Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Lender will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all Patent Collateral held by the Lender hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Effective. This Agreement shall become effective when a counterpart hereof executed by the Grantor, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Agreement by email (e.g., "pdf' or "tiff') or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Grantor hereto has caused this Agreement to be duly executed and delivered by its Authorized Officer as of the date first above written.

[NAME OF GRANTOR]

By: _____
Name:
Title:

Signature Page to Patent Security Agreement

Item A. Patents

Issued Patents

Country	Patent No.	Issue Date	Inventor(s)	Title

Pending Patent Applications

Country	Serial No.	Filing Date	Inventor(s)	Title

Item B. Patent Licenses

Country or Territory	Licensor	Licensee	Effective Date	Expiration Date	Subject Matter

EXHIBIT B
to Security Agreement

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of ____, __, 20__ (this "Agreement"), is made by [NAME OF GRANTOR], a (the "Grantor"), in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June [•], 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor and its Affiliates have executed and delivered a Pledge and Security Agreement in favor of the Lender, dated as of June 22, 2018 (as amended, supplemented, or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (f) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Lender a continuing security interest in all of the Trademark Collateral (as defined below) to secure all of the Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of each Lender, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Lender, for its benefit, a continuing security interest in all of Grantor's right, title and interest in and to the following property, whether now or hereafter existing or acquired by the Grantor (the "Trademark Collateral"):

(a) (i) all of its Trademarks, now existing or hereafter adopted or acquired including those referred to in Item A of Schedule I hereto, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or filed, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States

of America or any State thereof, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing;

(b) all Trademark licenses for the grant by or to the Grantor of any right to use any Trademark, including each Trademark license referred to in Item B of Schedule I hereto;

(c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable clause (b);

(d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b); and

(e) all Proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto throughout the world.

Notwithstanding anything to the contrary herein, Trademark Collateral shall not include any Excluded Assets (as defined in the Security Agreement).

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Lender in the Trademark Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted in furtherance of, and not in limitation of, the security interest granted to the Lender for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Trademark Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Trademark Collateral (in the case of clause (i)) or (B) all Trademark Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Lender will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all Trademark Collateral held by the Lender hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Effective. This Agreement shall become effective when a counterpart hereof executed by the Grantor, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Agreement by email (e.g., "pdf' or "tiff') or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Grantor hereto has caused this Agreement to be duly executed and delivered by Authorized Officer as of the date first above written.

[NAME OF GRANTOR]

By: _____
Name:
Title:

SCHEDULE I
to Trademark Security Agreement

Item A. Trademarks

Registered Trademarks

Country	Trademark	Registration No.	Registration Date

Pending Trademark Applications

Country	Trademark	Serial No.	Filing Date

Item B. Trademark Licenses

Country or Territory	Trademark	Licensor	Licensee	Effective Date	Expiration Date

EXHIBIT C
to Security Agreement

COPYRIGHT SECURITY AGREEMENT

This COPYRIGHT SECURITY AGREEMENT, dated as of _____, __, 20__ (this "Agreement"), is made by [NAME OF GRANTOR], a (the "Grantor"), in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June [•], 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor and its Affiliates have executed and delivered a Pledge and Security Agreement in favor of the Lender, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (f) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Lender a continuing security interest in all of the Copyright Collateral (as defined below) to secure all of the Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of the Lender, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Lender, for its benefit, a continuing security interest in all of the Grantor's right, title and interest in and to the following (the "Copyright Collateral"), whether now or hereafter existing or acquired by the Grantor: all Copyrights of the Grantor, including the copyrights referred to in Item A of Schedule I hereto, and registrations and recordings thereof and all applications for registration thereof, all exclusive and nonexclusive licenses from third parties or rights to use copyrights owned by such third parties, including each copyright license referred to in Item B of Schedule I hereto, and all Proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and Proceeds of suit, which are owned or in-licensed.

Notwithstanding anything to the contrary herein, Copyright Collateral shall not include any Excluded Assets (as defined in the Security Agreement).

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Lender in the Copyright Collateral with the United States Copyright Office. The security interest granted hereby has been granted in furtherance of, and not in limitation of, the security interest granted to the Lender for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Copyright Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Copyright Collateral (in the case of clause (i)) or (B) all Copyright Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Lender will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all Copyright Collateral held by the Lender hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Copyright Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Effective. This Agreement shall become effective when a counterpart hereof executed by the Grantor, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Agreement by email (e.g., "pdf' or "tiff') or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Grantor hereto has caused this Agreement to be duly executed and delivered by its Authorized Officer as of the date first above written.

[NAME OF GRANTOR]

By: _____
Name:
Title:

Signature Page to Copyright Security Agreement

SCHEDULE I
to Copyright Security Agreement

Item A. Copyrights/Mask Works

Registered Copyrights/Mask Works

Country	Registration No.	Registration Date.	Author(s)	Title

Copyrights/Mask Works Pending Registration Applications

Country	Serial No.	Filing Date	Author(s)	Title

Item B. Copyrights/Mask Works Licenses

Country or Territory	Trademark	Licensee	Effective Date	Expiration Date

ANNEX I
to Security Agreement

SUPPLEMENT TO
PLEDGE AND SECURITY AGREEMENT

This SUPPLEMENT, dated as of _____, 20__(this "Supplement"), is to the Pledge and Security Agreement, dated as of June 22, 2018 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Security Agreement"), among the Grantors (such term, and other terms used in this Supplement, to have the meanings set forth in Article I of the Security Agreement) from time to time party thereto, in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June [•], 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower;

WHEREAS, pursuant to the provisions of Section 7.6 of the Security Agreement, each of the undersigned is becoming a Grantor under the Security Agreement; and

WHEREAS, each of the undersigned desires to become a "Grantor" under the Security Agreement in order to induce the Lender to continue to extend Loans under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the undersigned agrees, for the benefit of the Lender, as follows.

SECTION 1. Party to Security Agreement, Etc. In accordance with the terms of the Security Agreement, by its signature below, each of the undersigned hereby irrevocably agrees to become a Grantor under the Security Agreement with the same force and effect as if it were an original signatory thereto and each of the undersigned hereby (a) agrees to be bound by and comply with all of the terms and provisions of the Security Agreement applicable to it as a Grantor and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct as of the date hereof, unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date. In furtherance of the foregoing, each reference to a "Grantor" and/or "Grantors" in the Security Agreement shall be deemed to include each of the undersigned.

SECTION 2. Schedules. Each of the undersigned Grantors hereby authorizes the Lender to add the information set forth on the Schedules to this Supplement to the correlative Schedules attached to the Security Agreement.

SECTION 3. Representations. Each of the undersigned Grantors hereby represents and warrants that this Supplement has been duly authorized, executed and delivered by it and that this Supplement and the Security Agreement constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 4. Full Force of Security Agreement. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect in accordance with its terms.

SECTION 5. Severability. Wherever possible each provision of this Supplement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Supplement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Supplement or the Security Agreement.

SECTION 6. Governing Law, Entire Agreement, Etc. THIS SUPPLEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Supplement, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter thereof and supersedes any prior agreements, written or oral, with respect thereto.

SECTION 7. Effective. This Supplement shall become effective when a counterpart hereof executed by the Grantor shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Supplement by email (e.g., “pdf’ or “tiff”) or telecopy shall be effective as delivery of a manually executed counterpart of this Supplement.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Supplement to be duly executed and delivered by its Authorized Officer as of the date first above written.

[NAME OF ADDITIONAL SUBSIDIARY]

By: _____
Name:
Title:

[NAME OF ADDITIONAL SUBSIDIARY]

By: _____
Name:
Title:

[COPY SCHEDULES FROM SECURITY AGREEMENT]

Exhibit 10.18
Execution Version

PLEDGE AND SECURITY AGREEMENT

This PLEDGE AND SECURITY AGREEMENT, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, this "Security Agreement"), is made by TRANSMEDICS, INC., a Delaware corporation (the "Borrower"), TRANSMEDICS B.V., a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) ("BV" and together with the Borrower and any other entity that may become a party hereto as provided herein, each a "Grantor" and, collectively, the "Grantors") in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between the Borrower and the Lender, the Lender has extended a Commitment to make Loans to the Borrower; and

WHEREAS, as a condition precedent to the making of the Initial Loan under the Credit Agreement, each Grantor is required to execute and deliver this Security Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor agrees, for the benefit of the Lender, as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Security Agreement, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Borrower" is defined in the preamble.

"Collateral" is defined in Section 2.1.

"Collateral Accounts" is defined in Section 4.3(b).

"Computer Hardware and Software Collateral" means (a) all of the Grantors' computer and other electronic data processing hardware, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware, including all operating system software, utilities and application programs in whatsoever form; (b) all software programs (including both source code, object code and all related applications and data files) designed for use on the computers and electronic data processing hardware described in clause (a) above; (c) all firmware associated therewith; (d) all documentation (including flow charts, logic diagrams, manuals, guides, specifications, training materials, charts and pseudo codes) with respect to such hardware, software and firmware described in the preceding clauses

(a) through (c); and (e) all rights with respect to all of the foregoing, including copyrights, licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications and any substitutions, replacements, improvements, error corrections, updates, additions or model conversions of any of the foregoing.

"Control Agreement" means an authenticated record in form and substance reasonably satisfactory to the Lender, that provides for the Lender to have "control" (as defined in the UCC) over certain Collateral.

"Copyright Collateral" means all Copyrights of the Grantors, including the Copyrights referred to in Item A of Schedule V, and registrations and recordings thereof and all applications for registration thereof, all exclusive and nonexclusive licenses from third parties or rights to use copyrights owned by such third parties, including each copyright license referred to in Item B of Schedule V, and all Proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and Proceeds of suit, which are owned or in-licensed by the Grantors.

"Credit Agreement" is defined in the first recital.

"Distributions" means all dividends paid on Capital Securities, liquidating dividends paid on Capital Securities, shares (or other designations) of Capital Securities resulting from (or in connection with the exercise of) stock splits, reclassifications, warrants, options, non-cash dividends, mergers, consolidations, and all other distributions (whether similar or dissimilar to the foregoing) on or with respect to any Capital Securities constituting Collateral.

"Excluded Assets" is defined in Section 2.1.

"Excluded Capital Securities" means 35% of the total outstanding voting Capital Securities of any Excluded Foreign Subsidiary.

"Filing Statements" is defined in Section 3.7(b).

"General Intangibles" means all "general intangibles" and all "payment intangibles", each as defined in the UCC, and shall include all interest rate or currency protection or hedging arrangements, all tax refunds, all licenses, permits, concessions and authorizations and all Intellectual Property Collateral (in each case, regardless of whether characterized as general intangibles under the UCC).

"Grantor" and "Grantors" are defined in the preamble.

"Intellectual Property Collateral" means, collectively, the Computer Hardware and Software Collateral, the Copyright Collateral, the Patent Collateral, the Trademark Collateral, the Trade Secrets Collateral, Product Agreements and Regulatory Authorizations.

"Intercompany Note" means any promissory note evidencing loans made by any Grantor to any other Grantor.

"Investment Property" means, collectively, (a) all "investment property" as such term is defined in Section 9-102(a)(49) of the UCC and (b) whether or not constituting "investment property" as so defined, all Pledged Notes.

"Lender" is defined in the preamble.

"Patent Collateral" means:

(a) all of the Grantors' (i) Patents throughout the world, including each patent and patent application referred to in Item A of Schedule III;

(b) all reissues, divisions, continuations, continuations in part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all patent licenses, and other agreements providing any Grantor with the right to use any items of the type referred to in clauses (a) and (b) above, including each patent license referred to in Item B of Schedule III; and

(d) all Proceeds of, and rights associated with, the foregoing (including licenses, royalties income, payments, claims, damages and Proceeds of infringement suits) and the right to sue third parties for past, present or future infringements of any Patent and for breach or enforcement of any patent license.

"Permitted Liens" means all Liens permitted by Section 8.3 of the Credit Agreement.

"Pledged Notes" means all promissory notes listed on Item J of Schedule II (as such schedule may be amended or supplemented from time to time), all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor.

"Securities Act" is defined in Section 6.2(a).

"Security Agreement" is defined in the preamble.

"Trade Secrets Collateral" means all of the Grantors' common law and statutory trade secrets and all other confidential, proprietary or useful information, and all know-how obtained by or used in or contemplated at any time for use in the business of any Grantor (all of the foregoing being collectively called a "Trade Secret"), whether or not such Trade Secret has been reduced to a writing or other tangible form, including all documents and things embodying or referring in any way to such Trade Secret, all Trade Secret licenses, including each Trade Secret license referred to in Schedule VI, and including the right to sue for and to enjoin and to collect damages for the actual or threatened misappropriation of any Trade Secret and for the breach or enforcement of any such Trade Secret license.

"Trademark Collateral" means:

(a) (i) all of the Grantors' Trademarks, now existing or hereafter adopted or acquired including those referred to in Item A of Schedule IV, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith,

whether pending or filed, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America, or any State thereof or any other country or political subdivision thereof or otherwise, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing;

(b) all Trademark licenses for the grant by or to any Grantors of any right to use any Trademark, including each Trademark license referred to in Item B of Schedule IV; and

(c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable clause (b);

(d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b); and

(e) all Proceeds of, and rights associated with, the foregoing, including any claim by any Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto throughout the world.

SECTION 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Security Agreement, including its preamble and recitals, have the meanings provided in the Credit Agreement.

SECTION 1.3. UCC Definitions. When used herein the terms “Account”, “Certificated Securities”, “Chattel Paper”, “Commercial Tort Claim”, “Commodity Account”, “Commodity Contract”, “Deposit Account”, “Document”, “Electronic Chattel Paper”, “Equipment”, “Goods”, “Instrument”, “Inventory”, “Letter-of-Credit Rights”, “Payment Intangibles”, “Proceeds”, “Promissory Notes”, “Securities Account”, “Security Entitlement”, “Supporting Obligations” and “Uncertificated Securities” have the meaning provided in Article 8 or Article 9, as applicable, of the UCC. “Letters of Credit” has the meaning provided in Section 5-102 of the UCC.

ARTICLE II
SECURITY INTEREST

SECTION 2.1. Grant of Security Interest. Each Grantor hereby grants to the Lender, for its benefit, a continuing security interest in all of such Grantor’s right, title and interest in and to the following property, whether now or hereafter existing, owned or acquired by such Grantor, and wherever located (collectively, the “Collateral”):

(a) Accounts;

(b) Chattel Paper;

(c) Commercial Tort Claims listed on Item I of Schedule II (as such schedule may be amended or supplemented from time to time);

(d) Deposit Accounts;

(e) Documents;

(f) General Intangibles;

(g) Goods (including Goods held on consignment with third parties);

(h) Instruments;

(i) Investment Property;

(j) Letter-of-Credit Rights and Letters of Credit;

(k) Supporting Obligations;

(l) all books, records, writings, databases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing in this Section;

(m) all Proceeds of the foregoing and, to the extent not otherwise included, (A) all payments under insurance (whether or not the Lender is the loss payee thereof) in respect of Collateral and (B) all tort claims; and

(n) all other property and rights of every kind and description and interests therein.

Notwithstanding the foregoing, the term "Collateral" shall not include:

(i) any General Intangibles or other rights, in each case arising under any contracts, instruments, licenses or other documents as to which the grant of a security interest would violate or invalidate any such contract, instrument, license or other document or give any other party to such contract, instrument, license or other document the right to terminate its obligations thereunder;

(ii) trademark applications filed in the United States Patent and Trademark Office on the basis of such Grantor's "intent to use" such trademark, unless and until acceptable evidence of use of the Trademark has been filed with the United States Patent and Trademark Office pursuant to Section 1(c) or Section 1(d) of the Lanham Act (15 U.S.C. 1051, et seq.), to the extent that granting a Lien in such Trademark application prior to such filing would adversely affect the enforceability or validity of such Trademark application;

(iii) any asset, the granting of a security interest in which would be void or illegal under any applicable governmental law, rule or regulation, or pursuant thereto would result in, or permit the termination of, such asset;

(iv) any asset subject to a Permitted Lien (other than Liens in favor of the Lender) securing obligations permitted under the Credit Agreement to the extent that the grant of other Liens on such asset (A) would result in a breach or violation of, or constitute a default under, the agreement or instrument governing such Permitted Lien, (B) would result in the loss of use of such asset or (C) would permit the holder of such Permitted Lien to terminate the Grantor's use of such asset;

(v) any Excluded Capital Securities; or

(vi) Excluded Accounts and assets therein (together with paragraphs (i) through (v) collectively, the "Excluded Assets")

provided, that the property described in paragraphs (i), (iii) and (iv) above shall only be excluded from the term "Collateral" to the extent the conditions stated in such paragraphs are not rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or any other applicable law.

SECTION 2.2. Security for Obligations. This Security Agreement and the Collateral in which the Lender is granted a security interest hereunder by the Grantors secure the payment and performance of all of the Obligations.

SECTION 2.3. Grantors Remain Liable. Anything herein to the contrary notwithstanding:

(a) the Grantors will remain liable under the contracts and agreements included in the Collateral to the extent set forth therein, and will perform all of their duties and obligations under such contracts and agreements to the same extent as if this Security Agreement had not been executed;

(b) the exercise by the Lender of any of its rights hereunder will not release any Grantor from any of its duties or obligations under any such contracts or agreements included in the Collateral; and

(c) the Lender will not have any obligation or liability under any contracts or agreements included in the Collateral by reason of this Security Agreement, nor will the Lender be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 2.4. Distributions on Capital Securities; Payments on Pledged Notes. In the event that any (a) Distribution with respect to any Capital Securities or (b) payment with respect to any Pledged Notes, in each case pledged hereunder, is permitted to be paid (in accordance with Section 8.6 of the Credit Agreement), such Distribution or payment may be paid directly to the applicable Grantor. If any Distribution or payment is made in contravention of Section 8.6 of

the Credit Agreement, such Grantor shall hold the same segregated and in trust for the Lender until paid to the Lender in accordance with Section 4.1.5.

SECTION 2.5. Security Interest Absolute, Etc. This Security Agreement shall in all respects be a continuing, absolute, unconditional and irrevocable grant of security interest, and shall remain in full force and effect until the Termination Date. All rights of the Lender and the security interests granted to the Lender hereunder, and all obligations of the Grantors hereunder, shall, to the fullest extent permitted by applicable law, in each case, be absolute, unconditional and irrevocable irrespective of:

(a) any lack of validity, legality or enforceability of any Loan Document (other than this Security Agreement);

(b) the failure of the Lender (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any of the Subsidiaries or any other Person (including any other Grantor) under the provisions of any Loan Document or otherwise, or (ii) to exercise any right or remedy against any guarantor (including any other Grantor) of, or Collateral securing, any Obligations;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations, or any other extension, compromise or renewal of any Obligations;

(d) any reduction, limitation, impairment or termination of any Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each Grantor hereby waives, until payment of all Obligations, any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Obligations or otherwise;

(e) any amendment to, rescission, waiver, or other modification of, or any consent to or departure from, any of the terms of any Loan Document;

(f) any addition, exchange or release of any Collateral or of any Person that is (or will become) a Grantor (including the Grantors hereunder), or any surrender or non-perfection of any Collateral, or any amendment to or waiver or release or addition to, or consent to or departure from, any guaranty held by the Lender securing any of the Obligations; or

(g) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of the Borrower or any of the Subsidiaries, any surety or any guarantor.

SECTION 2.6. Postponement of Subrogation. Each Grantor agrees that it will not exercise any rights against another Grantor which it may acquire by way of rights of subrogation under any Loan Document to which it is a party until following the Termination Date. No Grantor shall seek or be entitled to seek any contribution or reimbursement from the Borrower or

any of the Subsidiaries, in respect of any payment made by such Grantor under any Loan Document or otherwise, until following the Termination Date. Any amount paid to any Grantor on account of any such subrogation rights prior to the Termination Date shall be held in trust for the benefit of the Lender and shall immediately be paid and turned over to the Lender in the exact form received by such Grantor (duly endorsed in favor of the Lender, if required), to be credited and applied against the Obligations, whether matured or unmatured, in accordance with Section 6.1(b); provided that if such Grantor has made payment to the Lender of all or any part of the Obligations and the Termination Date has occurred, then at such Grantor's request, the Lender will, at the expense of such Grantor, execute and deliver to such Grantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to such Grantor of an interest in the Obligations resulting from such payment. In furtherance of the foregoing, at all times prior to the Termination Date, such Grantor shall refrain from taking any action or commencing any proceeding against the Borrower or any of the Subsidiaries (or their successors or assigns, whether in connection with a bankruptcy proceeding or otherwise) to recover any amounts in respect of payments made under this Security Agreement to the Lender.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into the Credit Agreement and make the Loans thereunder, the Grantors represent and warrant to the Lender as set forth below.

SECTION 3.1. As to Capital Securities of the Subsidiaries, Investment Property.

(a) With respect to any Domestic Subsidiary of any Grantor that is

(i) a corporation, business trust, joint stock company or similar Person, all Capital Securities issued by such Subsidiary are duly authorized and validly issued, fully paid and non-assessable, and represented by a certificate or certificates; and

(ii) a partnership or limited liability company, no Capital Securities issued by such Subsidiary (A) is dealt in or traded on securities exchanges or in securities markets, (B) expressly provides that such Capital Securities is a security governed by Article 8 of the UCC or (C) is held in a Securities Account, except, with respect to this clause (a)(ii), Capital Securities (x) for which the Lender is the registered owner or (y) with respect to which the issuer has agreed in an authenticated record with such Grantor and the Lender to comply with any instructions of the Lender without the consent of such Grantor.

(b) Each Grantor has delivered or made arrangements to deliver all Certificated Securities constituting Collateral held by such Grantor in a Subsidiary on the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable) or such later date as may have been agreed by the Lender in writing to the Lender, together with duly executed undated blank stock powers, or other equivalent instruments of transfer acceptable to the Lender.

(c) With respect to Uncertificated Securities constituting Collateral owned by any Grantor in a Subsidiary on the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable), such Grantor has caused the issuer thereof to do any of the following: (i) register the Lender as the registered owner of such security, (ii) agree in an authenticated record with such Grantor and the Lender that such issuer will comply with instructions with respect to such security originated by the Lender without further consent of such Grantor or (iii) with respect to any such Uncertificated Securities in a Subsidiary organized under the laws of a jurisdiction outside of the United States, take steps necessary to perfect such Grantor's pledge of such security under the law of the applicable foreign jurisdiction of the Subsidiary; provided that none of the foregoing clauses (i), (ii) or (iii) shall be required with respect to any Uncertificated Securities constituting Collateral owned by any Grantor in a Subsidiary organized under the laws of Australia or Germany.

(d) The percentage of the issued and outstanding Capital Securities of each Subsidiary pledged on the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable) by each Grantor hereunder is as set forth on Schedule I. All shares of such Capital Securities have been duly and validly issued and are fully paid and nonassessable.

(e) Each of the Intercompany Notes constitutes the legal, valid and binding obligation of the obligor with respect thereto, enforceable in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing.

SECTION 3.2. Grantor Name, Location, Etc. In each case as of the date hereof:

(a) (i) The jurisdiction in which each Grantor is located for purposes of Sections 9-301 and 9-307 of the UCC and (ii) the address of each Grantor's executive office and principal place of business is set forth in Item A of Schedule II.

(b) The Grantors do not have any trade names other than those set forth in Item C of Schedule II hereto.

(c) During the twelve months preceding the date hereof (or preceding the date such Grantor becomes a party to this Security Agreement, as applicable), no Grantor has been known by any legal name different from the one set forth on the signature page hereto, nor has such Grantor been the subject of any merger or other corporate reorganization, except as set forth in Item D of Schedule II hereto.

(d) Each Grantor's federal taxpayer identification number (or foreign equivalent) is (and, during the twelve months preceding the date hereof (or preceding the date such Grantor becomes a party to this Security Agreement, as applicable), such Grantor has not had a federal taxpayer identification number (or equivalent) different from that) set forth in Item E of Schedule II hereto.

(e) No Grantor is a party to any federal, state or local government contract except as set forth in Item F of Schedule II hereto.

(f) No Grantor maintains any Deposit Accounts, Securities Accounts or Commodity Accounts with any Person, in each case, except as set forth on Item G of Schedule II.

(g) No Grantor is the beneficiary of any Letters of Credit, except as set forth on Item H of Schedule II.

(h) No Grantor has Commercial Tort Claims except as set forth on Item I of Schedule II.

(i) The name set forth on the signature page attached hereto is the true and correct legal name (as defined in the UCC) of each Grantor.

SECTION 3.3. Ownership, No Liens, Etc. Each Grantor owns its Collateral free and clear of any Lien, except for (a) any security interest created by this Security Agreement and (b) Permitted Liens. No effective UCC financing statement or other filing similar in effect covering all or any part of the Collateral is on file in any recording office, except those filed in favor of the Lender relating to this Security Agreement, Permitted Liens or as to which a duly authorized termination statement relating to such UCC financing statement or other instrument has been delivered to the Lender on the Closing Date.

SECTION 3.4. Possession of Inventory, Control, Etc.

(a) Each Grantor has, and agrees that it will maintain, exclusive possession of its Documents, Instruments, Promissory Notes, Goods, Equipment and Inventory, other than (i) Equipment, Inventory and other property that is in transit in the ordinary course of business, (ii) Equipment, Inventory and other property that in the ordinary course of business is in the possession or control of a warehouseman, bailee agent, contract manufacturer, vendor, supplier or other Person, including, without limitation, at clinical sites or trade and exhibition shows, (iii) Inventory that is in the possession of a consignee in the ordinary course of business and (iv) Instruments or Promissory Notes that have been delivered to the Lender pursuant to Section 3.5. In the case of Equipment or Inventory described in clause (ii) above, no lessor or warehouseman of any premises or warehouse upon or in which such Equipment or Inventory is located has (x) issued any warehouse receipt or other receipt in the nature of a warehouse receipt in respect of any such Equipment or Inventory, (y) issued any Document for any such Equipment or Inventory, or (z) any Lien (other than Permitted Liens) on any such Equipment or Inventory. Each Grantor (other than the Dutch Subsidiary with respect to real property leases in the Netherlands) shall furnish to the Lender landlord access agreements, in form and substance satisfactory to the Lender, from each landlord to such Grantor for each real property lease entered into by such Grantor after the date hereof.

(b) Each Grantor is the sole entitlement holder of its Deposit Accounts and no other Person (other than the Lender pursuant to this Security Agreement or any other

Person with respect to Permitted Liens) has control or possession of, or any other interest in, any of its Deposit Accounts or any other securities or property credited thereto.

SECTION 3.5. Negotiable Documents, Instruments and Chattel Paper. Each Grantor has delivered to the Lender possession of all originals of all Documents, Instruments, Promissory Notes, and tangible Chattel Paper (other than any Document, Instrument, Promissory Note or tangible Chattel Paper not exceeding $75,000 in principal amount) owned or held by such Grantor on the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable).

SECTION 3.6. Intellectual Property Collateral Security Agreements. Each Grantor has executed and delivered to the Lender Intellectual Property Collateral security agreements for all Copyrights, Patents and Trademarks owned by such Grantor, including all Copyrights, Patents and Trademarks on Schedule III through V (as such schedules may be amended or supplemented from time to time by notice by such Grantor to the Lender);

SECTION 3.7. Validity, Etc.

(a) This Security Agreement creates a valid security interest in the Collateral securing the payment of the Obligations to the extent such security interest may be created pursuant to Article 9 of the UCC.

(b) As of the Closing Date (or the date such Grantor becomes a party to this Security Agreement, as applicable), each Grantor has filed or caused to be filed all UCC-1 financing statements in the filing office for each Grantor's jurisdiction of organization listed in Item A of Schedule II (collectively, the "Filing Statements") (or has delivered to the Lender the Filing Statements suitable for timely and proper filing in such offices) and has taken all other actions requested by the Lender necessary for the Lender to obtain control of the Collateral as provided in Sections 9-104, 9-105, 9-106 and 9-107 of the UCC.

(c) Upon the filing of the Filing Statements with the appropriate agencies therefor the security interests created under this Security Agreement shall constitute a perfected security interest in the Collateral described on such Filing Statements in favor of the Lender to the extent that a security interest therein may be perfected by filing a financing statement pursuant to the relevant UCC, prior to all other Liens, except for Permitted Liens (in which case such security interest shall be junior in priority of right only to the Permitted Liens until the obligations secured by such Permitted Liens have been satisfied).

SECTION 3.8. Authorization, Approval, Etc. Except as have been obtained or made and are in full force and effect, no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or any other third party is required either

(a) for the grant by the Grantors of the security interest granted hereby or for the execution, delivery and performance of this Security Agreement by the Grantors;

(b) for the perfection or maintenance of the security interests hereunder including the first priority nature of such security interest (except with respect to the Filing Statements or, with respect to Intellectual Property Collateral, the recordation of any agreements with the United States Patent and Trademark Office or the United States Copyright Office or, with respect to foreign Intellectual Property Collateral, the taking of appropriate action under applicable foreign law and, with respect to after-acquired Intellectual Property Collateral, any subsequent filings in United States intellectual property offices or the taking of appropriate action under applicable foreign law) or the exercise by the Lender of its rights and remedies hereunder; or

(c) for the exercise by the Lender of the voting or other rights provided for in this Security Agreement, except (i) with respect to any securities issued by a Subsidiary of the Grantors, as may be required in connection with a disposition of such securities by laws affecting the offering and sale of securities generally, the remedies in respect of the Collateral pursuant to this Security Agreement and (ii) any "change of control" or similar filings required by state licensing agencies.

SECTION 3.9. Best Interests. It is in the best interests of each Grantor (other than the Borrower) to execute this Security Agreement inasmuch as such Grantor will, as a result of being an Affiliate of the Borrower, derive substantial direct and indirect benefits from the Loans made to the Borrower by the Lender pursuant to the Credit Agreement, and each Grantor agrees that the Lender is relying on this representation in agreeing to make such Loans pursuant to the Credit Agreement to the Borrower.

ARTICLE IV
COVENANTS

Each Grantor covenants and agrees that, until the Termination Date, such Grantor will perform, comply with and be bound by the obligations set forth below.

SECTION 4.1. As to Investment Property, Etc.

SECTION 4.1.1. Capital Securities of Subsidiaries. No Grantor will allow any of its Subsidiaries:

(a) that is a corporation, business trust, joint stock company or similar Person, to issue Uncertificated Securities;

(b) that is a partnership or limited liability company, to (i) issue Capital Securities that are to be dealt in or traded on securities exchanges or in securities markets, (ii) expressly provide in its Organic Documents that its Capital Securities are securities governed by Article 8 of the UCC, or (iii) place such Subsidiary's Capital Securities in a Securities Account; and

(c) to issue Capital Securities in addition to or in substitution for the Capital Securities pledged hereunder and that constitute Collateral hereunder, except to such Grantor (and such Capital Securities are immediately pledged and delivered to the Lender pursuant to the terms of this Security Agreement).

SECTION 4.1.2. Investment Property (other than Certificated Securities). With respect to any Deposit Accounts, Securities Accounts, Commodity Accounts, Commodity Contracts or Security Entitlements constituting Investment Property owned or held by any Grantor, such Grantor will cause (except for Excluded Accounts) the intermediary maintaining such Investment Property to execute a Control Agreement relating to such Investment Property pursuant to which such intermediary agrees to comply with the Lender's instructions with respect to such Investment Property without further consent by such Grantor (which instructions the Lender hereby agrees not to give unless an Event of Default has occurred and is continuing).

SECTION 4.1.3. Certificated Securities (Stock Powers). Each Grantor agrees that all Certificated Securities constituting Collateral, including the Capital Securities delivered by such Grantor pursuant to this Security Agreement, will be accompanied by duly executed undated blank stock powers, or other equivalent instruments of transfer reasonably acceptable to the Lender.

SECTION 4.1.4. Continuous Pledge. Each Grantor will (subject to the terms of the Credit Agreement) (a) deliver to the Lender all Investment Property and all Payment Intangibles to the extent that such Investment Property or Payment Intangibles are evidenced by a Document, Instrument, Promissory Note or Chattel Paper (other than any Document, Instrument, Promissory Note or Chattel Paper not exceeding $75,000 in the principal amount), and (b) at all times keep pledged to the Lender pursuant hereto, on a first-priority, perfected basis, a security interest therein and in all interest and principal with respect to such Payment Intangibles, and all Proceeds and rights from time to time received by or distributable to such Grantor in respect of any of the foregoing Collateral. Each Grantor agrees that it will, promptly following receipt thereof, deliver to the Lender possession of all originals of negotiable Documents, Instruments, Promissory Notes and Chattel Paper that it acquires following the Closing Date (other than any Document, Instrument, Promissory Note or Chattel Paper not exceeding $75,000 in the principal amount).

SECTION 4.1.5. Voting Rights, Dividends, Etc. Each Grantor agrees:

(a) upon receipt of notice of the occurrence and continuance of an Event of Default from the Lender and without any request therefor by the Lender, so long as such Event of Default shall continue, to deliver (properly endorsed where required hereby or requested by the Lender) to the Lender all dividends and Distributions with respect to Investment Property; all interest, principal, other cash payments on Payment Intangibles; and all Proceeds of the Collateral, in each case thereafter received by such Grantor, all of which shall be held by the Lender as additional Collateral, except for payments made in accordance with Section 8.6 of the Credit Agreement; and

(b) immediately upon the occurrence and during the continuance of an Event of Default and so long as the Lender has notified such Grantor of the Lender's intention to exercise its voting power under this clause,

(i) with respect to Collateral consisting of general partner interests or limited liability company interests, to promptly modify its Organic Documents to admit the Lender as a general partner or member, as applicable;

(ii) that the Lender may exercise (to the exclusion of such Grantor) the voting power and all other incidental rights of ownership with respect to any Investment Property constituting Collateral and such Grantor hereby grants the Lender an irrevocable proxy, exercisable under such circumstances, to vote such Investment Property; and

(iii) to promptly deliver to the Lender such additional proxies and other documents as may be necessary to allow the Lender to exercise such voting power.

All dividends, Distributions, interest, principal, cash payments, Payment Intangibles and Proceeds that may at any time and from time to time be held by such Grantor, but which such Grantor is then obligated to deliver to the Lender, shall, until delivery to the Lender, be held by such Grantor separate and apart from its other property in trust for the Lender. The Lender agrees that unless an Event of Default shall have occurred and be continuing and the Lender shall have given the notice referred to in clause (b), such Grantor will have the exclusive voting power with respect to any Investment Property constituting Collateral and the Lender will, upon the written request of such Grantor, promptly deliver such proxies and other documents, if any, as shall be reasonably requested by such Grantor which are necessary to allow such Grantor to exercise that voting power; provided that no vote shall be cast, or consent, waiver, or ratification given, or action taken by such Grantor that would impair any such Collateral or be inconsistent with or violate any provision of any Loan Document.

SECTION 4.2. Change of Name, Etc. No Grantor will change its name or place of incorporation or organization or federal taxpayer identification number except as otherwise permitted by the Credit Agreement.

SECTION 4.3. As to Accounts.

(a) Each Grantor shall have the right to collect all Accounts so long as no Event of Default shall have occurred and be continuing.

(b) Upon (i) the occurrence and continuance of an Event of Default and (ii) the delivery of notice by the Lender to each Grantor, all Proceeds of Collateral received by such Grantor shall be delivered in kind to the Lender for deposit in a Deposit Account of such Grantor maintained with the Lender or otherwise is a Controlled Account (together with any other Deposit Accounts or Security Accounts pursuant to which any portion of the Collateral is deposited with the Lender, the "Collateral Accounts"), and such Grantor shall not commingle any such Proceeds, and shall hold separate and apart from all other property, all such Proceeds in express trust for the benefit of the Lender until delivery thereof is made to the Lender.

(c) Following the delivery of notice pursuant to clause (b)(ii), and so long as an Event of Default shall have occurred and be continuing, the Lender shall have the right to apply any amount in the Collateral Account, in accordance with Section 4.4(b) of the Credit Agreement, to the payment of any Obligations which are then due and payable.

(d) With respect to each of the Collateral Accounts, it is hereby confirmed and agreed that (i) deposits in such Collateral Account are subject to a security interest as contemplated hereby, (ii) so long as an Event of Default shall have occurred and be continuing, such Collateral Account shall be under the control of the Lender and (iii) so long as an Event of Default shall have occurred and be continuing, the Lender shall have the sole right of withdrawal over such Collateral Account.

SECTION 4.4. As to Grantors' Use of Collateral.

(a) Subject to clause (b), each Grantor (i) may in the ordinary course of its business, at its own expense, sell, lease or furnish under contracts of service any of the Inventory normally held by such Grantor for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by such Grantor for such purpose, (ii) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any of the Collateral, including the taking of such action with respect to such collection as the Lender may reasonably request following the occurrence of an Event of Default or, in the absence of such request, as such Grantor may deem advisable, and (iii) may grant, in the ordinary course of business, to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of Goods, the sale or lease of which shall have given rise to such Collateral.

(b) At any time following the occurrence and during the continuance of an Event of Default, whether before or after the maturity of any of the Obligations, the Lender may (i) revoke any or all of the rights of each Grantor set forth in clause (a), (ii) notify any parties obligated on any of the Collateral to make payment to the Lender of any amounts due or to become due thereunder and (iii) enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby.

(c) Upon the request of the Lender following the occurrence and during the continuance of an Event of Default, each Grantor will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Lender of any amounts due or to become due thereunder.

(d) At any time following the occurrence and during the continuation of an Event of Default, the Lender may endorse, in the name of such Grantor, any item, howsoever received by the Lender, representing any payment on or other Proceeds of any of the Collateral.

SECTION 4.5. As to Intellectual Property Collateral. Each Grantor covenants and agrees to comply with the following provisions as such provisions relate to any Intellectual Property Collateral material to the operations or business of such Grantor:

(a) [reserved];

(b) [reserved];

(c) [reserved];

(d) [reserved]; and

(e) such Grantor will quarterly (and sooner if requested by Lender) execute and deliver to the Lender (as applicable) a Patent Security Agreement, Trademark Security Agreement and/or Copyright Security Agreement, as the case may be, in the forms of Exhibit A, Exhibit B and Exhibit C hereto following its obtaining an interest in any such Intellectual Property, and shall execute and deliver to the Lender any other document reasonably required to evidence the Lender's interest in any part of such item of Intellectual Property Collateral unless such Grantor shall determine in good faith (with the consent of the Lender) that any Intellectual Property Collateral is of negligible economic value to such Grantor.

SECTION 4.6. As to Letter-of-Credit Rights.

(a) Each Grantor, by granting a security interest in its Letter-of-Credit Rights to the Lender, intends to (and hereby does) collaterally assign to the Lender its rights (including its contingent rights) to the Proceeds of all Letter-of-Credit Rights of which it is or hereafter becomes a beneficiary or assignee.

(b) Upon the occurrence of an Event of Default, such Grantor will, promptly upon request by the Lender, (i) notify (and such Grantor hereby authorizes the Lender to notify) the issuer and each nominated person with respect to each of the Letters of Credit that the Proceeds thereof have been assigned to the Lender hereunder and any payments due or to become due in respect thereof are to be made directly to the Lender and (ii) arrange for the Lender to become the transferee beneficiary of such Letter of Credit.

SECTION 4.7. As to Commercial Tort Claims. Each Grantor covenants and agrees that, until the payment in full of the Obligations and termination of all Commitments, with respect to any Commercial Tort Claim hereafter arising which the Company holds that could reasonably be expected to have a value in excess of $50,000, it shall deliver to the Lender a supplement in form and substance reasonably satisfactory to the Lender, together with all supplements to schedules thereto, identifying such new Commercial Tort Claim.

SECTION 4.8. Electronic Chattel Paper and Transferable Records. If any Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the U.S. Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, with a value in excess of $75,000, such Grantor shall promptly notify the Lender thereof and, at the request of the Lender, shall take such action as the Lender may reasonably request to vest in the Lender control under Section 9-105 of the UCC of such electronic chattel paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Lender agrees with such Grantor that the Lender will arrange, pursuant to procedures satisfactory to the

Lender and so long as such procedures will not result in the Lender's loss of control, for the Grantor to make alterations to the electronic chattel paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the U.S. Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the U.S. Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such electronic chattel paper or transferable record.

SECTION 4.9. Further Assurances, Etc. Each Grantor agrees that, from time to time at its own expense, it will, subject to the terms of this Security Agreement, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that the Lender may reasonably request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, such Grantor will:

(a) from time to time upon the request of the Lender, promptly deliver to the Lender such stock powers, instruments and similar documents, reasonably satisfactory in form and substance to the Lender, with respect to such Collateral as the Lender may request and will, from time to time upon the request of the Lender, after the occurrence and during the continuance of any Event of Default, promptly transfer any securities constituting Collateral into the name of any nominee designated by the Lender; if any Collateral shall be evidenced by an Instrument, negotiable Document, Promissory Note or tangible Chattel Paper, deliver and pledge to the Lender hereunder such Instrument, negotiable Document, Promissory Note or tangible Chattel Paper (other than any Instrument, negotiable Document, Promissory Note or tangible Chattel Paper in principal amount less than $75,000) duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Lender;

(b) file (and hereby authorize the Lender to file) such Filing Statements or continuation statements, or amendments thereto, and such other instruments or notices (including any assignment of claim form under or pursuant to the federal assignment of claims statute, 31 U.S.C. § 3727, any successor or amended version thereof or any regulation promulgated under or pursuant to any version thereof), as may be necessary or that the Lender may reasonably request in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Lender hereby;

(c) at all times keep pledged to the Lender pursuant hereto, on a first-priority, perfected basis (free and clear of all Liens except for Permitted Liens), at the request of the Lender, all Investment Property constituting Collateral, all dividends and Distributions with respect thereto, and all interest and principal with respect to Promissory Notes, and all Proceeds and rights from time to time received by or distributable to such Grantor in respect of any of the foregoing Collateral;

(d) [reserved];

(e) not create any tangible Chattel Paper without placing a legend on such tangible Chattel Paper reasonably acceptable to the Lender indicating that the Lender has a security interest in such Chattel Paper;

(f) furnish to the Lender, from time to time at the Lender's reasonable request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Lender may reasonably request, all in reasonable detail; and

(g) do all things reasonably requested by the Lender in accordance with this Security Agreement in order to enable the Lender to have and maintain control over the Collateral consisting of Investment Property, Deposit Accounts, Letter-of-Credit-Rights and Electronic Chattel Paper.

With respect to the foregoing and the grant of the security interest hereunder, each Grantor hereby authorizes the Lender to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral. Each Grantor agrees that a carbon, photographic or other reproduction of this Security Agreement or any UCC financing statement covering the Collateral or any part thereof shall be sufficient as a UCC financing statement where permitted by law. Each Grantor hereby authorizes the Lender to file financing statements describing as the collateral covered thereby "all of the debtor's personal property or assets" or words to that effect, notwithstanding that such wording may be broader in scope than the Collateral described in this Security Agreement.

ARTICLE V
THE LENDER

SECTION 5.1. Lender Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Lender as its attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Lender's discretion, following the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Security Agreement, including:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse, and collect any drafts or other Instruments, Documents and Chattel Paper, in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings which the Lender may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Lender with respect to any of the Collateral; and

(d) to perform the affirmative obligations of such Grantor hereunder.

Each Grantor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

SECTION 5.2. Lender May Perform. If any Grantor fails to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, that the Lender deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein to the extent provided for herein, and the expenses of the Lender incurred in connection therewith shall be payable by such Grantor pursuant to Section 10.3 of the Credit Agreement.

SECTION 5.3. Lender Has No Duty. The powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty on it to exercise any such powers. Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Lender shall have no duty as to any Collateral or responsibility for

(a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Investment Property, whether or not the Lender has or is deemed to have knowledge of such matters, or

(b) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

SECTION 5.4. Reasonable Care. The Lender is required to exercise reasonable care in the custody and preservation of any of the Collateral in its possession; provided that the Lender shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral, if it takes such action for that purpose as each Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of any Event of Default, but failure of the Lender to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

ARTICLE VI
REMEDIES

SECTION 6.1. Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Lender may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of the Lender on default under the UCC (whether or not the UCC applies to the affected Collateral) and also may

(i) take possession of any Collateral not already in its possession without demand and without legal process;

(ii) require each Grantor to, and each Grantor hereby agrees that it will, at its expense and upon request of the Lender forthwith, assemble all or part

of the Collateral as directed by the Lender and make it available to the Lender at a place to be designated by the Lender that is reasonably convenient to both parties;

(iii) enter onto the property where any Collateral is located and take possession thereof without demand and without legal process; and

(iv) without notice except as specified below, lease, license, sell or otherwise dispose of the Collateral or any part thereof in one or more parcels at any public or private sale, at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) All cash Proceeds received by the Lender in respect of any sale of, collection from, or other realization upon, all or any part of the Collateral shall be applied by the Lender against all or any part of the Obligations as set forth in Section 4.4(b) of the Credit Agreement.

(c) The Lender may

(i) transfer all or any part of the Collateral into the name of the Lender or its nominee, with or without disclosing that such Collateral is subject to the Lien hereunder;

(ii) notify the parties obligated on any of the Collateral to make payment to the Lender of any amount due or to become due thereunder;

(iii) withdraw, or cause or direct the withdrawal, of all funds with respect to the Collateral Account;

(iv) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto;

(v) endorse any checks, drafts, or other writings in any Grantor's name to allow collection of the Collateral;

(vi) take control of any Proceeds of the Collateral; and

(vii) execute (in the name, place and stead of any Grantor) endorsements, assignments, stock powers and other instruments of conveyance or transfer with respect to all or any of the Collateral.

SECTION 6.2. Securities Laws. If the Lender shall determine to exercise its right to sell all or any of the Collateral that are Capital Securities pursuant to Section 6.1(a)(iv), each Grantor acknowledges that the Lender may be unable to effect a public sale or other disposition of the Capital Securities by reason of certain prohibitions contained in the Securities Act of 1933, as from time to time amended (the "Securities Act"), federal banking laws, and other applicable laws, but may be compelled to resort to one or more private sales thereof to a restricted group of purchasers. Each Grantor agrees that any such private sale may be at prices and other terms less favorable to the seller than if sold at public sales and that such private sales shall not solely by reason thereof be deemed not to have been made in a commercially reasonable manner. The Lender shall be under no obligation to delay a sale of any of the Capital Securities for the period of time necessary to permit the issuer of such securities to register such securities for public sale under the Securities Act, or such other federal banking or other applicable laws, even if the issuer would agree to do so. Subject to the foregoing, the Lender agrees that any sale of the Capital Securities shall be made in a commercially reasonable manner and each Grantor agrees that, upon request of the Lender, such Grantor will, at its own expense:

(a) execute and deliver, and cause (or, with respect to any issuer which is not a Subsidiary of such Grantor, use its reasonable best efforts to cause) each issuer of the Collateral contemplated to be sold and the directors and officers thereof to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts and things, as may be necessary or, in the reasonable opinion of the Lender, advisable to register such Collateral under the provisions of the Securities Act of 1933, as from time to time amended (the "Securities Act"), and cause the registration statement relating thereto to become effective and to remain effective for such period as prospectuses are required by law to be furnished, and to make all amendments and supplements thereto and to the related prospectus which, in the opinion of the Lender, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the SEC applicable thereto;

(b) cause the issuer to exempt the Collateral under or comply with the state securities or "Blue Sky" laws and to obtain all necessary governmental approvals for the sale of the Collateral, as requested by the Lender;

(c) if required, cause (or, with respect to any issuer that is not a Subsidiary of such Grantor, use its best efforts to cause) each such issuer to make available to its security holders, as soon as practicable, an earnings statement that will satisfy the provisions of Section 11(a) of the Securities Act; and

(d) do or cause to be done all such other acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable law.

Each Grantor acknowledges the impossibility of ascertaining the amount of damages that would be suffered by the Lender by reason of the failure by such Grantor to perform any of the covenants contained in this Section and consequently agrees, to the fullest extent permitted by applicable law, that, if such Grantor shall fail to perform any of such covenants, it shall pay, as liquidated damages and not as a penalty, an amount equal to the value (as reasonably determined by the Lender) of such Collateral on the date the Lender shall demand compliance with this Section.

SECTION 6.3. Compliance with Restrictions. Each Grantor agrees that in any sale of any of the Collateral whenever an Event of Default shall have occurred and be continuing, the Lender is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority or official, and such Grantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Lender be liable nor accountable to such Grantor for any discount allowed by the reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

SECTION 6.4. Protection of Collateral. The Lender may from time to time, at its option, perform any act which any Grantor fails to perform after being requested in writing so to perform (it being understood that no such request need be given after the occurrence and during the continuance of an Event of Default) and the Lender may from time to time take any other action which the Lender deems necessary for the maintenance, preservation or protection of any of the Collateral or of its security interest therein.

ARTICLE VII
MISCELLANEOUS PROVISIONS

SECTION 7.1. Loan Document. This Security Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof. Notwithstanding anything contained herein to the contrary, to the extent any provision in this Security Agreement conflicts with any provision in the Credit Agreement, the terms of the Credit Agreement shall control.

SECTION 7.2. Binding on Successors, Transferees and Assigns; Assignment. This Security Agreement shall remain in full force and effect until the Termination Date has occurred, shall be binding upon the Grantors and their successors, transferees and assigns and shall inure to the benefit of and be enforceable by the Lender; provided that no Grantor may assign any of its obligations hereunder without the prior consent of the Lender.

SECTION 7.3. Amendments, Etc. No amendment or modification to or waiver of any provision of this Security Agreement, nor consent to any departure by any Grantor from its obligations under this Security Agreement, shall in any event be effective unless the same shall be in writing and signed by the Lender and the Grantors and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.4. Notices. All notices and other communications provided for hereunder shall be delivered or made as provided in Section 10.2 of the Credit Agreement.

SECTION 7.5. Release of Liens. Upon (a) the Disposition of Collateral to a Person other than a Grantor or a Subsidiary of a Grantor in accordance with the Credit Agreement or (b) the occurrence of the Termination Date, the security interests granted herein in such Collateral to the extent Disposed of shall automatically terminate with respect to (i) such Collateral (in the case of clause (a)) or (ii) all Collateral (in the case of clause (b)). Upon any such Disposition or termination, the Lender will, at the Grantors' sole expense, deliver to the Grantors, without any representations, warranties or recourse of any kind whatsoever, all Collateral held by the Lender hereunder, and execute and deliver to the Grantors such documents as the Grantors shall reasonably request to evidence such termination.

SECTION 7.6. Additional Grantors. Upon the execution and delivery by any other Person of a supplement in the form of Annex I hereto, such Person shall become a "Grantor" hereunder as of the date of such supplement with the same force and effect as if it was originally a party to this Security Agreement and named as a "Grantor" hereunder. The execution and delivery of such supplement shall not require the consent of any other Grantor hereunder, and the rights and obligations of each Grantor hereunder shall remain in full force and effect notwithstanding the addition of any new Grantor as a party to this Security Agreement.

SECTION 7.7. No Waiver; Remedies. In addition to, and not in limitation of Section 2.4, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 7.8. Severability. Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 7.9. Governing Law, Entire Agreement, Etc. THIS SECURITY AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Security

Agreement, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter thereof and supersedes any prior agreements, written or oral, with respect thereto.

SECTION 7.10. Counterparts. This Security Agreement may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. This Security Agreement shall become effective when counterparts hereof executed on behalf of all of the signatories hereto, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Security Agreement by email (e.g., "pdf" or "tiff") or telecopy shall be effective as delivery of a manually executed counterpart of this Security Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be duly executed and delivered by its Authorized Officer as of the date first above written.

TRANSMEDICS, INC.

By: /s/ Stephen Gordon
Name: Stephen M. Gordon
Title: Chief Financial Officer

TRANSMEDICS B.V.

By: /s/ Stephen Gordon
Name: Stephen M. Gordon
Title: Authorized Representative

ORBIMED ROYALTY OPPORTUNITIES II, LP.
as the Lender

By OrbiMed Advisors LLC,
its investment manager

By: /s/ W. Carter Neild
Name: W. Carter Neild
Title: Member

IN WITNESS WHEREOF, each of the parties hereto has caused this Security Agreement to be duly executed and delivered by its Authorized Officer as of the date first above written.

TRANSMEDICS, INC.

By: /s/ Stephen Gordon
Name: Stephen M. Gordon
Title: Chief Financial Officer

TRANSMEDICS B.V.

By: /s/ Stephen Gordon
Name: Stephen M. Gordon
Title: Authorized Representative

ORBIMED ROYALTY OPPORTUNITIES II, LP.
as the Lender

By OrbiMed Advisors LLC,
its investment manager

By: /s/ W. Carter Neild
Name: W. Carter Neild
Title: Member

Name of Grantor:	**Name of Subsidiary**	**Number of Issued and Outstanding Capital Securities of Subsidiary**	**Percentage of the Capital Securities of Subsidiary Pledged**
TransMedics, Inc.	TransMedics B.V.	180 ordinary shares	100%
TransMedics, Inc.	TransMedics Pty Ltd	1 ordinary share	65%
TransMedics B.V.	TransMedics GmbH	2 ordinary shares	65%

Item A. Location of each Grantor.

Name of Grantor:	**Location forpurposes of UCC:**	**Address of executive office and principal place of business**
TransMedics, Inc.	DE	200 Minuteman Road, Suite 302 Andover, MA 01810-1046
TransMedics B.V.	DC	De Tweeling 20-22 5215 MC ‘s-Hertogenbosch The Netherlands

Item B. [Reserved].

Item C. Trade names.

Name of Grantor:	**Trade Names:**
TransMedics, Inc.	None
TransMedics B.V.	None

Item D. Merger or other corporate reorganization.

None.

Item E. Grantor’s federal taxpayer ID numbers.

Name of Grantor:	**Taxpayer ID numbers:**
TransMedics, Inc.	04-3432735
TransMedics B.V.	N/A

Item F. Government Contracts.

1. License Agreement, dated August 27, 2002, between the Borrower and the Department of Veterans Affairs.

Item G. Deposit Accounts, Securities Accounts and Commodities Accounts.

Financial Institution	**Acct. Owner**	**Acct. #**	**Acct. Type**
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

Item H. Letter of Credit Rights.

None.

Item I. Commercial Tort Claims.

None.

Item J. Pledged Notes.

None.

SCHEDULE III
to Security Agreement

Item A. Patents

List of TransMedics IP Portfolio of Patents 06/01/18

Granted US			
Patent Number	**Filing Date**	**Title**	**Expiration Date**
6,046,046	03-Apr-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
6,100,082	23-Sep-1997	PERFUSION APPARATUS AND METHOD INCLUDING CHEMICAL COMPOSITIONS FOR MAINTAINING AN ORGAN	May 20, 2019
6,953,655	23-Mar-2000	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
7,572,622	14-Aug-2003	HEART PRESERVATION CHAMBER	January 29, 2026
7,651,835	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	March 13, 2027
8,304,181	25-Apr-2007	METHOD FOR EX-VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	March 6, 2028
8,409,846	17-Feb-2005	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
8,420,380	08-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	October 28, 2029
8,465,970	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	February 12, 2028
8,535,934	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	October 28, 2029
8,585,380	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	February 12, 2028
8,822,203	28-Sep-2010	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	November 20, 2028
9,055,740	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	June 15, 2028
9,078,428	07-Oct-2005	SYSTEMS, METHODS, COMPOSITIONS AND SOLUTIONS FOR PERFUSING AN ORGAN	August 23, 2027
9,215,867	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	December 29, 2027
9,247,728	08-Apr-2008	SYSTEM AND METHOD FOR EX VIVO LUNG CARE	October 28, 2029
9,301,519	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE	February 12, 2028
9,457,179	06-Jul-2007	SYSTEMS FOR MONITORING AND APPLYING ELECTRICAL CURRENTS IN AN ORGAN PERFUSION SYSTEM	July 8, 2031
9,462,802	08-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	December 18, 2031
9,516,875	12-Feb-2013	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	April 8, 2028
9,756,849	27-Mar-2015	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	June 24, 2018
9,756,850	10-Feb-2017	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017

Granted US			
Patent Number	**Filing Date**	**Title**	**Expiration Date**
9,756,851	24-Feb-2017	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2017
9,814,230	08-Apr-2008	SYSTEMS AND METHODS FOR Ex vivo LUNG CARE	October 28, 2029
9,894,894	16-Aug-2012	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	February 8, 2026

Pending US		
Application No.	**Filing Date**	**Title**
12/099687	08-Apr-2008	SYSTEMS AND METHODS FOR Ex vivo LUNG CARE
13/446706	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
14/464426	20-Aug-2014	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
14/728771	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
14/734769	09-Jun-2015	SYSTEMS, METHODS, COMPOSITIONS AND SOLUTIONS FOR PERFUSING AN ORGAN
14/939845	12-Nov-2015	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE
15/207303	11-Jul-2016	SYSTEMS FOR MONITORING AND APPLYING ELECTRICAL CURRENTS IN AN ORGAN PERFUSION SYSTEM
15/258194	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
15/857953	29-Dec-2017	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
728233	Australia	23-Sept-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
2005294206	Australia	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
2008260409	Australia	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE USING LACTATE AS AN INDICATOR	April 24, 2028
2009212725	Australia	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
2012216796	Australia	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
2012242578	Australia	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
2013216566	Australia	07-Oct-2005	SYSTEMS AND METHODS RELATED TO ORGAN PRESERVATION	October 7, 2025
2014202736	Australia	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO	January 30, 2029
2014256394	Australia	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
2015202735	Australia	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO	January 30, 2029
2015246083	Australia	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
2016201793	Australia	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE USING LACTATE AS AN INDICATOR	April 24, 2028
2016222388	Australia	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
1017274	Austria	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	Belgium	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Belgium	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Belgium	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Belgium	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
2304598	Canada	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
2584066	Canada	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
2685302	Canada	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
2881613	Canada	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
ZL201310556156.3	China	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
ZL200580042038.4	China	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
ZL201210449227.5	China	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
ZL200880020749.5	China	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
ZL200980110231.5	China	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
ZL201280025150.7	China	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
ZL201310148246.9	China	30-Jan-2009	SYSTEMS AND METHODS FOR EX- VIVO LUNG CARE	January 30, 2029
1017274	Denmark	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Denmark	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Denmark	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Denmark	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Europe	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Europe	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
1942726	Europe	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
2150105	Europe	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Finland	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	France	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	France	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	France	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	France	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Germany	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Germany	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Germany	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Germany	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1101890	Hong Kong	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1145942	Hong Kong	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
1185516	Hong Kong	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
1192115	Hong Kong	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO	January 30, 2029

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
1200054	Hong Kong	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1017274	Ireland	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Ireland	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Ireland	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Ireland	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
182403	Israel	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
194748	Israel	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
201739	Israel	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
207289	Israel	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
211084	Israel	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
228816	Israel	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
243261	Israel	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
1017274	Italy	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Italy	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Italy	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
2150105	Italy	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
5113522	Japan	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
5462406	Japan	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
5599322	Japan	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
5746534	Japan	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
5889861	Japan	23-Sept-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
5923551	Japan	23-Sep-1998	SYSTEMS AND METHODS FOR EX - VIVO ORGAN CARE - VA Case	September 23, 2018
5923552	Japan	23-Sep-1998	SYSTEMS AND METHODS FOR EX - VIVO ORGAN CARE - VA Case	September 23, 2018
5933666	Japan	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
6029650	Japan	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
6134771	Japan	23-Sep-1998	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	September 23, 2018
6144238	Japan	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
6284698	Japan	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
6343696	Japan	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
1017274	Luxembourg	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	Monaco	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
1017274	Netherlands	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Netherlands	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Netherlands	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Netherlands	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
554543	New Zealand	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
580648	New Zealand	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
586901	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
591524	New Zealand	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
597482	New Zealand	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
600702	New Zealand	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
603329	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
608461	New Zealand	24-Apr-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
614472	New Zealand	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
616699	New Zealand	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
623220	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
625575	New Zealand	24-April-2008	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS	April 24, 2028
702992	New Zealand	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
709775	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE	January 30, 2029
713560	New Zealand	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
717789	New Zealand	07-Oct-2005	SYSTEMS AND METHODS FOR EX- VIVO ORGAN CARE	October 7, 2025
728515	New Zealand	13-Apr-2012	ORGAN CARE SOLUTION FOR EX- VIVO MACHINE PERFUSION OF DONOR LUNGS	April 13, 2032
1017274	Portugal	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	Spain	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Spain	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Spain	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	Spain	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Sweden	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	Sweden	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	Sweden	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027

Granted Foreign				
Patent Number	**Country**	**Filing Date**	**Title**	**Expiration Date**
2150105	Sweden	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028
1017274	Switzerland	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1017274	United Kingdom	23-Sep-1998	COMPOSITIONS, METHODS AND DEVICES FOR MAINTAINING AN ORGAN	September 23, 2018
1768490	United Kingdom	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION	October 7, 2025
1942726	United Kingdom	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 19, 2027
2150105	United Kingdom	24-Apr-2008	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE	April 24, 2028

Pending Foreign			
Application Number	**Country**	**Filing Date**	**Title**
2015271799	Australia	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
2016318622	Australia	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
2017204594	Australia	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
2017251745	Australia	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE USING LACTATE AS AN INDICATOR
2017254983	Australia	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE
2997267	Canada	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
2649703	Canada	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
2713443	Canada	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
2833266	Canada	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
2899880	Canada	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
2937022	Canada	24-Apr-2008	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
2948767	Canada	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO
2950759	Canada	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
2980782	Canada	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE

Pending Foreign			
Application Number	**Country**	**Filing Date**	**Title**
2985229	Canada	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
201680051905.9	China	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
201510886161.X	China	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
201580039132.8	China	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
201610772591.3	China	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
201810088427.X	China	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
16844964.3	Europe	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
09707471.0	Europe	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
12770852.7	Europe	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
15803127.8	Europe	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
16205395.3	Europe	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
17172411.5	Europe	24-Apr-2008	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE AND FOR USING LACTATE AS AN INDICATION OF DONOR ORGAN STATUS
11104344.2	Hong Kong	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
14108359.2	Hong Kong	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS
16105788.7	Hong Kong	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO
17110784.0	Hong Kong	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
17112684.7	Hong Kong	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
235148	Israel	24-Apr-2008	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
243262	Israel	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
243263	Israel	19-Apr-2007	SYSTEMS AND METHODS FOR EX VIVO ORGAN CARE
247534	Israel	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNGS EX VIVO
249263	Israel	07-Oct-2005	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE
249277	Israel	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
253737	Israel	24-Apr-2008	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
257512	Israel	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM

Pending Foreign			
Application Number	**Country**	**Filing Date**	**Title**
258702	Israel	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
2018-512425	Japan	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
2016-570779	Japan	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
2017-248794	Japan	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
2015-231545	Japan	30-Jan-2009	METHOD AND DEVICE THAT PRESERVES LUNG EX VIVO
2016-223133	Japan	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
2016-210448	Japan	24-Apr-2008	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE USING LACTATE AS AN INDICATOR
2015-189389	Japan	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
2017-131257	Japan	23-Sep-1998	SYSTEMS AND METHODS FOR EX-VIVO ORGAN CARE
2018-057705	Japan	24-Apr-2008	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
2018-097232	Japan	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
724681	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
726895	New Zealand	02-Jun-2015	EX VIVO ORGAN CARE SYSTEM
732515	New Zealand	07-Oct-2005	SYSTEMS AND METHODS RELATING TO ORGAN PRESERVATION
739110	New Zealand	30-Jan-2009	SYSTEMS AND METHODS FOR EX VIVO LUNG CARE
739881	New Zealand	07-Sep-2016	AORTIC CANNULA FOR EX VIVO ORGAN CARE SYSTEM
740353	New Zealand	13-Apr-2012	ORGAN CARE SOLUTION FOR EX-VIVO MACHINE PERFUSION OF DONOR LUNGS

Item B. Patent Licenses

1. Patent License Agreement between the Borrower and Terumo Cardiovascular Systems Corporation, dated July 17, 2006.[1]

2. License Agreement, dated August 27, 2002, between the Borrower and the Department of Veterans Affairs.

[1] The Borrower no longer uses the part(s) covered under this agreement and does not owe any royalty to Terumo.

Item A. Trademarks

Issued Registrations

Mark	Country	Reg. No.	Reg. Date
MISCELLANEOUS design 	Australia Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Canada	790432	02/11/11
MISCELLANEOUS design 	China Madrid Protocol Class 1	933367	08/01/07
MISCELLANEOUS design 	China Madrid Protocol Class 41	933367	08/01/07
MISCELLANEOUS design 	Curacao Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	European Community Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Israel Class 1 Class 10 Class 41	203139	12/04/08
MISCELLANEOUS design 	Japan Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Monaco Madrid Protocol	933367	08/01/07

MISCELLANEOUS design 	Caribbean Netherlands Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	New Zealand	773266	06/05/07
MISCELLANEOUS design 	Norway Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	St. Maarten Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	Switzerland Madrid Protocol	933367	08/01/07
MISCELLANEOUS design 	United States Class 1	3378043	02/05/08
MISCELLANEOUS design 	United States Class 10	3378044	02/05/08
MISCELLANEOUS design 	United States Class 41	3378045	02/05/08
TRANSMEDICS	Australia Madrid Protocol	868714	08/31/05
TRANSMEDICS	European Community Madrid Protocol	868714	08/31/05
TRANSMEDICS	Japan Madrid Protocol	868714	08/31/05
TRANSMEDICS	Madrid Protocol	868714	08/31/05
TRANSMEDICS	Monaco Madrid Protocol	868714	08/31/05
TRANSMEDICS	Switzerland Madrid Protocol	868714	08/31/05
TRANSMEDICS	United States Class 1	3133609	08/22/06

TRANSMEDICS	United States Class 10	3130424	08/15/06
TRANSMEDICS	United States Class 41	3133607	08/22/06

Item B. Trademark Licenses

None.

Item A. Copyrights/Mask Works

None.

Item B. Copyright/Mask Work Licenses

None.

SCHEDULE VI
to Security Agreement

Trade Secret or Know-How Licenses

None.

EXHIBIT A
to Security Agreement

PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT, dated as of _____ __, 20_ (this "Agreement"), is made by [NAME OF GRANTOR], a _____ _____(the "Grantor"), in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor and its Affiliates have executed and delivered a Pledge and Security Agreement in favor of the Lender, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (f) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Lender a continuing security interest in all of the Patent Collateral (as defined below) to secure all of the Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of the Lender, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Lender, for its benefit, a continuing security interest in all of the Grantor's right, title and interest in and to the following property, whether now or hereafter existing or acquired by the Grantor (the "Patent Collateral"):

(a) Patents throughout the world, including each patent and patent application referred to in Item A of Schedule I attached hereto;

(b) all reissues, divisions, continuations, continuations-in-part, extensions, renewals and reexaminations of any of the items described in clause (a);

(c) all patent licenses and other agreements providing the Grantor with the right to use any items of the type referred to in clauses (a) and (b) above, including each patent license referred to in Item B of Schedule I attached hereto; and

(d) all Proceeds of, and rights associated with, the foregoing (including licenses, royalties income, payments, claims, damages and Proceeds of infringement suits) and the right to sue third parties for past, present or future infringements of any Patent and for breach or enforcement of any patent license.

Notwithstanding anything to the contrary herein, Patent Collateral shall not include any Excluded Assets (as defined in the Security Agreement).

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Lender in the Patent Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted in furtherance of, and not in limitation of, the security interest granted to the Lender for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Patent Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Patent Collateral (in the case of clause (i)) or (B) all Patent Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Lender will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all Patent Collateral held by the Lender hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Patent Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Effective. This Agreement shall become effective when a counterpart hereof executed by the Grantor, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Agreement by email (e.g., "pdf" or "tiff") or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Grantor hereto has caused this Agreement to be duly executed and delivered by its Authorized Officer as of the date first above written.

[NAME OF GRANTOR]

By: _____
Name:
Title:

SCHEDULE I
to Patent Security Agreement

Item A. Patents

Issued Patents

Country	Patent No.	Issue Date	Inventor(s)	Title

Pending Patent Applications

Country	Serial No.	Filing Date	Inventor(s)	Title

Item B. Patent Licenses

Country or Territory	Licensor	Licensee	Effective Date	Expiration Date	Subject Matter

EXHIBIT B
to Security Agreement

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT, dated as of _____ __, 20 (this "Agreement"), is made by [NAME OF GRANTOR], a _____ _____(the "Grantor"), in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor and its Affiliates have executed and delivered a Pledge and Security Agreement in favor of the Lender, dated as of June 22, 2018 (as amended, supplemented, or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (f) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Lender a continuing security interest in all of the Trademark Collateral (as defined below) to secure all of the Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of each Lender, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Lender, for its benefit, a continuing security interest in all of Grantor's right, title and interest in and to the following property, whether now or hereafter existing or acquired by the Grantor (the "Trademark Collateral"):

(a) (i) all of its Trademarks, now existing or hereafter adopted or acquired including those referred to in Item A of Schedule I hereto, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or filed, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States

of America or any State thereof, and all common-law rights relating to the foregoing, and (ii) the right to obtain all reissues, extensions or renewals of the foregoing;

(b) all Trademark licenses for the grant by or to the Grantor of any right to use any Trademark, including each Trademark license referred to in Item B of Schedule I hereto;

(c) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clause (a), and to the extent applicable clause (b);

(d) the right to sue third parties for past, present and future infringements of any Trademark Collateral described in clause (a) and, to the extent applicable, clause (b); and

(e) all Proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license and all rights corresponding thereto throughout the world.

Notwithstanding anything to the contrary herein, Trademark Collateral shall not include any Excluded Assets (as defined in the Security Agreement).

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Lender in the Trademark Collateral with the United States Patent and Trademark Office. The security interest granted hereby has been granted in furtherance of, and not in limitation of, the security interest granted to the Lender for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Trademark Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Trademark Collateral (in the case of clause (i)) or (B) all Trademark Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Lender will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all Trademark Collateral held by the Lender hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Effective. This Agreement shall become effective when a counterpart hereof executed by the Grantor, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Agreement by email (e.g., "pdf" or "tiff") or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Grantor hereto has caused this Agreement to be duly executed and delivered by Authorized Officer as of the date first above written.

[NAME OF GRANTOR]

By: _____
Name:
Title:

SCHEDULE I
to Trademark Security Agreement

Item A. Trademarks

Registered Trademarks

Country	Trademark	Registration No.	Registration Date

Pending Trademark Applications

Country	Trademark.	Serial No.	Filing Date

Item B. Trademark Licenses

Country or Territory	Trademark	Licensor	Licensee	Effective Date	Expiration Date

EXHIBIT C
to Security Agreement

COPYRIGHT SECURITY AGREEMENT

This COPYRIGHT SECURITY AGREEMENT, dated as of _____ __, 20 (this "Agreement"), is made by [NAME OF GRANTOR], a _____ _____(the "Grantor"), in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower;

WHEREAS, in connection with the Credit Agreement, the Grantor and its Affiliates have executed and delivered a Pledge and Security Agreement in favor of the Lender, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Security Agreement");

WHEREAS, pursuant to the Credit Agreement and pursuant to clause (f) of Section 4.5 of the Security Agreement, the Grantor is required to execute and deliver this Agreement and to grant to the Lender a continuing security interest in all of the Copyright Collateral (as defined below) to secure all of the Obligations; and

WHEREAS, the Grantor has duly authorized the execution, delivery and performance of this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor agrees, for the benefit of the Lender, as follows:

SECTION 1. Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, have the meanings provided (or incorporated by reference) in the Security Agreement.

SECTION 2. Grant of Security Interest. The Grantor hereby grants to the Lender, for its benefit, a continuing security interest in all of the Grantor's right, title and interest in and to the following (the "Copyright Collateral"), whether now or hereafter existing or acquired by the Grantor: all Copyrights of the Grantor, including the copyrights referred to in Item A of Schedule I hereto, and registrations and recordings thereof and all applications for registration thereof, all exclusive and nonexclusive licenses from third parties or rights to use copyrights owned by such third parties, including each copyright license referred to in Item B of Schedule I hereto, and all Proceeds of the foregoing, including licenses, royalties, income, payments, claims, damages and Proceeds of suit, which are owned or in-licensed.

Notwithstanding anything to the contrary herein, Copyright Collateral shall not include any Excluded Assets (as defined in the Security Agreement).

SECTION 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Lender in the Copyright Collateral with the United States Copyright Office. The security interest granted hereby has been granted in furtherance of, and not in limitation of, the security interest granted to the Lender for its benefit under the Security Agreement. The Security Agreement (and all rights and remedies of the Lender thereunder) shall remain in full force and effect in accordance with its terms.

SECTION 4. Release of Liens. Upon (i) the Disposition of Copyright Collateral in accordance with the Credit Agreement or (ii) the occurrence of the Termination Date, the security interests granted herein shall automatically terminate with respect to (A) such Copyright Collateral (in the case of clause (i)) or (B) all Copyright Collateral (in the case of clause (ii)). Upon any such Disposition or termination, the Lender will, at the Grantor's sole expense, deliver to the Grantor, without any representations, warranties or recourse of any kind whatsoever, all Copyright Collateral held by the Lender hereunder, and execute and deliver to the Grantor such documents as the Grantor shall reasonably request to evidence such termination.

SECTION 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Lender with respect to the security interest in the Copyright Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

SECTION 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof.

SECTION 7. Effective. This Agreement shall become effective when a counterpart hereof executed by the Grantor, shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Agreement by email (e.g., "pdf" or "tiff") or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Grantor hereto has caused this Agreement to be duly executed and delivered by Authorized Officer as of the date first above written.

[NAME OF GRANTOR]

By: _____
Name:
Title:

SCHEDULE I
to Copyright Security Agreement

Item A. Copyrights/Mask Works

Registered Copyrights/Mask Works

Country	Registration No.	Registration Date	Author(s)	Title

Copyright/Mask Work Pending Applications

Country	Serial No.	Filing Date	Author(s)	Title

Item B. Copyright/Mask Work Licenses

Country or Territory	Licensor	Licensee	Effective Date	Expiration Date

ANNEX I
to Security Agreement

SUPPLEMENT TO
PLEDGE AND SECURITY AGREEMENT

This SUPPLEMENT, dated as of _____ __, 20__ (this "Supplement"), is to the Pledge and Security Agreement, dated as of June 22, 2018 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Security Agreement"), among the Grantors (such term, and other terms used in this Supplement, to have the meanings set forth in Article I of the Security Agreement) from time to time party thereto, in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower;

WHEREAS, pursuant to the provisions of Section 7.6 of the Security Agreement, each of the undersigned is becoming a Grantor under the Security Agreement; and

WHEREAS, each of the undersigned desires to become a "Grantor" under the Security Agreement in order to induce the Lender to continue to extend Loans under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the undersigned agrees, for the benefit of the Lender, as follows.

SECTION 1. Party to Security Agreement, Etc. In accordance with the terms of the Security Agreement, by its signature below, each of the undersigned hereby irrevocably agrees to become a Grantor under the Security Agreement with the same force and effect as if it were an original signatory thereto and each of the undersigned hereby (a) agrees to be bound by and comply with all of the terms and provisions of the Security Agreement applicable to it as a Grantor and (b) represents and warrants that the representations and warranties made by it as a Grantor thereunder are true and correct as of the date hereof, unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date. In furtherance of the foregoing, each reference to a "Grantor" and/or "Grantors" in the Security Agreement shall be deemed to include each of the undersigned.

SECTION 2. Schedules. Each of the undersigned Grantors hereby authorizes the Lender to add the information set forth on the Schedules to this Supplement to the correlative Schedules attached to the Security Agreement.

SECTION 3. Representations. Each of the undersigned Grantors hereby represents and warrants that this Supplement has been duly authorized, executed and delivered by it and that this Supplement and the Security Agreement constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 4. Full Force of Security Agreement. Except as expressly supplemented hereby, the Security Agreement shall remain in full force and effect in accordance with its terms.

SECTION 5. Severability. Wherever possible each provision of this Supplement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Supplement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Supplement or the Security Agreement.

SECTION 6. Governing Law, Entire Agreement, Etc. THIS SUPPLEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Supplement, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter thereof and supersedes any prior agreements, written or oral, with respect thereto.

SECTION 7. Effective. This Supplement shall become effective when a counterpart hereof executed by the Grantor shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Supplement by email (e.g., “pdf” or “tiff”) or telecopy shall be effective as delivery of a manually executed counterpart of this Supplement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Grantor hereto has caused this Supplement to be duly executed and delivered by Authorized Officer as of the date first above written.

[NAME OF ADDITIONAL SUBSIDIARY]

By: _____
Name:
Title:

[NAME OF ADDITIONAL SUBSIDIARY]

By: _____
Name:
Title:

[COPY SCHEDULES FROM SECURITY AGREEMENT]

Exhibit 10.19

GUARANTEE

This GUARANTEE, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, this "Guarantee"), is made by TransMedics B.V., a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), (together with any additional Persons named pursuant to Section 5.5, each a "Guarantor" and collectively the "Guarantors"), in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, dated as of June 22, 2018 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and between the Borrower and the Lender, the Lender has extended a Commitment to make Loans to the Borrower; and

WHEREAS, as a condition precedent to the making of the Initial Loan under the Credit Agreement, the Guarantors are required to execute and deliver this Guarantee;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Lender to make the Loans to the Borrower, each Guarantor hereby agrees, for the benefit of the Lender, as follows.

ARTICLE I
DEFINITIONS

Section 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Guarantee, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Credit Agreement" is defined in the first recital.

"Guarantor" is defined in the preamble.

"Guarantee" is defined in the preamble.

"Lender" is defined in the preamble.

"Obligor" is defined in Section 2.1(a).

Section 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Guarantee, including its preamble and recitals, have the meanings provided in the Credit Agreement.

ARTICLE II
GUARANTEE PROVISIONS

Section 2.1. Guarantee. Each Guarantor jointly and severally, absolutely, unconditionally and irrevocably:

(a) guarantees the full and punctual payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, and performance of all Obligations of the Borrower and the Subsidiaries (each, an "Obligor") now or hereafter existing, whether for principal, interest (including interest accruing at the then applicable Default rate as provided in Section 3.6 of the Credit Agreement, whether or not a claim for post-filing or post-petition interest is allowed under applicable law following the institution of a proceeding under bankruptcy, insolvency or similar laws), fees, expenses or otherwise (including all such amounts which would become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code, 11 U.S.C. §362(a), and the operation of Sections 502(b) and 506(b) of the United States Bankruptcy Code, 11 U.S.C. §502(b) and §506(b)); and

(b) indemnifies and holds harmless the Lender for any and all costs and expenses (including the reasonable fees and out-of-pocket expenses of counsel to the Lender) incurred by the Lender in enforcing any rights under this Guarantee, except to the extent such amounts arise or are incurred as a consequence of the Lender's own gross negligence or willful misconduct;

provided, that each Guarantor shall only be liable under this Guarantee for the maximum amount of such liability that can be hereby incurred without rendering this Guarantee, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount. This Guarantee constitutes a guarantee of payment when due and not of collection, and each Guarantor specifically agrees that it shall not be necessary or required that the Lender exercise any right, assert any claim or demand or enforce any remedy whatsoever against such Guarantor or any other Person before or as a condition to the obligations of such Guarantor becoming due hereunder.

Section 2.2. Reinstatement, Etc. Each Guarantor agrees that this Guarantee shall continue to be effective or be reinstated (including on or after the Termination Date), as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is invalidated, declared to be fraudulent or preferential, set aside, rescinded or must otherwise be restored by the Lender, including upon the occurrence of any Event of Default set forth in Section 9.1(h) of the Credit Agreement or otherwise, all as though such payment had not been made.

Section 2.3. Guarantee Absolute, Etc. This Guarantee shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment, and shall remain in full force and effect until (unless reinstated pursuant to Section 2.2 above) the Termination Date has occurred. Each Guarantor guarantees that the Obligations shall be paid strictly in accordance with the terms of each Loan Document under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of

the Lender with respect thereto. The liability of each Guarantor under this Guarantee shall be absolute, unconditional and irrevocable irrespective of:

(a) any lack of validity, legality or enforceability of any Loan Document;

(b) the failure of the Lender (i) to assert any claim or demand or to enforce any right or remedy against such Guarantor or any other Person (including any other guarantor) under the provisions of any Loan Document or otherwise, or (ii) to exercise any right or remedy against any other guarantor (including such Guarantor and any other Guarantor) of, or collateral securing, any Obligations;

(c) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations, or any other extension, compromise or renewal of any Obligation, or any amendment to, rescission, waiver, or other modification of, or any consent to or departure from, any of the terms of any Loan Document;

(d) any reduction, limitation, impairment or termination of any Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each Guarantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Obligations or otherwise;

(e) any addition, exchange or release of any collateral or of any Person that is (or will become) a guarantor of the Obligations, or any surrender or non-perfection of any collateral, or any amendment to, or waiver or release of, or addition to, or consent to or departure from, any other guarantee held by the Lender securing any of the Obligations; or

(f) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any Obligor, any surety or any guarantor (including any Guarantor).

Section 2.4. Setoff. Each Guarantor hereby irrevocably authorizes the Lender, without the requirement that any notice be given to such Guarantor (such notice being expressly waived by such Guarantor), upon the occurrence and during the continuance of any Event of Default, to appropriate and apply to the payment of the Obligations owing to it (whether or not then due), and (as security for such Obligations) each Guarantor hereby grants to the Lender a continuing security interest in, any and all balances, credits, deposits, accounts or moneys of such Guarantor then or thereafter maintained with or on behalf of the Lender. The Lender agrees to notify such Guarantor after any such set-off and application made by the Lender; provided, that the failure to give such notice shall not affect the validity of such setoff and application. The rights of the Lender under this Section are in addition to other rights and remedies (including other rights of setoff under applicable law or otherwise) which the Lender may have.

Section 2.5. Waiver, Etc. Each Guarantor waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Guarantee and any requirement that the Lender protect, secure, perfect or insure any Lien, or any property

subject thereto, or exhaust any right or take any action against any Obligor or any other Person (including any Guarantor) or entity or any collateral securing the Obligations, as the case may be.

Section 2.6. Postponement of Subrogation, Etc. Each Guarantor agrees that it will not exercise any rights which it may acquire by way of rights of subrogation under any Loan Document to which it is a party, nor shall such Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Obligor or Guarantor, in respect of any payment made under any Loan Document or otherwise, until following the Termination Date. Any amount paid to such Guarantor on account of any such subrogation rights prior to the Termination Date shall be held in trust for the benefit of the Lender and shall immediately be paid and turned over to the Lender in the exact form received by such Guarantor (duly endorsed in favor of the Lender, if required), to be credited and applied against the Obligations, whether matured or unmatured, in accordance with Section 2.7; provided, that if such Guarantor has made payment to the Lender of all or any part of the Obligations and the Termination Date has occurred, then, at such Guarantor's request, the Lender will, at the expense of such Guarantor, execute and deliver to such Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Obligations resulting from such payment. In furtherance of the foregoing, at all times prior to the Termination Date, such Guarantor shall refrain from taking any action or commencing any proceeding against the Borrower or any other Obligor or Guarantor (or their successors or assigns, whether in connection with a bankruptcy proceeding or otherwise) to recover any amounts in respect of payments made under this Guarantee to the Lender. SECTION 2.7. Payments; Application. Each Guarantor agrees that all obligations of such Guarantor hereunder shall be paid solely in U.S. Dollars to the Lender in immediately available funds, without set-off, counterclaim or other defense and in accordance with Sections 3.2, 3.3, 4.3 and 4.4 of the Credit Agreement, free and clear of and without deduction for any Non-Excluded Taxes, such Guarantor hereby agreeing to comply with and be bound by the provisions of Sections 3.2, 3.3, 4.3 and 4.4 of the Credit Agreement in respect of all payments and application of such payments made by it hereunder and the provisions of which Sections are hereby incorporated into and made a part of this Guarantee by this reference as if set forth herein; provided, that references to the "Borrower" in such Sections shall be deemed to be references to such Guarantor, and references to "this Agreement" in such Sections shall be deemed to be references to this Guarantee.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into the Credit Agreement and make the Loans thereunder, each Guarantor represents and warrants to the Lender as set forth below.

Section 3.1. Credit Agreement Representations and Warranties. The representations and warranties contained in Article VI of the Credit Agreement, insofar as the representations and warranties contained therein are applicable to such Guarantor and its properties, are true and correct in all material respects as of the Closing Date and the Delayed Draw Closing Date, if applicable, each such representation and warranty set forth in such Article (insofar as applicable as aforesaid) and all other terms of the Credit Agreement to which reference is made therein,

together with all related definitions and ancillary provisions, being hereby incorporated into this Guarantee by this reference as though specifically set forth in this Article.

Section 3.2. Financial Condition, Etc. Each Guarantor has knowledge of the Borrower's and each other Guarantor's financial condition and affairs and has adequate means to obtain from each such Person on an ongoing basis information relating thereto and to each such Person's ability to pay and perform the Obligations, and agrees to assume the responsibility for keeping, and to keep, so informed for so long as this Guarantee is in effect. Each Guarantor acknowledges and agrees that the Lender shall have no obligation to investigate the financial condition or affairs of the Borrower or any other Guarantor for the benefit of such Guarantor nor to advise such Guarantor of any fact respecting, or any change in, the financial condition or affairs of each such Person that might become known to the Lender at any time, whether or not the Lender knows or believes or has reason to know or believe that any such fact or change is unknown to such Guarantor, or might (or does) materially increase the risk of such Guarantor as guarantor, or might (or would) affect the willingness of such Guarantor to continue as a guarantor of the Obligations.

Section 3.3. Best Interests. It is in the best interests of each Guarantor to execute this Guarantee inasmuch as each Guarantor will, as a result of being an Affiliate of the Borrower, derive substantial direct and indirect benefits from the Loans made to the Borrower by the Lender pursuant to the Credit Agreement, and each Guarantor agrees that the Lender is relying on this representation in agreeing to make the Loans to the Borrower.

ARTICLE IV
COVENANTS, ETC.

Section 4.1. Covenants. Each Guarantor covenants and agrees that, at all times prior to the Termination Date, it will perform, comply with and be bound by all of the agreements, covenants and obligations contained in the Credit Agreement (including Articles VII and VIII of the Credit Agreement) which are applicable to such Guarantor or its properties, each such agreement, covenant and obligation contained in the Credit Agreement and all other terms of the Credit Agreement to which reference is made in this Article, together with all related definitions and ancillary provisions, being hereby incorporated into this Guarantee by this reference as though specifically set forth in this Article.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 5.1. Loan Document. This Guarantee is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including Article X thereof. Notwithstanding anything contained herein to the contrary, to the extent that any provision in this Guarantee conflicts with any provision in the Credit Agreement, the terms of the Credit Agreement shall control.

Section 5.2. Binding on Successors, Transferees and Assigns; Assignment. This Guarantee shall remain in full force and effect until the Termination Date has occurred, shall be

binding upon each Guarantor and its successors, transferees and assigns and shall inure to the benefit of and be enforceable by the Lender; provided, that such Guarantor may not (unless otherwise permitted under the terms of the Credit Agreement) assign any of its obligations hereunder without the prior written consent of the Lender. Without limiting the generality of the foregoing, the Lender may assign or otherwise transfer (in whole or in part) its Commitment, Note or Loans held by it to any other Person to the extent permitted by the Credit Agreement, and such other Person shall thereupon become vested with all rights and benefits in respect thereof granted to the Lender under each Loan Document (including this Guarantee) or otherwise.

Section 5.3. Amendments, Etc. No amendment to or waiver of any provision of this Guarantee, nor consent to any departure by any Guarantor from its obligations under this Guarantee, shall in any event be effective unless the same shall be in writing and signed by the Lender and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 5.4. Notices. All notices and other communications provided for hereunder shall be given or made as set forth in Section 10.2 of the Credit Agreement.

Section 5.5. Release of Guarantors. Subject to Section 2.2 of this Guarantee, upon (a) the Disposition of a Guarantor to a Person that is not an Obligor or any Subsidiary thereof in accordance with the terms of the Credit Agreement and this Guarantee or (b) the occurrence of the Termination Date, the guarantees made herein shall automatically terminate with respect to (i) such Guarantor (in the case of clause (a)) or (ii) all Guarantors (in the case of clause (b)).

Section 5.6. Additional Guarantors Upon the execution and delivery by any other Person of a supplement in the form of Annex I hereto, such Person shall become a "Guarantor" hereunder with the same force and effect as if it were originally a party to this Guarantee and named as a "Guarantor" hereunder. The execution and delivery of such supplement shall not require the consent of any other Guarantor hereunder, and the rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Guarantee.

Section 5.7. No Waiver; Remedies. In addition to, and not in limitation of, Section 2.3 and Section 2.5, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 5.8. Further Assurances. Each Guarantor agrees, upon the written request of the Lender, to execute and deliver to the Lender, from time to time, any additional instruments or documents deemed to be reasonably necessary by the Lender to cause this Guarantee to be, become or remain valid and effective in accordance with its terms.

Section 5.9. Section Captions. Section captions used in this Guarantee are for convenience of reference only and shall not affect the construction of this Guarantee.

Section 5.10. Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Guarantee or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 5.11. Governing Law, Entire Agreement, Etc. THIS GUARANTEE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS GUARANTEE OR ANY OTHER LOAN DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Guarantee, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, written or oral, with respect hereto.

Section 5.12. Forum Selection and Consent to Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTEE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR ANY GUARANTOR IN CONNECTION HEREWITH SHALL BE BROUGHT AND MAINTAINED IN THE COURTS OF THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE LENDER'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. THE LENDER BY ACCEPTANCE OF THIS GUARANTEE AND EACH GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF NEW YORK AT THE ADDRESS FOR NOTICES SPECIFIED IN SECTION 10.2 OF THE CREDIT AGREEMENT. THE LENDER BY ACCEPTANCE OF THIS GUARANTEE AND EACH GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY HAVE OR HEREAFTER MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE LENDER BY ACCEPTANCE OF THIS GUARANTEE OR ANY GUARANTOR HAS OR HEREAFTER MAY ACQUIRE ANY IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER THROUGH SERVICE OR NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION OR OTHERWISE) WITH RESPECT TO ITSELF OR ITS PROPERTY, THE LENDER BY ACCEPTANCE OF THIS GUARANTEE AND SUCH GUARANTOR, EACH ON ITS OWN BEHALF, HEREBY IRREVOCABLY WAIVES

TO THE FULLEST EXTENT PERMITTED BY LAW SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS GUARANTEE.

Section 5.13. Counterparts. This Guarantee may be executed by the parties hereto in several counterparts, each of which shall be an original and all of which shall constitute together but one and the same agreement. This Guarantee shall become effective when counterparts hereof executed on behalf of each Guarantor shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Guarantee by email (e.g., "pdf" or "tiff") or telecopy shall be effective as delivery of a manually executed counterpart of this Guarantee.

Section 5.14. Waiver of Jury Trial. THE LENDER BY ACCEPTANCE OF THIS GUARANTEE AND EACH GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTEE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR ANY GUARANTOR IN CONNECTION HEREWITH. EACH GUARANTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER TO ENTER INTO THE LOAN DOCUMENTS.

[Signature Page Follows]

IN WITNESS WHEREOF, each Guarantor has caused this Guarantee to be duly executed and delivered by its Authorized Officer as of the date first above written.

TRANSMEDICS B.V.

By: /s/ Stephen Gordon
Name: Stephen M. Gordon
Title: Authorized Representative

[Signature Page to Guarantee]

ANNEX I
to Guarantee

SUPPLEMENT TO
GUARANTEE

This SUPPLEMENT, dated as of _____ ___, _____ (this "Supplement"), is to the Guarantee, dated as of [•], 2018 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Guarantee"), by the Guarantors (such term, and other terms used in this Supplement, to have the meanings set forth in Article I of the Guarantee) from time to time party thereto, in favor of ORBIMED ROYALTY OPPORTUNITIES II, LP, a Delaware limited partnership (together with its Affiliates, successors, transferees and assignees, the "Lender").

W I T N E S S E T H :

WHEREAS, pursuant to a Credit Agreement, dated as of June 22, 2018 (as amended, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and between TransMedics, Inc., a Delaware corporation (the "Borrower") and the Lender, the Lender has extended a Commitment to make the Loans to the Borrower; and

WHEREAS, pursuant to the provisions of Section 5.5 of the Guarantee, each of the undersigned is becoming a Guarantor under the Guarantee; and

WHEREAS, each of the undersigned desires to become a "Guarantor" under the Guarantee in order to induce the Lender to continue to extend the Loans under the Credit Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of the undersigned agrees, for the benefit of the Lender, as follows.

SECTION 1. Party to Guarantee, Etc. In accordance with the terms of this Guarantee, by its signature below, each of the undersigned hereby irrevocably agrees to become a Guarantor under the Guarantee with the same force and effect as if it were an original signatory thereto and each of the undersigned hereby (a) agrees to be bound by and comply with all of the terms and provisions of the Guarantee applicable to it as a Guarantor and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct as of the date hereof, unless stated to relate solely to an earlier date, in which case such representations and warranties shall be true and correct as of such earlier date. In furtherance of the foregoing, each reference to a "Guarantor" and/or "Guarantors" in the Guarantee shall be deemed to include each of the undersigned.

SECTION 2. Representations. Each of the undersigned Guarantors hereby represents and warrants that this Supplement has been duly authorized, executed and delivered by it and that this Supplement and the Guarantee constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms.

SECTION 3. Full Force of Guarantee. Except as expressly supplemented hereby, the Guarantee shall remain in full force and effect in accordance with its terms.

SECTION 4. Severability. Wherever possible each provision of this Supplement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Supplement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Supplement or the Guarantee.

SECTION 5. Governing Law, Entire Agreement, Etc. THIS SUPPLEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT OR ANY DOCUMENT CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK). This Supplement, along with the other Loan Documents, constitutes the entire understanding among the parties hereto with respect to the subject matter thereof and supersedes any prior agreements, written or oral, with respect thereto.

SECTION 6. Effective. This Supplement shall become effective when a counterpart hereof executed by the Guarantor shall have been received by the Lender. Delivery of an executed counterpart of a signature page to this Supplement by email (e.g., “pdf” or “tiff”) or telecopy shall be effective as delivery of a manually executed counterpart of this Supplement.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Supplement to be duly executed and delivered by its Authorized Officer as of the date first above written.

[NAME OF ADDITIONAL SUBSIDIARY]

By: _____
Name:
Title:

[NAME OF ADDITIONAL SUBSIDIARY]

By: _____
Name:
Title:

[Signature Page to Guarantee Supplement]

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT, is entered into and effective as of August 27, 2002 ("Execution Date") by and between The Department of Veterans Affairs, 810 Vermont Avenue, N.W., Washington, DC 20420 (hereinafter referred to as LICENSOR) and TransMedics, Inc., a corporation organized and existing under the laws of Delaware having a principal place of business at 600 West Cummings Park, Suite 3050, Woburn, MA 10801 and all AFFILIATES (as defined below) thereof ("LICENSEE").

ARTICLE I. DEFINITIONS

1.00 Terms in this License (other than names of parties and article headings) which are set forth in capital and bold letters have the meanings established in the succeeding paragraphs of Article I.

1.01 AFFILIATE means any corporation, company, partnership, joint venture and/or firm which controls, is controlled by, or is under common control with the LICENSEE. For purposes of this Paragraph 1.01, "control" shall mean (a) in the case of corporate entities, direct or indirect ownership of at least fifty percent (50%) of the stock or shares having the right to vote for the election of directors, and (b) in the case of non-corporate entities, direct or indirect ownership of at least fifty percent (50%) of the equity interest with the power to direct the management and policies of such non-corporate entities. As used herein, "LICENSEE" includes all AFFILIATES thereof.

1.02 CALENDAR YEAR means the fiscal year that begins on October 1st and ends the following September 30th.

1.03 FIELD OF USE means perfusion apparatuses, which as an example only is shown in Exhibit 1, for LICENSEE'S portable organ preservation system, and modifications thereto and related hardware components (including electrical and mechanical components) that are used for maintaining an isolated (harvested) solid organ in a functioning state.

1.04 FDA means the United States Food and Drug Administration or any successor agency thereto.

1.05 FDA APPROVAL means an approval from the FDA or regulatory approval in a country in the TERRITORY after completion of appropriate trials to obtain marketing approval for a LICENSED PRODUCT.

1.06 FIRST COMMERCIAL SALE means for each LICENSED PRODUCT, the first commercial sale in any country after FDA APPROVAL by LICENSEE or its AFFILIATES, sublicensees or distributors. Sales for test marketing, clinical trial purposes or similar use shall not be considered to constitute a First Commercial Sale.

1.07 LICENSED PATENTS means U.S. Patent Nos. 6,100,082 and 6,046,046, owned and assigned to Licensor, per the Assignment Agreement dated August 27, 2002, and any and all divisions, continuations, continuations-in-part, reissues, reexaminations, renewals or extensions thereof and all corresponding foreign patents and pending patent applications throughout the world. LICENSED PATENTS existing as of the Execution Date are set forth in Appendix A to this Agreement, which may be updated from time to time.

1.08 LICENSED PRODUCTS means any and all machines, articles of manufacture and solutions (as limited by this paragraph and paragraph 2.01), the manufacture, use, or sale of which, would, absent the License granted to LICENSEE hereunder, infringe one or more claims in the LICENSED PATENTS. LICENSED PRODUCTS consists of three product lines:

(a) Complete perfusion apparatuses, which as an example only is shown in Exhibit 1, for LICENSEE'S portable organ preservation system, and modifications thereto ("APPARATUSES");

(b) Consumables, which include preservation chambers and perfusion circuits sold individually or together as a set, selected for use in the Apparatuses, such typical sets of Consumables, as an example only, are shown in Exhibit 2 hereto ("CONSUMABLES");

and

(c) Solutions for use in the Licensed Products in the FIELD OF USE ("SOLUTIONS").

1.09 LICENSOR'S Representative means the Director (122), Technology Transfer Program, Department of Veterans Affairs, Central Office, 810 Vermont Avenue, NW, Washington, DC, 20420.

1.10 NET SALES means the gross amount invoiced on sales of any LICENSED PRODUCTS, less the following deductions:

1.10.01 Customary trade, cash and quantity discounts actually allowed and taken directly with respect to such sales, as reflected in the amount invoiced;

1.10.02 Tariffs, duties, excises, sales taxes or other taxes imposed upon and paid directly with respect to the production, sale, delivery or use of the LICENSED PRODUCT (excluding national, state or local taxes based on income), as reflected in the amount invoiced;

1.10.03 Amounts repaid or credited by reason of rejections, defects, recalls or returns or because of chargebacks, refunds, rebates or retroactive price reductions; and

1.10.04 Freight, insurance and other transportation charges incurred in shipping a LICENSED PRODUCT to third parties, as reflected in the amount invoiced.

No royalties shall be paid on: demonstration units used for trade shows or internal testing; units used for replacement of damaged or broken goods which were under warranty; or samples used in the process of making sales. Transfer of LICENSED PRODUCTS between LICENSEE and sublicensees, where such sublicensees are in the business of selling the LICENSED PRODUCTS, shall not be deemed sales and shall not be included in computing NET SALES.

1.11 PARTY means LICENSOR or LICENSEE; "PARTIES" means LICENSOR and LICENSEE. As used in this Agreement, references to "third parties" do not include a PARTY or its AFFILIATES.

1.12 TERRITORY means all of the countries of the world.

ARTICLE II. LICENSE GRANT

2.00 LICENSOR grants to LICENSEE and its AFFILIATES an exclusive, royalty- bearing license, and the right to grant sublicenses, under the LICENSED PATENTS to make, have made, use, import, offer for sale, sell or have sold in the FIELD OF USE the APPARATUSES and CONSUMABLES throughout the life of the LICENSED PATENTS in the TERRITORY.

2.01 LICENSOR grants to LICENSEE and its AFFILIATES a non-exclusive, royalty- bearing license, and the right to grant sublicenses, under the LICENSED PATENTS for SOLUTIONS to make, have made, use, import, offer for sale, sell or have sold in the FIELD OF USE for use in the LICENSED PRODUCTS throughout the life of the LICENSED PATENTS in the TERRITORY.

2.02 The license granted herein and pursuant to Article V below shall be subject to the Government of the United States of America (hereinafter referred to as the "GOVERNMENT") having the irrevocable, royalty-free, paid-up right to practice and have practiced the LICENSED PATENTS throughout the TERRITORY by or on behalf of the GOVERNMENT or international organization pursuant to any existing or future treaty or agreement to which the GOVERNMENT is a signatory.

2.03 LICENSOR reserves the right to require LICENSEE to grant sublicenses to responsible applicants on reasonable terms to the extent that the LICENSED PRODUCTS are required for public use by Government regulations or when necessary to fulfill public health, welfare, or safety needs. Any decision by LICENSOR to require such a sublicense may be appealed by LICENSEE under the procedures set forth in 35 U.S.C. § 203 (b).

ARTICLE III. ROYALTIES AND PAYMENTS

3.00 LICENSEE shall pay directly to LICENSOR a one-time milestone payment of sixty-five thousand US dollars ($65,000.00) upon the first FDA APPROVAL of a LICENSED PRODUCT. This fee shall be payable sixty (60) days after the date of FDA APPROVAL of a LICENSED PRODUCT.

3.01 LICENSEE shall pay LICENSOR royalties according to the following schedule:

3.01.01 For a LICENSED PRODUCT which is an APPARATUS:

(a) [***] % of NET SALES of $[***] to $[***] per year;

(b) [***]% on NET SALES greater than $[***] to $[***] per year; and

(c) [***]% on NET SALES greater than $[***] per year.

3.01.02 For a LICENSED PRODUCT which is a CONSUMABLE, [***]% of NET SALES.

3.01.03 For a LICENSED PRODUCT which is a SOLUTION for the FIELD OF USE, [***]% of NET SALES.

3.02 In the case where the royalties paid under Section 3.01 do not aggregate a minimum sum of [***] US dollars ($[***]) (“MINIMUM SUM”) in a CALENDAR YEAR, LICENSEE will, within sixty (60) days from the end of the CALENDAR YEAR, pay the difference between the MINIMUM SUM and the royalties actually paid. Licensee shall be obligated to pay the MINIMUM SUM for a period of five (5) CALENDAR YEARs after the FIRST COMMERCIAL SALE. The Minimum Sum owed for the first and last CALENDAR YEAR in which sales subject to such royalties are made will be prorated based on the month in which the FIRST COMMERCIAL SALE is made.

3.03 The royalties payable under Paragraphs 3.01, above, shall be paid on a country- by-country basis on each LICENSED PRODUCT until the expiration of all LICENSED PATENTS which cover such LICENSED PRODUCT in such country.

3.04 No royalty shall be payable under this License for direct sales of LICENSED PRODUCT by LICENSEE or its sublicensees to the GOVERNMENT or any of its agencies for governmental purposes. The sales price of LICENSED PRODUCTS for direct sales to the GOVERNMENT shall be adjusted lower to reflect the foregoing royalty-free basis of such sales.

3.05 The sales price paid by the GOVERNMENT for any LICENSED PRODUCTS shall be equivalent to or lower than the lowest price paid by any third party customer of LICENSEE.

ARTICLE IV. REPORTS AND RECORDS

4.00 Within sixty (60) days after the end of each calendar quarter after the FIRST COMMERCIAL SALE, LICENSEE shall deliver to LICENSOR a quarterly report, setting forth a reasonably detailed accounting of the NET SALES of LICENSED PRODUCTS that are subject to royalty payments due to LICENSOR for such calendar quarter. Such quarterly reports shall include, on a country-by-country basis, during the preceding calendar quarter (i) the number and description of the LICENSED PRODUCTS manufactured by LICENSEE and its sublicensees; (ii) the aggregate NET SALES received by LICENSEE and its sublicenses; and (iii) the royalties payable on such NET SALES. LICENSEE shall deliver all income payments

due to LICENSOR through the prior June 30 in one lump sum payment dated and postmarked no earlier than October 1 and no later than October 10 of each CALENDAR YEAR.

4.01 LICENSEE shall keep, and shall require its sublicensees to keep, complete and accurate records of the latest five (5) years of sales to which royalties and income attach. For the sole purpose of verifying income payable to LICENSOR, LICENSOR shall have the right on an annual basis and at LICENSOR'S expense to retain an independent certified public accountant selected by LICENSOR, to review such records in the location(s) where such records are maintained by LICENSEE or its sublicensees upon reasonable notice and during regular business hours and under obligations of confidence. In the event LICENSOR contends after a review that there has been an underpayment by LICENSEE to LICENSOR, LICENSOR shall provide a copy of the review to LICENSEE. In the event that there has been an underpayment of income to LICENSOR, such underpayment shall be promptly remitted to LICENSOR, together with interest calculated in the manner provided in Paragraph 4.02 below. If the underpayment is equal to or greater than five percent (5%) of the income amount that was otherwise due, LICENSOR shall be entitled to have LICENSEE pay all of the costs of such review. In the event of an overpayment of income to LICENSOR, such overpayment shall be refunded to LICENSEE or applied to future royalty payments due.

4.02 All payments under this Agreement shall be made in United States dollars by check or bank draft drawn on a United States bank and shall be payable to the "Department of Veterans Affairs (royalty)" All payments shall be sent to LICENSOR within ten (10) days when such payments are due in accordance with the provisions of this Agreement. Any income payments due hereunder with respect to sales outside of the United States shall be payable in their U.S. Dollar equivalents, calculated using the applicable conversion rates for buying United States dollars as published by The Wall Street Journal for the last business day of the calendar quarter for which the royalties are payable. LICENSEE shall pay interest to LICENSOR on the aggregate amount of any payments that are not paid on or before the date such payments are due under this Agreement at a rate per annum equal to the lesser of the United States prime interest rate plus one percent (1%), as reported by The Wall Street Journal for the applicable period, or the highest rate permitted by applicable law, calculated on the number of days such payment is delinquent. All payments shall be sent to the following address: Department of Veterans Affairs; Technology Transfer Financial Management Office (12TT); 810 Vermont Ave, NW; Washington, D.C. 20420

ARTICLE V. SUBLICENSING RIGHTS

5.00 LICENSEE shall have the right under the LICENSED PATENTS to grant sublicenses to third parties at royalty rates not less than those required to be paid as specified in Paragraph 3.02, Article III, subject to the provisions of this Agreement and to the submission to and approval by LICENSOR'S Representative, which approval shall not be unreasonably withheld. Any sublicense shall make reference to this License including those rights retained by LICENSOR. Such sublicenses shall be non-assignable by LICENSEE without the written approval of the LICENSOR, which approval shall not be unreasonably withheld, except to the successor of that part of the LICENSEE'S business to which this Agreement pertains. A copy of any sublicense shall be furnished to LICENSOR'S Representative promptly after its execution. In the event of a material default by any sublicensee under a sublicense agreement, LICENSEE

will inform LICENSOR and has the right to take such action, after consultation with LICENSOR, which in LICENSEE'S reasonable business judgment will address such default.

5.01 LICENSEE and LICENSOR shall share royalties and fees paid by sublicensees, based on cash actually received by LICENSEE as royalties, sublicense issue fees, milestone payments, or fees other than royalties, excluding funds provided by sublicensees for research and development, with the total of such moneys going to LICENSOR equal to the royalties due to Licensor from Licensee in accordance with Article III above, and the remainder to LICENSEE.

5.02 Termination of this Agreement shall terminate all sublicenses which may have been granted by LICENSEE, provided that any sublicensee may elect to continue its sublicense by advising LICENSOR in writing, within 60 days of the sublicensee's receipt of written notice of such termination, of its election, and of its agreement to assume in respect to LICENSOR all the obligations (including obligations for payment) contained in its sublicensing agreement with LICENSEE.

ARTICLE VI. PATENT MAINTENANCE

6.00 LICENSEE, and not LICENSOR, shall amend, prosecute and maintain LICENSED PATENTS at its own expense subject to provisions of Paragraph 6.01, below. Licensee agrees to send copies of all correspondence (past and future) to and from any patent office to LICENSOR and to keep LICENSOR informed of the status of all patents and patent applications.

6.01 LICENSEE, may, in its discretion, elect to abandon any patent application or issued patent. LICENSEE shall give LICENSOR at least thirty days (30) notice of any such planned abandonment. LICENSOR shall then have the right to continue the prosecution of any such applications and to maintain any such patents under its own control and at its expense. LICENSEE agrees to cooperate in such activities.

ARTICLE VII. PATENT ENFORCEMENT

7.00 LICENSOR and LICENSEE shall notify each other promptly in writing of any infringement of LICENSED PATENTS which becomes known to either of them ("Infringement Notice"). LICENSEE shall notify LICENSOR promptly of any action taken in accordance with Article VII, Paragraph 7.01, to eliminate such infringement.

7.01 While and as long as its license under this Agreement remains exclusive, LICENSEE is authorized pursuant to the provision of 35 U.S.C. Chapter 29, or other statutes and only if the Infringement Notice has been provided to Licensor:

7.01.01 To bring suit in its own name or, if required by law, jointly with LICENSOR, at LICENSEE'S own expense and on its own behalf, for infringement of the LICENSED PATENTS in the FIELD OF USE, however LICENSOR's involvement is subject to the Department of Justice's prior written approval which LICENSOR shall use its best efforts to secure;

7.01.02 In any such suit, to enjoin infringement and to collect for its use, damages, profits, and awards of whatever nature recoverable for such infringement; and

7.01.03 To settle any claim or suit for infringement of LICENSED PATENTS by granting the infringing party a sublicense under the provisions of Article V of this Agreement. LICENSEE agrees to keep Licensor apprised of the status of all potential or actual litigations and will seek Licensor's written authorization to settle any dispute, which authorization will not be unreasonably withheld, but subject to the Department of Justice approval which LICENSOR shall use its best efforts to secure. Any royalties received by LICENSEE pursuant to such a sublicense shall be shared with LICENSOR in accordance with Article V, Paragraph 5.01.

7.02 In the event that the LICENSEE decides not to abate any infringement pursuant to Section 7.01 above, it shall so inform LICENSOR of this decision within sixty days (60) of the Infringement Notice. If LICENSEE decides not to abate the infringement, then LICENSOR shall have the right to do so and may, at LICENSOR's, sole discretion, bring suit to abate the infringement.

7.03 LICENSOR and LICENSEE mutually agree to furnish technical and other necessary assistance to each other in conducting any litigation necessary to enforce the LICENSED PATENTS against others in the FIELD OF USE. Expenses for such assistance will be paid by the PARTY requesting such assistance. LICENSOR's involvement is subject to the Department of Justice's approval which LICENSOR shall use its best efforts to secure.

7.04 Any PARTY that initiates suit or proceeding against an infringer ("Plaintiff Party") shall assume and pay all of its own out-of-pocket costs incurred in connection with any litigation described in Paragraph 7.01 or 7.02, including, without limitation, the fees and expenses of its own counsel.

7.05 Any recovery obtained by any PARTY as a result of any proceeding described in Paragraph 7.01 or 7.02, by settlement or otherwise, shall be applied in the following order of priority:

(i) first, to reimburse each PARTY for all litigation costs in connection with such proceeding paid by that PARTY and not otherwise recovered (on a pro rata basis based on each PARTY'S respective litigation costs, to the extent the recovery was less than all such litigation costs); and

(ii) second, the remainder of the recovery shall be paid seventy-five percent (75%) to the Plaintiff Party responsible for abating the infringement and twenty-five percent (25%) to the other PARTY.

ARTICLE VIII. CONFIDENTIALITY

8.00 All confidential information disclosed by a PARTY to the other PARTY during the term of this Agreement shall not be used by the receiving PARTY except in connection with the activities contemplated by this Agreement, shall be maintained in confidence by the receiving PARTY (except to the extent reasonably necessary for regulatory approval of products

developed by LICENSEE or any of its respective AFFILIATES or sublicensees or for the filing, prosecution and maintenance of LICENSED PATENTS), and shall not otherwise be disclosed by the receiving PARTY to any other person, firm, or agency, governmental or private, without the prior written consent of the disclosing PARTY, except to the extent that the confidential information (as determined by competent documentation):

(a) was known or used by the receiving PARTY prior to its date of disclosure to the receiving PARTY; or

(b) either before or after the date of the disclosure to the receiving PARTY is lawfully disclosed to the receiving PARTY by sources other than the disclosing PARTY rightfully in possession of the confidential information; or

(c) either before or after the date of the disclosure to the receiving PARTY becomes published or generally known to the public (including information known to the public through the sale of products in the ordinary course of business) through no fault or omission on the part of the receiving PARTY or its sublicensees; or

(d) is independently developed by or for the receiving PARTY and provable by written contemporaneous documentation without reference to or reliance upon the confidential information; or

(e) is required to be disclosed by the receiving PARTY to comply with applicable laws, e.g., to defend or prosecute litigation or to comply with governmental regulations; provided that the receiving PARTY provides prior written notice of such disclosure to the disclosing PARTY and takes reasonable and lawful actions to avoid and/or minimize the degree of such disclosure.

8.01 All obligations of confidentiality imposed under this Article VIII shall expire five (5) years following termination or expiration of this Agreement.

ARTICLE IX. REPRESENTATIONS AND WARRANTIES

9.01 LICENSEE and LICENSOR each represents and warrants to the other that as of the Execution Date it has full right, power and authority to enter into this Agreement and to perform its respective obligations under this Agreement. LICENSOR represents and warrants to LICENSEE that it has the right to grant to LICENSEE the licenses and sublicenses granted pursuant to this Agreement.

9.02 LICENSEE and LICENSOR each represents and warrants that all necessary consents, approvals and authorizations of all government authorities and other persons required to be obtained by such PARTY in connection with execution, delivery and performance of this Agreement have been obtained.

9.03 LICENSEE and LICENSOR each represents and warrants that notwithstanding anything to the contrary in this Agreement, the execution and delivery of this Agreement and, the performance of such PARTY'S obligations hereunder (a) do not conflict with or violate any requirement of applicable laws or regulations and (b) do not and will not conflict with, violate or

breach or constitute a default or require any consent under, any contractual obligations of such PARTY, except such consents as shall have been obtained prior to the Execution Date.

9.04 EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, THE PARTIES MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND PARTICULARLY THAT PRODUCTS WILL BE SUCCESSFULLY DEVELOPED HEREUNDER, AND IF DEVELOPED, WILL HAVE COMMERCIAL UTILITY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE X. INDEMNIFICATION

10.00 LICENSEE agrees to defend LICENSOR at its costs and expense, and will indemnify and hold LICENSOR and its respective directors, officers, employees and agents (the "LICENSOR Indemnified Parties") harmless from and against any losses, costs, damages, fees or expenses arising out of any claim relating to personal injury from the development, manufacture, use, sale or other disposition of any product made by or for LICENSEE and/or its AFFILIATES. In the event of any such claim against the LICENSOR Indemnified Parties by any third party, LICENSOR shall promptly notify LICENSEE in writing of the claim and LICENSEE shall manage and control, at its sole expense, the defense of the claim and its settlement. The LICENSOR Indemnified Parties shall cooperate with LICENSEE and may, at their option and expense, be represented in any such action or proceeding. LICENSEE shall not be liable for any litigation costs or expenses incurred by the LICENSOR Indemnified Parties without LICENSEE'S prior written authorization. In addition, LICENSEE shall not be responsible for the Indemnification of any LICENSOR Indemnified Party arising from any negligent or intentional acts by Licensor or any of Licensor's Indemnified Parties, or as the result of any settlement or compromise by the LICENSOR Indemnified Parties without LICENSEE's prior written consent. LICENSOR'S involvement is subject to Department of Justice approval, which LICENSOR shall use its best efforts to secure.

ARTICLE XI. TERM AND TERMINATION

11.00 The term of this Agreement begins with its Execution Date as set forth in the heading paragraph located in front of Article I and, unless sooner terminated or otherwise modified as provided for in this Article XI, shall continue until the expiration of the last to expire as to each of the LICENSED PATENTS.

11.01 Upon any material breach of this Agreement by either PARTY (in such capacity, the "Breaching Party"), the other PARTY (in such capacity, the "Non-Breaching Party") may terminate this Agreement by providing sixty (60) days' written notice to the Breaching Party, specifying the material breach. The termination shall become effective at the end of the sixty (60) day period unless (a) the Breaching Party cures such breach during such sixty (60) day period, or (b) if such breach is not susceptible to cure within sixty (60) days of the receipt of written notice of the breach, the Breaching Party is diligently pursuing a cure (unless such breach, by its nature, is incurable, in which case the Agreement may be terminated immediately) and effects such cure within an additional sixty (60) days after the end of such initial sixty (60) day period.

11.02 Upon expiration or termination of this Agreement for any reason, nothing in this Agreement shall be construed to release either PARTY from any obligations that matured prior to the date of expiration or termination; and the following provisions shall expressly survive any such expiration or termination: Article I, Article IV, Paragraph 6.01, Article VIII, Article IX, Article X, and Paragraphs 12.01, 12.04, 12.09, 12.10 and 12.11.

ARTICLE XII. GENERAL

12.00 In carrying out the obligations and duties under this Agreement, it is understood and agreed that LICENSEE is acting as an independent contractor and not as an agent, partner, joint venturer or employee of LICENSOR, neither PARTY shall have the right to bind or obligate the other in any manner whatsoever and neither PARTY shall be liable for the representation, act or omission of the other party which is contrary to the provisions hereof.

12.01 This Agreement shall not be transferred or assigned by LICENSEE to any party other than to a successor or assignee of all or substantially all of the business interest of LICENSEE relating to LICENSED PRODUCTS without the written approval of LICENSOR's Representative. Notwithstanding the foregoing, LICENSEE may assign its rights (but not its obligations) pursuant to this Agreement in whole or in part to an AFFILIATE only upon the written consent of LICENSOR, which consent shall not be unreasonably withheld.

12.02 Any amendment or modification to this Agreement shall be made in writing signed by both PARTIES.

12.03 This License does not confer any immunity from or defenses under the antitrust laws, and laws and regulations pertaining to or administered by the Food and Drug Administration, or the export laws, nor does it confer immunity from a charge of patent misuse. Furthermore, LICENSEE'S or sublicensee's acquisition and exercise of rights hereunder are not immunized from the operation of any State or Federal law by reason of the source of the grant. The License does not constitute an endorsement by LICENSOR of any LICENSED PRODUCTS and LICENSEE shall not state or imply in any medium that such endorsement exists as the result of this License.

12.04 Neither PARTY makes any warranty, express or implied, to the other PARTY regarding the patentability or validity of the LICENSED PATENTS and no representations whatsoever with regard to the scope of the LICENSED PATENTS or that the LICENSED PATENTS may be exploited without infringing other patents.

12.05 LICENSOR assumes no liability resulting from LICENSEE'S exercise of its rights under this License or from LICENSOR'S exercise of its rights under this License, including modification or termination thereof.

12.06 LICENSEE agrees that LICENSED PRODUCTS or any and all components or products which comprise the LICENSED PRODUCTS used, sold, or otherwise disposed of in the TERRITORY by LICENSEE and its sublicensees will be manufactured when practicable in the United States.

12.07 The decision of LICENSOR's Representative on any requirement, dispute, interpretation, modification, or termination of this License shall be reduced to writing and a copy mailed or otherwise furnished to LICENSEE. Such decision shall be final, provided that LICENSEE may, within 30 days of receiving notice of such decision, submit a written appeal through LICENSOR'S Representative to the Office of General Counsel, which VA appeal shall set forth in detail the decision being appealed and the basis of the appeal and may include appropriate supporting materials. Implementation of such decision shall be stayed pending a final resolution of such appeals. Pending such final resolution, LICENSEE shall proceed diligently with the performance of its obligations under this Agreement.

12.08 The parties shall notify each other of any changes in name, address, or business status, and any notice, payment or report required to be given under the provisions of this License shall be considered dully given

(i) if delivered by hand or by overnight courier on the date of delivery or sending;

(ii) if sent by cable, telegram, telex, fax, on the day following the day of sending; and

(iii) if sent by certified or registered mail, on the fifth business day after the day of sending. Notice shall not be sent by ordinary pre-paid or first-class mail.

12.08.01 If to LICENSOR:

Mindy L. Aisen (122)
Director of Technology Transfer
Veterans Affairs
VA Rehab R&D Service
810 Vermont Avenue, N.W.
Washington, D.C. 20420

12.08.02 If to LICENSEE:

Waleed H. Hassanein
President & CEO
TransMedics, Inc.
600 West Cummings Park, Suite 3050
Woburn, MA 10801

12.09 This Agreement shall be construed in accordance with United States Federal law and the laws of the Commonwealth of Massachusetts when not in conflict with United States Federal Law. Federal law and regulations will preempt conflicting or inconsistent provisions in the agreement. LICENSEE shall have all defenses available to it under law.

12.10 No failure or omission by the PARTIES hereto in the performance of any obligation of this Agreement shall be deemed a breach of this Agreement or create any liability if the same shall arise from any cause or causes beyond the control of the PARTIES, including, but

not limited to, the following: acts of God; acts or omissions of any governmental entity, other than LICENSOR; acts of terrorism, any rules, regulations or orders issued by any governmental authority other than LICENSOR or by any officer, department, agency or instrumentality thereof; fire; storm; flood; earthquake; accident; war; rebellion; insurrection; riot; and invasion and provided that such failure or omission resulting from one of the above causes is cured as soon as is practicable after the occurrence of one or more of the above-mentioned causes.

12.11 This Agreement has been prepared jointly and shall not be strictly construed against any PARTY.

12.12 No failure on the part of LICENSOR or LICENSEE to exercise, and no delay in exercising, any right, power, remedy or privilege under this Agreement, or provided by statute or at law or in equity or otherwise, shall impair, prejudice or constitute a waiver of any such right, power, remedy or privilege or be construed as a waiver of any breach of this Agreement or as an acquiescence therein, nor shall any single or partial exercise of any such right, power, remedy or privilege preclude any other or further exercise thereof or the exercise of any other right, power, remedy or privilege.

12.13 If any provision hereof should be held invalid, illegal or unenforceable in any respect in any jurisdiction, then, to the fullest extent permitted by law, (a) all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the PARTIES as nearly as may be possible and (b) such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

12.14 This Agreement may be executed in counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same instrument.

12.15 LICENSEE shall expend reasonable efforts and resources to carry out the LICENSEE’s plan for development and marketing of the licensed invention and to bring the LICENSED PRODUCTS to the point of practical application in accordance with 37 C.F.R. § 404.5(5).

12.16 After bringing the LICENSED PRODUCTS to the point of practical application in the TERRITORY, LICENSEE agrees to make the LICENSED PRODUCTS available to the public on reasonable terms during the term of this License. LICENSEE shall promptly report discontinuance of its making the benefits of the LICENSED PRODUCTS reasonably accessible to the public.

IN WITNESS THEREOF, each of the parties hereto has caused this License to be executed in duplicate originals by its duly authorized officers or representatives.

FOR LICENSOR:

/s/Thompson for — August 28, 2002

Tim S. McClain
General Counsel
Department of Veterans Affairs

and

/s/James F. Burris, M.D. August 28, 2002

James Burris, M.D.
Acting Chief Research and Development
Officer
Department of Veterans Affairs

FOR LICENSEE:

/s/Waleed H. Hassanein August 26, 2002

Waleed H. Hassanein
President & CEO

Country	Application Filing Date	Application No.	Title	Status	Comments
US	23 SEPT 1997	08/936,062	Perfusion Apparatus and Methods Including Chemical Compositions for Maintaining an Organ	Issued	Patent No.: 6,100,082 August 8, 2000
US	03 APRIL 1998	09/054,698	Compositions, Methods and Devices for Maintaining an Organ	Issued	Patent No.: 6,046,046 April 4, 2000
US	23 MARCH 2000	09/534,092	Compositions, Methods and Devices for Maintaining an Organ	Filed	National Phase of PCT/US98/19912
PCT	23 SEPT 1998	PCT/US98/19912: Publication Date: 01 APRIL 1999 Publication No: WO99/15011	Compositions, Methods and Devices for Maintaining an Organ	Filed	CIP of US 09/054,698
EPO	23 SEPT 1998	98 94 84 78.7	Compositions, Methods and Devices for Maintaining an Organ	Filed	National Phase of PCT/US98/19912
AU	23 SEPT 1998	9504298	Compositions, Methods and Devices for Maintaining an Organ	Granted	Patent No.: 728233 April 19, 2001
CA	23 SEPT 1998	2304598	Compositions, Methods and Devices for Maintaining an Organ	Filed	National Phase of PCT/US98/19912
JP	23 SEPT 1998	2000512407	Compositions, Methods and Devices for Maintaining an Organ	Filed	National Phase of PCT/US98/19912

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT 1
(License Agreement, Paragraph 1.08(a))

[To be attached is Figure 4 of U.S. 6,100,082, which is the same as Figure 4 of U.S. 6,046,046]

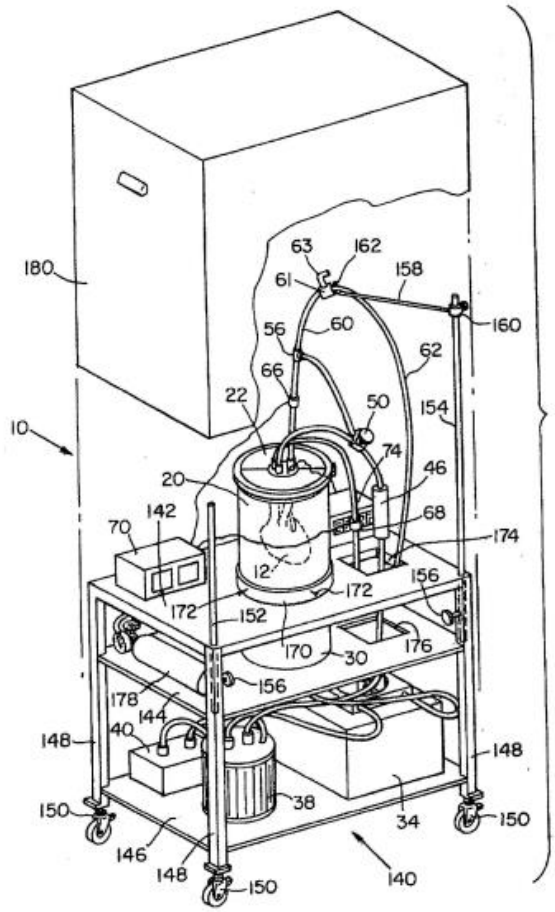

FIG. 4

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT 2
(License Agreement, Paragraph 1.08(b))

- Container for keeping an organ in communication with a fluid media
- Fluid media delivery means for delivering the fluid media to a major vessel of the organ
- Means for carrying the fluid media away from the organ
- Container cover assemblies with one or more integral cannulas

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

DEVELOPMENT AND SUPPLY AGREEMENT

THIS AGREEMENT is made this 24th day of May 2005, (the "Effective Date") by and between **FRESENIUS KADI AB**, a company formed under the laws of Sweden ("FRESENIUS") and **TransMedics Inc.**, a corporation formed under the laws of Delaware, USA ("TRANSMEDICS"). Each of FRESENIUS and TRANSMEDICS are a "Party", and together they are the "Parties". References to FRESENIUS and TRANSMEDICS, or collectively to the Parties, shall include their respective Affiliates.

WITNESSETH:

WHEREAS, FRESENIUS researches, develops and manufactures chemical solutions for sale worldwide;

WHEREAS, TRANSMEDICS is engaged in the development, manufacture and sale of medical device products, including without limitation, a Portable Organ Preservation System ("POPS") that is intended to utilize the Products (as defined below) and desires FRESENIUS to develop and manufacture the Products for TRANSMEDICS in accordance with the specifications provided by TRANSMEDICS; and

WHEREAS, FRESENIUS and TRANSMEDICS hereby agree upon the terms and conditions under which i) FRESENIUS is willing to perform the Preliminary Activities (as defined below) and ii) FRESENIUS will toll manufacture and supply the Products for commercial sale by TRANSMEDICS;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and upon the terms and subject to the conditions set forth below, the Parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

For the purpose of this Agreement, the terms set forth in this Article shall have the following meanings stated below. The singular form of the terms shall thereby include the plural form thereof:

1.1 "Affiliate" means, with respect to any person or Entity (as hereinafter defined), any other person or Entity that controls, is controlled by or is under common control with the specified person or Entity. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through ownership of voting securities, by contract or otherwise.

1.2 "Approval" means TRANSMEDICS' approval of Development Deliverables in accordance with the procedures set forth in Section 3.6.2 "Approves", "Approve", "Approved" and the like shall have their correlative meanings.

1.3 "Batch" means the quantity of units of the Products produced from a single homogeneous mix.

1.4 "Business Day" means any day other than a Saturday, a Sunday or a day on which either of the Parties is closed generally.

1.5 "cGMP" means the current good manufacturing practices as they relate to that part of quality assurance which ensures that medicinal products are consistently produced and controlled to the quality standards appropriate to their intended use in each jurisdiction in which Regulatory Approval has been obtained, including without limitation, the principles and guidelines specified in Chapter II of European Commission Directive 91/356/EEC, and the regulations set forth in Title 21 of the U.S. Code of Federal Regulations, Parts 210-211, 820 and Subchapter C (Drugs), Quality System Regulations and the requirements there under imposed by the FDA. In case of conflict with respect to the laws in such jurisdictions, the laws with the strictest interpretation shall control.

1.6 "Calendar Year" means a period from January 1 to December 31.

1.7 "Confidential Information" means, subject to the exceptions of Article 12, ideas, inventions, discoveries, improvements, concepts, formulas, practices, procedures, processes, methods, knowledge, know-how, trade secrets, skill, experience, documents, apparatus, results, clinical and regulatory strategies, test data, including biological, chemical, biochemical, pharmacological, toxicological, metabolic and clinical test data, analytical, stability and quality control data, manufacturing data and descriptions, patent and legal data, market data, financial data or descriptions, devices, assays, chemical formulations, specifications, compositions of matter, standard operating procedures, protocols relating to the research scale, pilot scale and commercial synthesis of physical, chemical and biological materials and compounds and products, product samples and other samples, physical, chemical and biological materials and compounds, and the like, whether or not patentable.

1.8 "Development Deliverable" means any document, report, prototype or Product to be delivered by FRESENIUS to TRANSMEDICS within the framework of the Preliminary Activities as specified in the Project Plan annexed hereto as Exhibit A.

1.9 "Device Master File" means all documentation necessary for TRANSMEDICS' submission of a master file on the Products for 510K approval by the FDA and any equivalent Regulatory Agencies in other nations.

1.10 "Entity" means any corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability partnership or other legal entity or organization.

1.11 "FDA" means the United States Food and Drug Administration, and any successor agency thereto.

1.12 "Facility" means FRESENIUS' sterile manufacturing facility at its premises at Rapsgatan 7, 754 50 Uppsala, Sweden or such other physical facilities that are agreed in writing by the Parties.

1.13 "Improvements" means improvements or modifications to the Products.

1.14 "Initial Feasibility Study" means the study and preparation work undertaken by FRESENIUS for TRANSMEDICS pursuant to and under the Letter of Intent.

1.15 "Label", "Labeled", OR "Labeling" shall mean all labels and other written, printed or graphic matter placed upon (i) the Products or any container or wrapper utilized with the Products, and/or (ii) any written material accompanying the Products, including, without limitation, package inserts.

1.16 "Letter of Intent" means that Letter of Intent between the Parties dated July 7, 2004, as amended.

1.17 "Liaison" means a representative chosen by a Party to communicate with the other Party regarding the Preliminary Activities.

1.18 "Manufacturing Process" means any and all methods, techniques, processes, procedures and quality control necessary or relevant for manufacture of the Products, as contained, in general terms, in Exhibit B as the same may be amended from time to time in writing by mutual agreement of the Parties.

1.19 "Material" means all ingredients, materials, compounds, components and constituent parts included in Product or expended in the manufacture of Product. Material shall not include equipment or general plant or manufacturing supplies used in connection with manufacture of the Product. All Material is described and set forth in the Material Specifications.

1.20 "Material Specifications" means the description of the Material, including requirements, tolerances, shelf life, specifications, suppliers and safety data, that are set forth in Exhibit D.

1.21 "New Equipment" means all equipment currently not possessed by FRESENIUS but required to manufacture the Products.

1.22 "POPS Field" means the study and/or practice of preservation, evaluation, resuscitation, transplantation or ex vivo perfusion of human or human compatible tissue and/or organs, including without limitation the production of devices and systems therefore and components thereof, used in the production of the Products.

1.23 "Preliminary Activities" means those research and development activities set forth in the Project Plan annexed hereto as Exhibit A, which have been or are to be performed by FRESENIUS in order to develop the Products and to supply TRANSMEDICS with the Development Deliverables and may be amended from time to time by the mutual written agreement of the Parties.

1.24 "Production Standards" shall have the meaning set forth in Section 4.1.2.

1.25 "Project Plan" means the overview and description of Preliminary Activities agreed upon between the Parties and to be undertaken by FRESENIUS in order to develop the Products and provide TRANSMEDICS with the Development Deliverables. The Project Plan is set forth on Exhibit A and may be amended from time to time by the mutual written consent of the Parties.

1.26 "Purchase Order" means a written document issued by TRANSMEDICS specifying certain commercial conditions for the purchase of the Products, including but not limited to quantities, delivery instructions and delivery times.

1.27 "Products" means the finished dosage form of TransMedics' priming and maintenance solutions produced by FRESENIUS in accordance with the Product Specifications and Production Standards.

1.28 "Product Specifications" means the specifications, formulas, and compositions for the Products set forth in Exhibit D as the same may be amended from time to time in writing by the parties.

1.29 "Quality Agreement" means the document that specifies the quality standard and procedures between TRANSMEDICS and FRESENIUS for Products manufactured by FRESENIUS, a copy of which is annexed hereto as Exhibit C.

1.30 "Qualified Person" means a person who is registered and named as a Qualified Person as defined under the provisions of European Commission Directive 75/319/EEC.

1.31 "Regulatory Agency" means, with respect to any particular jurisdiction in which Regulatory Approval has been obtained, the federal, provincial or state regulatory agency, department, bureau or other governmental authority, body, commission, agency or other instrumentality of such jurisdiction, with the primary responsibility for the evaluation or approval of pharmaceutical products before the Products can be tested, manufactured, marketed, promoted, imported, transported exported, stored, distributed or sold in such jurisdiction, including such governmental bodies that have jurisdiction over the pricing of such pharmaceutical product. The term "Regulatory Agency" includes the FDA.

1.32 "Regulatory Approval" means any approval, product license, registration or authorization of any Regulatory Agency, sufficient for the manufacture, use, storage, import, export, transport and sale of the Products in the applicable jurisdiction.

1.33 "Research & Development Phase" means the period during the term of this Agreement beginning on the Effective Date and ending with the commencement of the Clinical Testing Phase, as described in Section 3.2.

1.34 "Subcontractors" shall have the meaning set forth in Section 3.4.1.

1.35 "Supply Phase" means the period during the term of this Agreement beginning with the completion of the Preliminary Activities and TRANSMEDICS' Approval of all Development Deliverables, whichever is later, and ending with the termination of this Agreement.

1.36 "Testing Period" means six (6) weeks for a Product and five (5) business days for documents.

1.37 "Testing Specifications" means the testing procedures and specifications with respect to the receipt of the Materials, as set forth in Exhibit E as the same may be amended by the Parties from time to time.

1.38 "TRANSMEDICS Know-How" means all Confidential Information, owned or otherwise controlled by TRANSMEDICS at any time during the term of this Agreement relating to the POPS system or any component thereof PROVIDED that this Confidential Information has been disclosed by TRANSMEDICS to FRESENIUS. For the avoidance of doubt, TRANSMEDICS Know-How includes, without limitation, the Specifications, Manufacturing Process (as of the date hereof), provided that any TransMedics Know-How as to Manufacturing Process must be reduced into writing and designated as confidential, and the formulation for the Products. Any such TRANSMEDICS Know-how shall be subject to the limitations of Article 12.1.

ARTICLE 2

SCOPE AND LICENSE

2.1 Development. Pursuant to the terms of this Agreement, TRANSMEDICS hereby commissions FRESENIUS to perform the Preliminary Activities described in more detail in Article 3 and the Appendices referred to in Article 3. In the course of such Preliminary Activities, FRESENIUS shall evaluate a composition for the Products as determined by TRANSMEDICS for overall feasibility, mainly with regards of manufacture of the Products. The Parties foresee that these Preliminary Activities may lead to amendments and modifications of the composition. As described in more detail hereinbelow, TRANSMEDICS shall own all rights to the Products and shall be responsible for final Approval of the Development Deliverables.

2.2 Appointment. Pursuant to the terms of this Agreement, and subject to TRANSMEDICS' Approval of the Development Deliverables TRANSMEDICS hereby appoints FRESENIUS as its contract manufacturer for the Products for as long as FRESENIUS fulfills its obligations under this Agreement.

2.3 Acceptance. FRESENIUS hereby accepts such appointment and agrees to manufacture the Products as requested by TRANSMEDICS in accordance with the terms of this Agreement. FRESENIUS shall provide the Products in a cost-effective manner so as to minimize any charges that might otherwise be made to TRANSMEDICS. In performing its obligations under this Agreement, FRESENIUS shall use its best efforts and act in good faith to avoid incurring costs it would not incur in similar circumstances for itself or any third party.

2.4 License Grant. TRANSMEDICS hereby grants to FRESENIUS a non-exclusive royalty- free right and license under TRANSMEDICS Know-How, without right to grant sublicenses, to manufacture the Products solely for TRANSMEDICS in accordance with the Products Specifications and the terms and conditions of this Agreement. FRESENIUS is authorized to use

the TRANSMEDICS Know-How solely for the purpose of performing its obligations under this Agreement.

2.5 No Other Rights. FRESENIUS acknowledges that, except as expressly provided in this Agreement, FRESENIUS shall not, by virtue of this Agreement, at any time have any right, title, license or interest in or to the TRANSMEDICS Know-How or to any other intellectual property rights relating to the Products which are owned by or licensed to TRANSMEDICS or to which TRANSMEDICS is otherwise entitled.

ARTICLE 3

PRELIMINARY ACTIVITIES

3.1 Preliminary Activities.

3.1.1 FRESENIUS shall use commercially reasonable efforts in performing the Preliminary Activities in accordance with the provisions of this Agreement and in completing the Preliminary Activities within the time frame set forth in Exhibit A.

3.1.2 In order to facilitate execution of the Preliminary Activities, TRANSMEDICS shall supply FRESENIUS with the TRANSMEDICS Know-How.

3.2 Development Phase. FRESENIUS shall perform the work packages described in the Project Plan; FRESENIUS shall develop a report to document the results of such work (the "Research & Development Report").

3.2.1 Clinical Batches. Following TRANSMEDICS acceptance of the Research & Development Report, if FRESENIUS and TRANSMEDICS so agree, FRESENIUS shall produce one or more Clinical Batches of the Products. FRESENIUS will manufacture batches according to its typical batch size ([***] units) only. TRANSMEDICS shall inform FRESENIUS of the number of Batches required [***] days before delivery.

3.2.2 Stability Testing. FRESENIUS shall start a Stability Testing Program using three suitable batches to assess the long-term stability of the Products, as described in the Project Plan of Exhibit A.

3.3 Cooperation.

3.3.1 FRESENIUS and TRANSMEDICS shall each designate a Liaison with the other Party during the Preliminary Activities. Each Party shall have the right to change its Liaison upon written notice to the other Party. All communications of a technical nature shall be directed to the other Party's Liaison or his or her designee. FRESENIUS shall inform the TRANSMEDICS Liaison of all material internal discussions, meetings and correspondence (including e-mail) relating to the Preliminary Activities.

3.3.2 At the request of TRANSMEDICS, the Parties shall hold regularly scheduled, meetings relating to the status of the Preliminary Activities by telephone or, if requested by TRANSMEDICS, in person.

3.3.3 FRESENIUS will deliver written reports as specified in the Project Plan to TRANSMEDICS regarding the status of the Preliminary Activities, including progress on the Development Deliverables, test results, and significant achievements or risks, in reasonable detail.

3.3.4 FRESENIUS will immediately notify TRANSMEDICS of any circumstances or conditions that could lead to increased costs or delays in delivery of Development Deliverables or to the inability to develop Products that meet the Product Specifications. Such notification shall not relieve FRESENIUS of its liability under this Agreement.

3.4 Subcontractors.

3.4.1 FRESENIUS shall not engage or use any contractor, subcontractor or consultant to perform work hereunder without TRANSMEDICS' prior written approval, which may not be unreasonably withheld. Contractors, subcontractors and consultants hereunder shall be termed "Subcontractors." This clause notwithstanding, FRESENIUS may engage a Subcontractor to perform administrative work.

3.4.2 FRESENIUS shall be responsible and liable for all actions and omissions of Subcontractors in their performance of contractual services and/or Deliverables subcontracted, and shall ensure that all Subcontractors execute written agreements imposing restrictions as to the protection of TRANSMEDICS' Confidential Information at least as stringent as those imposed hereby, and irrevocably releasing TRANSMEDICS from any liability to such Subcontractors. To allow for further transfer or license to TRANSMEDICS, FRESENIUS shall submit any and all Subcontractors to obligations allowing for the automatic transfer or license of all inventions and results (whether protectable or not) conceived in rendering any subcontracted Deliverables or part thereof. Engagement of any Sub-Contractor shall not release FRESENIUS of any and all of its obligations hereunder. TRANSMEDICS shall have no obligation or liability to any Subcontractor, and FRESENIUS shall be solely responsible for all payments to the Subcontractors.

3.5 Records and Device Master File.

3.5.1 FRESENIUS shall maintain records in sufficient detail and in good scientific manner as will properly reflect all work done and results achieved in the performance of the Preliminary Activities and as described in more detail in the Project Plan (the "Documentation").

3.5.2 FRESENIUS shall furnish to TRANSMEDICS the Documentation.

3.5.3 FRESENIUS shall prepare, maintain and share with TRANSMEDICS the records described in the Project Plan and related to the development of the Products in such form as required for the Device Master File as needed for TRANSMEDICS' submission for such Regulatory Approvals as TRANSMEDICS may elect, and shall update such records during the Development Phase, no less than monthly, with such documentation as appropriate or as instructed by TRANSMEDICS. FRESENIUS shall maintain a copy of all records needed for the portion of the Device Master File which relates to the Products. These records shall include, but not be limited to, a description of experimental plans for the work carried out, handling and archiving of raw data as well as technical reports. TRANSMEDICS shall own a Device Master File and any registration with the regulatory agencies for the Products where the Products are determined to be medicinal products.

3.6 Testing and Approval of Development Deliverables.

3.6.1 FRESENIUS shall provide the Development Deliverables to TRANSMEDICS at the location(s) designated by TRANSMEDICS no later than the times set forth in the Project Plan. Each Development Deliverable shall be accompanied by all relevant documentation, notes, diagrams, bills of materials, diagnostic reports and other information necessary for TRANSMEDICS to understand the design, fabrication and quality assurance aspects of the Development Deliverable, all to the extent customary in the trade.

3.6.2 TRANSMEDICS shall review and test each Development Deliverable to determine whether it conforms with the Product Specifications where such Development Deliverable is a Batch of Product, or where such Development Deliverable pertains to documentation, with the parameters of section 3.5 hereinabove. If TRANSMEDICS fails to review, test and notify FRESENIUS of any deficiencies in such Development Deliverables within the Testing Period, such Development Deliverables shall be deemed accepted. FRESENIUS shall not be deemed to have satisfied its obligation to provide a Development Deliverable until TRANSMEDICS has issued a written Approval of such Development Deliverable. TRANSMEDICS may only withhold its Approval to Development Deliverables if such Development Deliverables fail to meet the Product Specifications in the case of a Product, or are not suited for submission to Regulatory Agencies in the case of documents. With such Approval, the Development Deliverables shall be deemed fully accepted in that TRANSMEDICS shall be fully responsible for any defects of the Development Deliverables and no further obligations or liability with respect to the Approved Deliverables shall arise for FRESENIUS. The Parties agree and acknowledge that TRANSMEDICS' Approval under this Section shall only extend to the approved Deliverables.

3.6.3 If TRANSMEDICS determines that a Development Deliverable does not conform with the Product Specifications, TRANSMEDICS shall provide FRESENIUS with a written notification specifying the nonconformities that have been identified by TRANSMEDICS (the "Rejection Notice"). FRESENIUS shall have ten (10) business days from the date of receipt of the Rejection Notice to analyze any deficiency specified in the Rejection Notice and give TRANSMEDICS a timeline for redelivery of the Deliverable. If TRANSMEDICS so chooses, FRESENIUS shall deliver a corrected Development Deliverable at FRESENIUS' expense and as soon as practicable. Following such redelivery, TRANSMEDICS shall be given a further re-testing period, equivalent in length to the applicable Testing Period. If TRANSMEDICS rejects the redelivered Development Deliverable, TRANSMEDICS, as its sole remedies, shall be entitled to have FRESENIUS redeliver the Deliverable or terminate this Agreement without penalty. If FRESENIUS does not agree with TRANSMEDICS that a Development Deliverable fails to conform with the Product Specifications, the Parties agree to meet and work out a mutually acceptable solution.

3.7 New Equipment.

3.7.1 It is not expected that New Equipment will be needed for FRESENIUS to perform its obligations under this Agreement. However, if New Equipment is in fact needed, FRESENIUS and TRANSMEDICS agree to negotiate in good faith a separate agreement covering the purchase of such New Equipment.

3.8 Delay or Failure in Completion of Preliminary Activities.

3.8.1 FRESENIUS shall use its commercial reasonable efforts to complete the Preliminary Activities in accordance with the schedule set forth on Exhibit A. To the extent that the Preliminary Activities are not completed by the date set forth in the Project Plan, the Parties agree to meet and discuss in good faith strategies for completing the Preliminary Activities as quickly as possible.

3.8.2 To the extent that either Party shall determine in good faith that substantial technical difficulties prevent FRESENIUS from completing the Preliminary Activities, the Parties agree to meet to discuss and examine the situation. If no commercially reasonable solution can be found within sixty (60) days of such meeting, either Party may terminate this Agreement with immediate effect.

3.8.3 TRANSMEDICS shall have the right to terminate this Agreement upon not less than ten (10) days prior written notice to FRESENIUS given at any time prior to the commencement of the Supply Phase if TRANSMEDICS determines, in its sole discretion, that the Product is not commercially viable.

3.8.4 In the event of early termination pursuant to this Section 3.8, in addition to the provisions surviving under Section 13.3.5:

(a) TRANSMEDICS shall pay to FRESENIUS (on a time and materials basis at the labor rates specified in Exhibit F) the documented and reasonable costs that FRESENIUS has incurred exclusively in connection with the Preliminary Activities in accordance with the Project Plan prior to notification of termination and which costs cannot be reversed, mitigated or recovered by FRESENIUS using commercially reasonable efforts; and

(b) FRESENIUS shall deliver to TRANSMEDICS all plans, designs, analyses, test results, solutions, components, models, Materials, prototypes and other works-in-progress that have been developed by or for FRESENIUS during the course of the Preliminary Activities; and

(c) All other rights and obligations of the Parties under this Agreement shall terminate.

3.9 Remuneration for Preliminary Activities.

3.9.1 TRANSMEDICS shall compensate FRESENIUS for its costs and expenses directly related to its performance of the Preliminary Activities which estimated costs and expenses are set forth on Exhibit F. FRESENIUS shall use its best efforts to complete the Preliminary Activities within said estimates set forth in Exhibit F, however, TRANSMEDICS understands and agrees that Exhibit F merely contains estimates.

3.9.2 At the end of each calendar month, FRESENIUS shall provide TRANSMEDICS with a detailed accounting of the actual number of hours its personnel spent on performing the Preliminary Activities, including a breakdown of the activities performed and the out-of-pocket expenses incurred during the month that are directly related to the Preliminary Activities, including copies of third party invoices.

3.9.3 FRESENIUS shall invoice TRANSMEDICS for work performed during a calendar month no earlier than the end of such calendar month. TRANSMEDICS shall pay such invoices within 30 days from the invoice date. Payments shall be payable in SEK.

ARTICLE 4

MANUFACTURE AND SUPPLY

4.1 Manufacture of the Product.

4.1.1 During the Supply Phase, FRESENIUS shall manufacture and supply to TRANSMEDICS the quantities of Products ordered by TRANSMEDICS from time to time pursuant to Section 5.3.

4.1.2 The Products manufactured shall conform to cGMP, the Quality Agreement, all applicable laws, and the Product Specifications (as may apply from time to time, collectively, the "Production Standards").

4.2 Materials.

4.2.1 FRESENIUS shall be responsible for purchasing all Materials (including the cost of import duties of such Materials, to the extent applicable), as well as for furnishing all labor, supervision, equipment, facilities and services to manufacture the Products in accordance with the Production Standard

4.2.2 Subject to compliance with any higher standards required under this Agreement, FRESENIUS shall inspect, sample, identify and store the Materials in accordance with FRESENIUS' standard operating procedures and shall test and release Materials in accordance with the Testing Specifications.

4.3 Storage and Handling.

4.3.1 FRESENIUS shall handle and store the Materials in accordance with the Material Specifications so as to avoid any risk of damage thereto or with FRESENIUS' own ingredients or supplies or with those held by FRESENIUS for third parties.

4.3.2 FRESENIUS shall handle and store the Products in accordance with the Product Specifications so as to avoid any risk of damage thereto or confusion with other products held by FRESENIUS for itself or third parties.

4.4 Control Samples. FRESENIUS shall maintain control samples of the Materials in accordance with the provisions set forth in the Quality Agreement. The records pertaining to the testing of the Materials shall be maintained by FRESENIUS in accordance with its internal record retention policies and cGMP. FRESENIUS shall make such records available to TRANSMEDICS during normal business hours, upon prior written request.

4.5 Stability Testing. FRESENIUS shall be responsible for maintaining a routine stability testing program for the Products as set forth in the Quality Agreement. TRANSMEDICS shall

reimburse FRESENIUS for costs related to the execution of the routine stability testing program at a rate set forth on Exhibit G.

4.6 Changes in Specifications.

4.6.1 TRANSMEDICS shall have the right to make other changes to the Product Specifications, the Material Specifications, and the Testing Specifications (collectively, the "Specifications") at any time. Any increase in costs for the manufacture of the Products by FRESENIUS as a result of such changes in the Specifications as well as any FRESENIUS internal and out-of-pocket cost to implement said changes by FRESENIUS shall be borne by TRANSMEDICS. FRESENIUS shall advise TRANSMEDICS of such cost prior to implementation of the changes to the Specifications requested by TRANSMEDICS and FRESENIUS shall not commence to implement any such changes or incur any costs until TRANSMEDICS has given its written authorization to do so. The Parties shall further agree on a reasonable time schedule for the implementation of said changes.

4.6.2 TRANSMEDICS shall reimburse FRESENIUS for the reasonable costs related to new labels, package inserts or packaging materials or changes to existing labels, package inserts, or packaging materials that are requested by TRANSMEDICS.

4.6.3 TRANSMEDICS shall reimburse FRESENIUS for direct costs of inventories and for costs of destruction thereof, of manufacturing materials, including printed materials, which become obsolete due to changes in Specifications made at the request of TRANSMEDICS.

4.6.4 FRESENIUS may make changes to the Manufacturing Process only with the prior written consent of TRANSMEDICS. Any increased costs resulting from any changes to the Manufacturing Process arising from a request from FRESENIUS shall be borne by FRESENIUS. Unless subject to section 14.1, any benefit arising from a request by FRESENIUS shall be to the benefit of FRESENIUS.

4.6.5 The Parties shall cooperate to determine an appropriate qualification protocol for all changes to Product Specifications.

4.6.6 The Parties shall determine an appropriate inventory level of pre-change Products in order to cover on-going requirements during the qualification process.

4.7 Notification of Problems. TRANSMEDICS shall notify FRESENIUS of any problems of which TRANSMEDICS becomes aware associated with the Products, or FRESENIUS' Manufacturing Process, packaging or testing procedures within 48 hours of TRANSMEDICS' knowledge of such problems. FRESENIUS shall notify TRANSMEDICS of any problems encountered by FRESENIUS in manufacturing or testing the Products within 48 hours of FRESENIUS' knowledge of such problems if FRESENIUS has reason to assume that such problems will affect the agreed upon delivery schedule or quality, safety or compliance of the Products.

4.8 Compliance with Laws.

4.8.1 FRESENIUS shall observe and comply with all applicable laws and regulations in Sweden in respect of the manufacture of the Products in Sweden. FRESENIUS, at its own expense, shall maintain all regulatory files, government permits and licenses required for manufacture of the Products in Sweden including, but not limited to, health, safety and environmental permits for the conduct of the activities and procedures that FRESENIUS undertakes pursuant to this Agreement. In no event shall FRESENIUS be required to maintain its Facility or manufacture the Products in a manner that violates the said applicable laws and regulations of Sweden.

4.9 Record Retention. FRESENIUS shall retain records pertaining to the Products in accordance with the provisions set forth in the Quality Agreement. TRANSMEDICS shall have the right to review such records upon reasonable notice during the term of this Agreement and for three years following termination or expiration of this Agreement.

4.10 Change in Manufacturing Site. FRESENIUS will manufacture the Products only at the Facility. FRESENIUS may not change the site of manufacture or testing operations without the prior written consent of TRANSMEDICS, which will not be unreasonably withheld, and receipt of all requisite regulatory approvals and provided that FRESENIUS' ability to supply the Products will not be adversely affected. Cost resulting from the change of manufacturing site, including additional costs related to the manufacture of the Products, shall be borne solely by FRESENIUS. The premises and equipment used to manufacture the Products will be maintained according to current regulatory requirements, cGMP guidelines and as otherwise agreed to by the parties.

4.11 Right of First Refusal. If FRESENIUS desires to sell, lease, surrender, license or otherwise transfer, either directly or indirectly, the assets described in Exhibit I (the "Offered Items") to any third party, FRESENIUS will first give TRANSMEDICS the opportunity to acquire the Offered Items on terms equivalent to those offered to the third party (the "Proposed Terms"). TRANSMEDICS shall have thirty (30) days in which to accept the Proposed Terms in writing. If TRANSMEDICS does not accept the Proposed Terms within thirty (30) days, then FRESENIUS shall be entitled to enter into an agreement with such third party on the Proposed Terms. If the Parties agree that this Agreement shall be transferred to the acquirer of the Offered Items, FRESENIUS shall require that any third party acquirer of the Offered Items be bound by all relevant provisions of this Agreement relating to the Offered Items, including, without limitation, this Section 4.11.

ARTICLE 5

FORECASTS AND PURCHASE ORDERS

5.1 Forecast. As soon as practicable after the commencement of the Supply Phase and thereafter, at least [***] prior to the first day of each January, April, July and October during the Supply Phase, TRANSMEDICS shall submit to FRESENIUS a good faith, estimated rolling forecast of the quantity of Products TRANSMEDICS expects to order for production on a monthly basis during the next [***] (a "Forecast"). TRANSMEDICS agrees that (i) the Forecast for the first [***] reflected therein shall be considered a "firm" Forecast and TRANSMEDICS shall place

Purchase Orders for all Product forecasted therein during the month indicated by the Forecast, and (ii) the Forecast for the fourth, fifth and sixth months shall be "semi-firm", and TRANSMEDICS shall place Purchase Orders for between [***]% and [***]% of the Product forecast therein during the month indicated by the Forecast. The Forecast for the seventh through [***] of the Forecast shall be non-binding.

5.2 Manufacturing and Production Capacity.

5.2.1 For the semi-binding and the non-binding portion of the Forecast, FRESENIUS shall allocate sufficient manufacturing capacity, components and parts, for manufacture of the Products in sufficient quantity to exceed TRANSMEDICS' then current Forecast amounts by at least [***]%. For the binding portion of the Forecast, FRESENIUS shall use best efforts to manufacture quantities of Products to exceed TRANSMEDICS' then current Forecast amounts by [***]%. FRESENIUS shall manufacture all of the Products ordered by TRANSMEDICS in compliance the with Production Standards.

5.2.2 At any time during the Supply Phase, if TRANSMEDICS so chooses, FRESENIUS shall, at TRANSMEDICS' expense, fully qualify a second manufacturing plant for the Products that is at least 250 miles geographically distant from its initial manufacturing plant. Alternatively, with TRANSMEDICS' prior written consent, FRESENIUS may qualify, at TRANSMEDICS' expense, a reputable third party manufacturer with a physically distinct manufacturing facility to produce the Products. TRANSMEDICS shall be entitled to visit and inspect all proposed production facilities for the Products.

5.3 Purchase Orders.

5.3.1 Not less than [***] before the beginning of a calendar month TRANSMEDICS shall submit its Purchase Orders setting forth the quantities, delivery dates and shipping instructions with respect to each shipment for said calendar month. FRESENIUS understands that the Purchase Orders may not reflect FRESENIUS' typical batch size for an extended period after commencement of commercial production. TRANSMEDICS agrees to have the Purchase Orders reflecting FRESENIUS' typical batch size as soon as commercially viable, taking both TRANSMEDICS' and FRESENIUS' commercial interest into consideration and in particular the shelf life of the Product and potential storage of ordered to manufactured Product.

5.3.2 In the event that the quantity of Products for delivery in any calendar quarter reflected in the binding portion of the Forecast is more than [***]% above the quantity of the Products reflected in the latest Semi-Firm Forecast for said calendar quarter FRESENIUS shall use all reasonable commercial efforts, but shall not be obligated, to deliver during such calendar quarter the quantity of the Products ordered by TRANSMEDICS beyond such threshold amount. For purposes of clarity, FRESENIUS shall be obligated to provide the quantity of Products ordered by TRANSMEDICS up to [***]% over its Semi-Firm Forecast, so long as TRANSMEDICS has submitted Purchase Orders in accordance with Section 5.3.1.

5.4 Acceptance of Purchase Orders. Unless FRESENIUS informs TRANSMEDICS otherwise in writing within 10 Business Days of its receipt of a Purchase Order, the Purchase Order shall be deemed accepted by FRESENIUS. The only grounds upon which FRESENIUS may reject a

Purchase Order shall be that the Purchase Order: (i) sets forth a delivery schedule that is inconsistent with Sections 5.1 and 6.1, or (ii) if TRANSMEDICS has not paid three consecutive invoices. Should the requested delivery date set forth on a Purchase Order not be reasonably achievable by FRESENIUS, FRESENIUS will inform TRANSMEDICS thereof within 5 Business Days following receipt of the Purchase Order and at the same time will propose an alternative ship date, the acceptance thereof not to be unreasonably withheld by TRANSMEDICS. A request by FRESENIUS to change the ship date shall not be deemed to be a rejection of a Purchase Order.

5.4.1 In addition to the foregoing, TRANSMEDICS shall be entitled to cancel, without penalty, any order for the Products if such order has not been delivered within two (2) weeks of the scheduled delivery date. FRESENIUS shall refund TRANSMEDICS all amounts paid by TRANSMEDICS in respect of such canceled orders.

5.5 Shipment Quantity Deviation. FRESENIUS is entitled to deviate plus or minus [***]% from the quantity of Products set forth on the Purchase Order. If FRESENIUS has a reasonable belief that it anticipates a deviation beyond the [***]% threshold referred in the foregoing sentence, FRESENIUS will advise TRANSMEDICS within three (3) Business Days of the basis upon which such reasonable belief is formulated. FRESENIUS is entitled, at its own risk and discretion, to produce the Products according to the Forecast and hold such Products as safety stock, provided that the Products, at the time of delivery to TRANSMEDICS shall have a shelf-life of no less than [***]% of the shelf life set forth in the Product Specifications based on the assumption that the shelf-life of the Products is set at two years. If the determined shelf-life is materially less than 2 years, the Parties shall agree on a reasonably shortened rest of the shelf-life to be unexpired at the time of delivery of the Products.

5.6 Conflicts. In the event that the terms of this Agreement conflict with the terms of a Purchase Order, unless otherwise mutually agreed in writing by the Parties, the terms of this Agreement shall prevail.

ARTICLE 6

DELIVERY AND INVOICE

6.1 Delivery.

6.1.1 All Products shall be handled, packaged, labeled and shipped by FRESENIUS according to the Product Specifications and any reasonable instructions from TRANSMEDICS, and shall be accompanied by an appropriate certificate of analysis. FRESENIUS shall provide TRANSMEDICS by fax with a copy of the certificate of analysis and the part of the batch documentation required for release of the product. In the first year of commercial supply, FRESENIUS shall provide TRANSMEDICS with appropriate samples of each batch to be delivered by air mail. All Products shall be appropriately labeled with traceable batch numbers and date of manufacture. FRESENIUS shall mark the Products and packaging with the country of origin as required, and provide a certificate of origin and any other documents required for customs purposes. FRESENIUS shall deliver each shipment, FCA (as defined in Incoterms 2000 or latest revisions thereof), FRESENIUS' Facility, to TRANSMEDICS or TRANSMEDICS' designee. At the request of TRANSMEDICS, FRESENIUS will give assistance in arranging

transport of the Products in which case FRESENIUS shall follow the instructions of TRANSMEDICS.

6.1.2 All freight and insurance costs in respect of the Products shall be borne by TRANSMEDICS. Title, risk of loss, delay or damage in transit shall be with TRANSMEDICS from and after delivery to TRANSMEDICS' designated carrier.

6.2 Invoice.

6.2.1 Subject to Section 6.2.2, FRESENIUS shall invoice TRANSMEDICS no earlier than the time of delivery of the Products for the applicable Purchase Price and for prepaid cost of transport for the Products then shipped. Each such invoice shall state the quantity of the Products contained in the shipment in question.

6.2.2 TRANSMEDICS or its designee shall have the right to confirm the quantity of the Products contained in any shipment. In the event the quantity of the Products shipped is greater or less than the quantity reflected in FRESENIUS' invoice for such delivery, then within 60 days after TRANSMEDICS or its designee' s receipt of such shipment, TRANSMEDICS may notify FRESENIUS of such overage or shortage, and, unless FRESENIUS disputes such notice, the amount of such invoice shall be corrected by FRESENIUS through issuing an additional invoice or a credit note, as the case may be, to reflect the actual quantity of the Products contained in such shipment.

6.2.3 TRANSMEDICS shall have the right to withhold payment of the portion of any invoice that is in dispute under 6.2.2 until such dispute has been resolved.

ARTICLE 7

PURCHASE PRICE

7.1 The "Purchase Price" for the Products is as set forth on Exhibit H.

7.2 Purchase Price Adjustment. The Purchase Price shall be increased each [***] effective on [***] beginning with the [***] year of the Supply Phase by the lower of (i) [***]% or (ii) the percentual increase in the index level specified in the **Net Price Index (1980=100) published by Statistics Sweden** for the [***] months period ending on October 31 of the preceding calendar year compared with the index level specified in said production index as of October 31 of the second preceding calendar year. For the avoidance of doubt, the Purchase Price effective on January 1 shall apply on all Products delivered on or after such January 1. If the index described above ceases to be published, then the Parties agree to substitute, without the necessity of any further action by the Parties, the index designated by the Swedish government as the successor index to the discontinued one, or if no successor is designated, the successor index agreed to by Parties (such agreement not to be unreasonably withheld or delayed), or if the Parties are unable to agree, the index designated by FRESENIUS' independent certified accountant.

7.3 Other Purchase Price Adjustments. In addition to the annual Purchase Price adjustment referred to in Section 7.2 above, the Purchase Prices may also be adjusted (either up or down) upon the mutual consent of the Parties upon the occurrence of one of the following events:

7.3.1 Changes in Specifications are required by TRANSMEDICS or an applicable Regulatory Agency;

7.3.2 Changes to the Manufacturing Process or equipment are required by TRANSMEDICS or an applicable Regulatory Agency;

7.3.3 Changes to the control or monitoring procedures are required by TRANSMEDICS or an applicable Regulatory Agency; or

7.3.4 Sales quantities are significantly above or below the projected quantities as set forth in the forecasts pursuant to Section 5.1.

7.4 Taxes. Any and all taxes imposed upon or with respect to or measured by the sale or delivery by FRESENIUS to TRANSMEDICS of the Products in accordance with TRANSMEDICS' instructions (other than taxes levied upon FRESENIUS' gross or net income) shall be on TRANSMEDICS' account.

ARTICLE 8

PAYMENT

8.1 Payment Due Date. TRANSMEDICS shall make payment on invoices (including value added tax, if any, due thereon) by wire transfer in SEK no later than [***] days from the date the invoice is received unless the invoice needs to be corrected per Section 6.5.2, in which case TRANSMEDICS shall make payment no later than [***] from the date a corrected invoice is received.

8.2 No Set-Offs. All payments shall be made without deduction, set off or counterclaim unless TRANSMEDICS and FRESENIUS otherwise expressly agree in this Agreement (e.g., Section 6.2.3.) or otherwise in writing.

8.3 Conflicts. No terms contained in any invoice shall be construed to amend or modify the terms of this Agreement and, in the event of any conflict; this Agreement shall prevail unless otherwise expressly agreed in writing by TRANSMEDICS and FRESENIUS.

8.4 Late Fee. If any sum payable under this Agreement is not paid on the due date for payment, the Party in default shall pay interest on such sum at an annual rate equal to the three (3) months LIBOR plus three percent (3%) per annum as published by Bloomberg Financial Services or any other bank reference source mutually agreed upon by the Parties or, if less, the maximum rate permitted by law from the due date until payment (whether before or after judgment), such interest to accrue on a daily basis provided that this right shall not prejudice any other right or remedy in respect of any such sum.

ARTICLE 9

ACCEPTANCE OR REJECTION OF THE PRODUCTS

9.1 Protocol for Receipt or Rejection of Products. Other than for Hidden Defects as described in Section 9.4, TRANSMEDICS shall have thirty (30) days after delivery of any Batch of Products pursuant to Section 6.1.1 to reject such Batch. TRANSMEDICS may reject a Batch of Products, or a portion thereof, for the (i) failure of such Batch to meet the Production Standards; or (ii) failure of such Batch to meet FRESENIUS' warranties set forth herein. Failure of TRANSMEDICS to reject a Batch of the Products in the manner set forth above within thirty (30) days after delivery of such Batch shall constitute acceptance thereof.

9.2 Partial Acceptance. If only a portion of a Batch should be rejected, the Parties shall cooperate and endeavor to allow the sale of that portion of the Batch that can be sold in compliance with all applicable laws, rules and regulations, and the portion so allowed, if any, will be considered as purchased and delivered as required under this Agreement.

9.3 Rejection of Product.

9.3.1 Should TRANSMEDICS rightfully reject any Batch of Product, or part thereof, pursuant to Section 9.1 and FRESENIUS agrees that such rejection is justified, FRESENIUS shall not charge TRANSMEDICS for such Batch and shall reimburse TRANSMEDICS for all shipping costs incurred by TRANSMEDICS. FRESENIUS shall have no further liability to TRANSMEDICS in respect of such Batch except that FRESENIUS shall have the obligation to replace the rejected Batch. The Parties shall agree how to destroy any such rejected Batch. Costs related to the disposal, destruction and/or return of such Batch shall be borne by FRESENIUS.

9.3.2 Should TRANSMEDICS reject any Batch, or part thereof, pursuant to Section 9.1 and FRESENIUS and TRANSMEDICS, after good faith negotiation, fail to agree that such rejection is justified, the Parties shall mutually agree on an independent third party to evaluate all documentation relating to such Batch of Products and other relevant information developed by both Parties relating thereto to ascertain whether the rejection is justified. If the third party determines that TRANSMEDICS' rejection is justified, FRESENIUS shall pay for the costs of the independent third party's review, all shipping costs incurred by TRANSMEDICS, all costs related to the disposal, destruction and/or return of such Batch and FRESENIUS shall have no further liability to TRANSMEDICS in respect of such Batch, except to replace such Batch at no cost to TRANSMEDICS. If the third party determines that TRANSMEDICS' rejection is not justified, TRANSMEDICS shall pay for the costs of the independent third party's review, and TRANSMEDICS shall pay FRESENIUS for such Batch, and FRESENIUS shall have no further liability to TRANSMEDICS.

9.4 Hidden Defects. If it is found that a Batch of Products has not been manufactured in accordance with the Product Specifications, cGMP and/or FRESENIUS' warranties hereunder, which could not reasonably be found by diligent and adequate inspection by TRANSMEDICS (a "Hidden Defect"), TRANSMEDICS shall notify FRESENIUS within thirty (30) days of the discovery of such Hidden Defect but in any case within 12 months from the delivery of said Batch

of Products. Such Batch of Products (or relevant portion thereof) shall be treated as rejected pursuant to Section 9.1 above.

ARTICLE 10

AUDITS AND INSPECTIONS

10.1 Audits. TRANSMEDICS may audit the Facility, (i) on an annual basis, (ii) during any FDA Application Integrity Policy investigation or action that is specific to TRANSMEDICS' POPS product or the Product, (iii) during any inspection by a Regulatory Agency that involves the POPS product or the Product, (iv) in the event of a Batch-related rejection or investigation as contemplated in Article 9, (v) in the event FRESENIUS shall receive a "Warning Letter" from the FDA relating to the manufacture, packaging or Labeling of the Products by FRESENIUS or otherwise affecting the Products or similar notification from a Regulatory Agency, auditing FRESENIUS' operation, and (vi) in accordance with the procedures set forth in the Quality Agreement to ensure that the principles of cGMP and the provisions of this Agreement are followed in connection with the production of the Products. FRESENIUS will rectify any deficiencies noted during the course of an audit. If TRANSMEDICS requests FRESENIUS to implement changes over and above cGMP, and if FRESENIUS agrees to implement such changes, the costs therefore will be borne by TRANSMEDICS.

10.2 Correspondence. FRESENIUS shall provide to TRANSMEDICS copies of all correspondence from applicable Regulatory Agencies relating to the Product, and all inspection reports issued by such Regulatory Agencies during the term of this Agreement to the extent they relate to the manufacture of the Products as such reports and correspondence become available. FRESENIUS agrees to notify TRANSMEDICS promptly of any governmental inspection activity or actions relating to general cGMP compliance or to any of Products, or to any process, equipment or facilities used to manufacture any Product.

ARTICLE 11

INDEMNIFICATION AND INSURANCE

11.1 Indemnification by TRANSMEDICS. TRANSMEDICS shall defend, indemnify and hold harmless FRESENIUS, its officers, agents and employees from any third party loss, claim, action, damage, expense or liability, including reasonable defense costs and attorneys' fees ("Claim") arising out of or related to:

11.1.1 the alleged infringement of a third party's intellectual property rights relating to the use of TRANSMEDICS Know-How in accordance with the terms of this Agreement or TRANSMEDIC's other instruction;

11.1.2 TRANSMEDICS' negligence, willful or reckless acts or omissions with respect to the distribution, marketing and/or sale of the Products; and

11.1.3 personal injury to consumers relating to the Products, other than injury due to FRESENIUS' negligence, willful or reckless acts or omissions, FRESENIUS' breach of this

Agreement or applicable law or FRESENIUS' failure to manufacture, Label or package the Products in accordance with the Product Specifications.

11.2 Indemnification by FRESENIUS. FRESENIUS shall defend, indemnify and hold harmless TRANSMEDICS its officers, agents and employees from any Claim arising out of or related to:

11.2.1 FRESENIUS' negligence, willful or reckless acts or omissions, with respect to the manufacture, Labeling or packaging of the Products, including any personal injury to consumers relating to the Products arising as a result thereof; or

11.2.2 FRESENIUS' breach of this Agreement or applicable law or failure to manufacture the Products in accordance with the Production Standards; and

11.2.3 infringement of a third party's intellectual property rights relating to the Products as a result of FRESENIUS' use of a manufacturing process for the manufacture of the Products hereunder to the extent such process does not involve TRANSMEDICS Know-How or any formulation or composition of the Products that is not a direct result of the written instructions of TRANSMEDICS or the direct compliance with the Product Specification.

11.3 Procedure. In the event either FRESENIUS or TRANSMEDICS seeks indemnification under this Article 11 from the other, it shall inform such other Party of a Claim as soon as reasonably practicable after it receives notice of the Claim, shall permit the indemnifying party to assume direction and control of the defense of the Claim (including the right to settle the claim solely for monetary consideration), and shall reasonably cooperate as requested by and at the expense of, the indemnifying party in the defense of the Claim. In addition, either Party may be represented by its own counsel at its own expense.

11.4 Limitation on Liability. EXCEPT AS OTHERWISE STATED HEREIN, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY AMOUNTS REPRESENTING ITS LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF GOODWILL, LOSS OF ECONOMIC OPPORTUNITY, OR INDIRECT, SPECIAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES, ARISING FROM THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT OR ANY ACTS OR OMISSIONS ASSOCIATED THEREWITH OR RELATED TO THE USE OF ANY ITEMS OR SERVICES FURNISHED HEREUNDER, WHETHER THE BASIS OF THE LIABILITY IS BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY, STATUTES OR ANY OTHER LEGAL THEORY).

11.5 Insurance. TRANSMEDICS and FRESENIUS shall each maintain throughout the term of this Agreement commercial liability insurance covering product liability and other consumer injuries arising from the sale of the Products in an amount of at least US$1,000,000 per occurrence and US$3,000,000 in the aggregate. At the request of either Party, the other Party shall provide documentation sufficient to show proof of coverage.

ARTICLE 12

CONFIDENTIALITY

12.1 Defined. With respect to all Confidential Information furnished by one Party to the other Party pursuant to this Agreement, the Party receiving such Confidential Information (the "Receiving Party") shall maintain the confidential and proprietary status of such Confidential Information, keep such Confidential Information and each part thereof within its possession or under its control, use all reasonable efforts to prevent the disclosure of any Confidential Information to any other person, and use all reasonable efforts to ensure that such Confidential Information is used only for those purposes specifically authorized by this Agreement. These mutual obligations of confidentiality shall not apply to any information to the extent that such information is:

12.1.1 independently developed by the Receiving Party outside the scope and not in violation of this Agreement by employees not having access to the other Party's Confidential Information as reasonably demonstrated by the Receiving Party's written records;

12.1.2 in the public domain at the time of its receipt or thereafter becomes part of the public domain through no fault of the Receiving Party;

12.1.3 received without an obligation of confidentiality from a third party having the right to disclose such information and who is not disclosing such information on behalf of the disclosing Party;

12.1.4 released, in writing, by the disclosing Party from the restrictions of this Article 12;

12.1.5 required by law, statute, rule or court order to be disclosed (but only to the extent such disclosure is required), provided that the Receiving Party shall immediately provide notice of such requirement and use reasonable efforts to obtain confidential treatment of any such disclosure, consult with the other Party and permit the other Party to participate in seeking an appropriate protective order.

12.2 Permitted Disclosure. Notwithstanding the other provisions of this Article 12, each Party may disclose Confidential Information of the other Party to any governmental authority, including any Regulatory Agency to comply with law or the request of such authority or Regulatory Agency, or, to the extent necessary, to any Subcontractor authorized by TRANSMEDICS performing work in connection with this Agreement, provided such Subcontractor agrees to keep such Confidential Information confidential in accordance with terms no less restrictive than those set forth herein.

12.3 Remedies. The Parties hereby acknowledge and agree that in the event of any breach of this Agreement by the other Party, including, without limitation, the actual or threatened disclosure of a disclosing Party's Confidential Information without the express prior written consent of the disclosing Party, the disclosing Party will suffer an irreparable injury, such that no remedy at law will afford it adequate protection against, or appropriate compensation for, such injury. Accordingly, each Party hereby agrees that the other Party shall be entitled to specific performance of a Receiving Party's obligations under this Agreement, as well as such further injunctive relief

as may be granted by a court of competent jurisdiction without the necessity of posting an injunction bond.

12.4 Survival. This Article shall survive the termination or expiration of this Agreement for a period of 5 years.

ARTICLE 13

TERM AND TERMINATION

13.1 Term; Extension. Subject to the provisions of Section 13.2, this Agreement shall be effective from the Effective Date and shall continue to be in force for a period of five (5) years from the first delivery during the Supply Phase. Thereafter, the term shall be automatically renewed for one year renewal periods unless terminated by either Party by giving at least 12 months prior written notice to the other Party.

13.2 Early Termination. Notwithstanding the Section 13.1 above, this Agreement may be terminated as follows:

13.2.1 By either Party forthwith upon written notice to the other Party if the other Party is in material breach of this Agreement, and a cure of such breach has not occurred during a period of one hundred twenty (120) days following receipt of written notice thereof by the non-breaching Party;

13.2.2 By either Party upon sixty (60) days written notice following the discussion period provided in this Section 13.2.2, if TRANSMEDICS fails to obtain Regulatory Approval from Regulatory Authorities for the marketing of the Products in either the United States or Europe by December 31st 2006 provided that TRANSMEDICS shall have the right for 60 days following such date to discuss and FRESENIUS agrees to consider in good faith an extension of such date upon terms and conditions mutually acceptable to the Parties;

13.2.3 By either Party forthwith upon written notice to the other Party if the other Party filed or has filed against it a petition under any bankruptcy law or similar law generally affecting creditors' rights, which is not dismissed within 90 days of filing, or goes into liquidation or has a receiver, liquidator, administrator, or administrative receiver appointed over substantially all of its property or assets or anything analogous to this occurs in any jurisdiction; and

13.2.4 In accordance with Sections 3.6.3 and 3.8 hereinabove.

13.3 Effects of Termination.

13.3.1 On termination of this Agreement under Section 13.2, each Party shall be obligated during the applicable termination notice period to perform all of its obligations under this Agreement. FRESENIUS shall fill the Purchase Orders already placed by TRANSMEDICS and accepted by FRESENIUS and TRANSMEDICS shall pay for the Products properly delivered under such Purchase Orders.

13.3.2 If this Agreement is terminated by FRESENIUS as a result of TRANSMEDICS material breach, TRANSMEDICS shall reimburse FRESENIUS for the costs of Materials in FRESENIUS' stock or on non-cancelable order on the date the Agreement terminates, up to six months supply of the most recent Forecast. FRESENIUS shall deliver such Materials to TRANSMEDICS for its own use or sale. Any such reimbursement shall be dependent on (i) FRESENIUS applying reasonable efforts to built off stock or cancel orders for Materials during the notice of termination period, (ii) FRESENIUS not being able to reasonably use the Materials for other products. Said reimbursement shall be invoiced by FRESENIUS to TRANSMEDICS within 30 days following the date on which the Agreement terminates or expires. The payment term of such invoice shall be net 30 days.

13.3.3 Termination, expiration, cancellation, or abandonment of this Agreement through any means and for any reasons shall not relieve the Parties of any obligation accruing prior thereto and shall be without prejudice to the rights and remedies of either Party with respect to any antecedent breach of any of the provisions of this Agreement.

13.3.4 Upon termination of this Agreement pursuant to Section 3.8, the provisions of Section 3.8.4 shall apply.

13.3.5 In addition, expiration or early termination of this Agreement shall not relieve either Party of its obligations incurred prior to such expiration or early termination. The following provisions shall survive expiration or early termination of this Agreement: Article 1 (Definitions); Section 8.4 (Late Fee), Article 11 (Indemnity and Insurance); Article 12 (Confidentiality); Article 13 (Term and Termination); Section 14.2(ii) (License of Process Improvements to Transmedics); Section 14.3 (Ownership of Joint Improvements); Section 18.1 (No Rights in Trademarks or Logos); Section 20.5 (Governing Law); and Section 20.6 (Dispute Resolution).

ARTICLE 14

MUTUAL BENEFIT AND OWNERSHIP OF TECHNOLOGY

14.1 Mutual Benefit. The Parties have the intention to establish a mutually beneficial relationship and therefore agree to implement a program aimed at manufacturing the Products more cost-effectively, for example by increasing the process yield or by reducing the cost of material. The Parties shall meet from time to time to define potential improvements, to set targets, and to discuss timelines for implementation of improvements. The purchase of Materials from alternative suppliers may be part of such discussion. Should such efforts lead to a cost reduction of the manufacturing of the Products, then FRESENIUS and TRANSMEDICS shall benefit from the net benefit of such cost reduction equally.

14.2 Improvements. Each Party shall solely own, and shall alone have the right to apply for patents and inventor's certificates within and outside the United States on any Improvement which is conceived solely by such Party's employees or consultants; provided, however, that (i) all Product Improvements shall be the sole property of TRANSMEDICS and FRESENIUS hereby irrevocably assigns and transfers to TRANSMEDICS all right, title and interest in and to all Product Improvements as they are made; and (ii) FRESENIUS hereby grants to TRANSMEDICS

solely in the POPS Field a perpetual, irrevocable, royalty-free license under any rights it may have in the Process Improvements to make and have made the Products.

14.3 Joint Improvements. Improvements jointly made by employees or consultants of TRANSMEDICS and FRESENIUS ("Joint Inventions") shall be jointly owned by TRANSMEDICS and FRESENIUS. For the avoidance of doubt, Product Improvements shall be the sole property of TRANSMEDICS and shall therefore not be deemed Joint Inventions. The Parties agree to share equally all profits or royalties derived from third-party licenses granted on such Joint Inventions which are not Product Improvements and are not licenses granted by TRANSMEDICS to have the Product made for TRANSMEDICS. Where appropriate, the Parties may engage outside counsel agreeable to both Parties (the costs of which shall be borne equally by the Parties) to represent them jointly in the prosecution of patent applications and the maintenance of patents with respect to Joint Inventions.

14.4 Cooperation in Patent Matters. Upon request, TRANSMEDICS and FRESENIUS shall each provide the other with reasonable assistance in obtaining patents and, if necessary, enforcing patent rights relating to Joint Inventions. In the event that either party wishes to seek patent protection with respect to any Joint Invention, it shall notify the other Party hereto. To that end, each Party agrees to assist the other in executing, verifying and delivering such documents and performance of such acts as may be reasonably requested by the other Party in applying for, obtaining, perfecting, evidencing, sustaining or enforcing the other Party's rights in Joint Inventions. If both Parties wish to seek patent protection with respect to such Joint Inventions, the Parties shall agree which Party shall be responsible for conducting such activities with respect to a particular Joint Inventions. The Party conducting such activities shall keep the other Party fully informed as to the status of such patent matters, including, without limitation, by providing the other Party the opportunity, at the other Party's expense, to review and comment on any proposed filing in any patent office relating to the Joint Inventions with sufficient time for such other Party to reasonably review and comment. The Parties will share equally all expenses and fees incurred by the Party responsible for the activities associated with the filing, prosecution, issuance and maintenance of any patent application and resulting patent for a Joint Invention. Any review costs incurred by the Party not responsible for the filing, prosecution, issuance and maintenance of any patent application and resulting patent shall be borne by such Party. Each Party shall (and shall ensure that its employees and contractors shall) work in every proper way to vest in both Parties good and marketable title to the Joint Inventions and assure both Parties' rights in and to the information and data with respect to the Joint Inventions and the execution of all applications, specifications, oaths and all other instruments of consent, assurance, powers of attorney and other instruments as may be reasonably requested by the Party responsible for pursuing patent protection in order to apply for and obtain such rights, title and interest in and to the Joint Inventions and otherwise in order to carry out the purpose and intent of this Agreement.

14.5 Patent Prosecution by a Single Party. If only one Party wishes to seek patent protection with respect to such Joint Inventions in a country ("Prosecution Party"), it may file, prosecute and maintain patent applications and patents with respect thereto in both Parties' name, at its own expense. In any such case, the Party declining to participate in such activities ("Non-Participating Party") shall not be entitled to exploit or grant any third party a license under its interest in the applicable Joint Inventions until it has reimbursed the Prosecution Party for fifty percent (50%) of the prosecution, filing and maintenance costs incurred for the applicable Joint Inventions and

continues to share equally in future prosecution, filing and maintenance costs for the applicable Joint Inventions. The Non-Participating Party shall (and shall ensure that its employees and contractors shall) assist the Prosecution Party or its designee at the Prosecution Party's expense, but without additional compensation to the Non-Participating Party, in every proper way to vest in both Parties good and marketable title to the Joint Inventions and assure the Prosecution Party's rights in and to the information and data with respect to the Joint Inventions and the execution of all applications, specifications, oaths and all other instruments of consent, assurance, powers of attorney and other instruments as may be reasonably requested by the Prosecution Party in order to apply for and obtain such rights, title and interest in and to the Joint Inventions and otherwise in order to carry out the purpose and intent of this Agreement.

14.6 Enforcement of Rights in Joint Inventions.

14.6.1 In the event that either Party becomes aware of any actual or threatened infringement, misappropriation, or other unauthorized use ("Infringement") of any patents or other intellectual property rights arising from the Joint Inventions ("Joint Rights"), such Party shall promptly notify the other Party, and the Parties shall confer in good faith regarding the most appropriate actions to be taken with respect to such Infringement. Both Parties shall use reasonable efforts to cooperate with each other to terminate such Infringement without litigation.

14.6.2 If one Party brings an enforcement action relating to the Joint Rights (the "Initiating Party"), the other Party (the "Non-Initiating Party") shall have the right to participate in such action as a co-plaintiff. In any event, each Party hereby agrees to cooperate reasonably in any such effort, and the Parties shall reasonably cooperate to address new facts or circumstances that come to light during the course of any action relating to the Joint Rights which may affect the need for the Non-Initiating Party to participate in such action. The Initiating Party may not settle any action brought under this Section 14.6.2, or take any other action in the course thereof, that adversely affects the Non-Initiating Party's interest in the Joint Rights without the written consent of the Non-Initiating Party, such consent not to be unreasonably withheld, conditioned, or delayed.

14.6.3 If both Parties participate in the action to enforce the Joint Rights (by joining as plaintiffs), the expenses and costs of any such action and any damages or monetary award shall be shared equally. Unless otherwise agreed, if only one Party brings the action to enforce the Joint Rights, the costs and expenses shall be borne solely by the Initiating Party and any damages or monetary award shall belong solely to the Initiating Party.

ARTICLE 15

RELATIONSHIP OF THE PARTIES

It is not the intent of the Parties to form any partnership or joint venture with each other. Each Party shall, in relation to its obligations hereunder, act as an independent contractor, and nothing in this Agreement shall be construed to give the other Party the power or authority to act for, bind, or commit the other Party in any way whatsoever.

ARTICLE 16

FORCE MAJEURE

16.1 Notice.

16.1.1 If the performance by a Party of any obligation under this Agreement other than the payment of money, is prevented, delayed or impaired by Force Majeure, such Party shall be excused from performance so long as such situation continues to prevent delay or impair performance, provided the Party claiming such excuse shall have promptly notified the other Party of the existence, nature, and potential duration of such cause and shall at all times use its reasonable efforts consistent with its normal business practices to resume a complete performance.

16.1.2 The affected Party will advise the other Party from time to time as to the progress in remedying the situation and as to the time when the affected Party reasonably expects to resume its obligations and shall notify the others as to the expiration of any Force Majeure as soon as the affected Party knows the date thereof.

16.2 Defined. "Force Majeure" shall mean an event beyond the reasonable control of a Party including, but not limited to, acts of God; acts, regulations, or laws of any government; war; civil commotion; strike, lockout or industrial dispute, whether or not relating to that Party's work force, destruction of manufacture facilities or materials by fire, flood, earthquake, explosion or storm; epidemic and failure of public utilities or common carriers.

16.3 Remedy. If a Force Majeure event occurs, and if FRESENIUS shall be unable to supply the Products for commercial use in such quantities as TRANSMEDICS shall have ordered and in compliance with the delivery periods set forth in this Agreement and the Force Majeure is an event which hinders prevents or delays FRESENIUS from performing its responsibilities under this Agreement, FRESENIUS and TRANSMEDICS will consult with each other to determine what measures to take to solve the supply problem. Notwithstanding the foregoing, TRANSMEDICS will be excused from all obligations under any outstanding Forecast or Purchase Order as to which TRANSMEDICS has reason to believe FRESENIUS will not be able to fulfill within the times set forth therein.

ARTICLE 17

REPRESENTATIONS AND WARRANTIES

17.1 Of Both Parties. Each Party warrants and represents as of the Effective Date that such Party: (i) is authorized to enter into this Agreement; (ii) is aware of no legal, contractual or other restriction, limitation or condition that might affect adversely its ability to perform hereunder, provided that FRESENIUS does not warrant the absence of infringement of a third party's intellectual property rights related to the use of the TRANSMEDICS Know-How; and (iii) is in good standing under the laws of each jurisdiction in which it is incorporated or engages in business activities.

17.2 Of FRESENIUS. FRESENIUS warrants and represents that as of the Effective Date and at all times during the term of this Agreement that:

17.2.1 FRESENIUS has received all approvals required by all applicable Regulatory Agencies for the operation of the Facility as a cGMP manufacturing facility and necessary to operate the Facility in compliance with all applicable local laws, rules and regulations in Sweden.

17.2.2 All quantities of the Products supplied hereunder (i) shall meet the Product Specifications, (ii) shall be manufactured in accordance with Production Standards, and (iii) shall not be adulterated, misbranded or otherwise in violation of the U.S. Federal Food, Drug, and Cosmetic Act, and its foreign equivalents, as such laws exist at the time of shipment of such Product;

17.2.3 FRESENIUS' manufacture of the Products shall adhere to all applicable governmental laws, rules and regulations relating to the manufacture of the Products in the United States and Europe;

17.2.4 All Products delivered to TRANSMEDICS shall be free and clear of any liens and/or encumbrances by any third party;

17.2.5 To the best of FRESENIUS' knowledge, the manufacturing processes used to manufacture of the Products hereunder to the extent such process does not involve TRANSMEDICS Know-How does not infringe on any third party's intellectual property rights.

17.2.6 Limitation on Warranty. EXCEPT AS EXPRESSLY STATED HEREIN, FRESENIUS AND TRANSMEDICS DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE.

ARTICLE 18

TRADEMARKS AND LABELING

18.1 No Rights in Trademarks or Logos.

18.1.1 Other than for Labeling of the Products purchased by TRANSMEDICS, nothing in this Agreement gives FRESENIUS the right to use any TRANSMEDICS trademark, logo, trade name or design (a "Mark") and FRESENIUS does not obtain any right, title or interest in any TRANSMEDICS Mark by virtue of this Agreement or the performance of services hereunder.

18.1.2 Nothing in this Agreement gives TRANSMEDICS the right to use any FRESENIUS Mark and TRANSMEDICS does not obtain any right, title or interest in any FRESENIUS Mark by virtue of this Agreement or the performance of obligations hereunder.

18.2 Labels. FRESENIUS shall supply all Labels for the Products and be responsible for insuring that all Labeling used in connection therewith shall conform to TRANSMEDICS' written instructions. TRANSMEDICS agrees to provide Label copy and final written approval on all final Labeling and shall be responsible for ensuring the accuracy of all information contained on all

artwork for Labels, Labeling and advertising and promotional material for the Products and for the compliance of all such Labels, Labeling and advertising and promotional material with all applicable laws and Regulatory Approvals. Should TRANSMEDICS desire or be required to make any change in any such Label or Labeling, TRANSMEDICS shall be responsible for the updating of all artwork and text associated with such change and providing such changes to FRESENIUS. FRESENIUS shall make all necessary arrangements for such changed Labels or Labeling to be printed and shall provide to TRANSMEDICS printer's proofs for TRANSMEDICS' review and written approval. TRANSMEDICS shall promptly either provide FRESENIUS with any necessary corrections thereto or notify FRESENIUS in writing of its approval of such proofs. FRESENIUS shall maintain, for audit, a record of all changes and the corresponding TRANSMEDICS approval records. FRESENIUS shall be responsible for insuring that all incoming Labeling is compliant to the approved printer's proofs.

ARTICLE 19

REGULATORY COMPLIANCE/COMPLAINTS

19.1 Marketing Approval. TRANSMEDICS shall be solely responsible for completing and maintaining all marketing applications required by the regulatory authorities in order to allow the marketing and sale of the Products including but not limited to, all changes to the regulatory filings and dossiers as a result of a change in manufacturing site or modifications to the production process that were approved by TRANSMEDICS prior to implementation.

19.2 Product Complaints and Adverse Event Reporting.

19.2.1 In the event TRANSMEDICS receives a manufacturing or Labeling complaint regarding the Products, TRANSMEDICS shall promptly notify FRESENIUS in writing of such complaint.

19.2.2 FRESENIUS shall notify TRANSMEDICS within twenty-four (24) hours of receipt of any product complaint or report of any adverse reaction FRESENIUS receives from any third party. FRESENIUS shall provide TRANSMEDICS with such assistance, which is reasonably expected of contract manufacturers in responding to such complaints.

19.2.3 TRANSMEDICS shall be responsible for the reporting of, and for responding to, such complaints, in compliance with all applicable laws and regulations governing such complaints.

19.2.4 At the request of FRESENIUS, TRANSMEDICS shall ship samples of any Products, which are the subject of a complaint, to FRESENIUS, if available to allow FRESENIUS to analyze the validity of a complaint.

19.2.5 TRANSMEDICS shall be solely responsible for responding to third parties regarding complaints. FRESENIUS shall investigate all Product quality complaints it receives from TRANSMEDICS and related to the manufacturing or Labeling of the Products, and shall provide TRANSMEDICS with a written report within ten (10) days after receipt of the complaint sample, if such is requested by TRANSMEDICS. FRESENIUS shall use its best efforts to respond to, analyze and correct any situation giving rise to any such complaint, and shall immediately

correct any error, deficiency or regulatory non-compliance in the Facility or otherwise affecting FRESENIUS' manufacture, storage, Labeling or shipment of the Product.

ARTICLE 20

MISCELLANEOUS

20.1 Entire Agreement.

20.1.1 This Agreement together with all Exhibits, including, without limitation, the Quality Agreement, constitutes the entire agreement between the Parties hereto relating to the subject matter hereof and no modification, change or amendment to this Agreement shall be binding upon TRANSMEDICS or FRESENIUS except in writing of subsequent date signed by an authorized officer or representative of each of the Parties hereto.

20.1.2 Each Party acknowledges that in entering into this Agreement it is not relying upon any representation, warranty, promise or assurance made or given by the other Party, whether or not in writing, at any time prior to the execution of this Agreement, which is not set out expressly in this Agreement. provided that this shall not exclude any liability which either Party would otherwise have to the other in respect of any statements made fraudulently by that Party prior to the date of this Agreement. In the event of any conflict between this Agreement and the terms of the Quality Agreement, unless such terms pertain the quality standards of the Products, the terms of this Agreement shall prevail.

20.2 Non-Disclosure of Terms. The Parties agree that the terms of this Agreement constitute Confidential Information, and neither shall publish or disclose the terms or the existence of this Agreement unless with the written consent of the other Party.

20.3 Assignment.

20.3.1 Neither Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be withheld or delayed unreasonably; provided, however, that (a) either Party may assign this Agreement, in whole but not in part, without such consent, to one of its Affiliates or, subject to Section 4.11, to an assignee who acquires all or substantially all of such Party's business, business division relevant to the Products, the Product line the Products or in the event of such Party's merger or consolidation or similar transaction; and (b) the assigning Party shall promptly notify the non-assigning Party of any such assignment. Any permitted assignee shall assume all obligations of its assignor under this Agreement. No assignment shall relieve any Party of responsibility for the performance of any obligation hereunder.

20.3.2 This Agreement shall be binding upon and inure to the benefit of each of the Parties and its successors and permitted assigns.

20.4 Compliance with Law. Except as otherwise stated above, in performing this Agreement, each Party shall comply with all applicable treaties, laws and regulations and shall not be required to perform or omit to perform any act required or permitted under this Agreement if such performance or omission would violate the provisions of any such treaty, law or regulation.

20.5 Governing Law. This Agreement and the legal relations between the Parties hereunder shall be construed, interpreted and governed by the laws of England and Wales. For purposes of this Agreement, the U.N. Convention on Contracts for the International Sale of Goods shall not apply.

20.6 Dispute Resolution. Any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its formation, existence, validity, enforceability, performance, interpretation, breach or termination, shall be finally resolved under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with said rules. The place of arbitration shall be London, England. The language of the arbitration shall be English.

20.7 Notices.

20.7.1 All notices hereunder shall be in writing and shall be: (a) delivered personally; (b) mailed by registered or certified mail, postage prepaid; (c) sent by overnight courier; or (d) sent by facsimile or express mail to the following addresses of the respective Parties:

If to TRANSMEDICS:

TransMedics Inc, Attn. Waleed Hassanein, 200 Minuteman Road, Suite 302, Andover, MA 01810, USA. Tel. +1978552 0900, Fax. +1 978 685 9562

With a copy to:

Wilmer Cutler Pickering Hale and Dorr LLP, Attn. David E. Redlick, Esq., 60 State St., Boston, MA, 02109, USA. Tel. +1 617 526 6434, Fax +1 617 526 5000

If to FRESENIUS:

Fresenius Kabi AB, Att. Magnus Kolsmyr, Rapsgatan 7, 754 50 Uppsala, Sweden. Tel. +46 18 64 4000, Fax: +46 18 64 49 03.

With a copy to:

Fresenius AG, Att. General Counsel, Else-Kröner-Straße 1, 61352 Bad Homburg v. d. H., Germany, Tel.: + 49 (0) 6172 6080, Fax:+ 49 (0) 6172 608 2251.

20.7.2 Notice shall be effective: (a) upon receipt if personally delivered; (b) on the fifth (5th) Business Day following the date of mailing if sent by registered or certified mail; (c) on the third (3rd) Business Day following the date of delivery to the express mail service or the overnight couriers if sent by express mail, and (d) on the first Business Day following the date of transmission sent by facsimile. A Party may change its address listed above by sending notice to the other Party.

20.8 Severability. If any provision of this Agreement for any reason shall be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision hereof, and this Agreement shall be interpreted and construed as if such term or provision, to the extent the same shall have been held to be invalid, illegal or unenforceable, had never been contained herein.

20.9 Interpretation. When a reference is made in this Agreement to Articles or Exhibits, such references shall be to an Article or Exhibit to this Agreement unless otherwise indicated. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The table of contents and headings if any, contained in this Agreement have been inserted for convenience of reference only and shall not be relied upon in construing this Agreement. Use of any gender herein to refer to any person shall be deemed to comprehend masculine, feminine and neuter unless the context clearly requires otherwise.

20.10 Waiver. No waiver or modification of any of the terms of this Agreement shall be valid unless in writing and signed by authorized representatives of both Parties. Failure by either Party to enforce any of its rights under this Agreement shall not be construed as a waiver of such rights nor shall a waiver by either Party in one or more instances be construed as constituting a continuing waiver or as a waiver in other instances.

20.11 Counterparts. This Agreement may be executed in two (2) original counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

20.12 Joint Work Product. This Agreement is the joint product of TRANSMEDICS and FRESENIUS, and each provision hereof has been subject to the mutual consultation, negotiation and agreement of the Parties and their respective legal counsel and advisers and any rule of construction that a document shall be interpreted or construed against the drafting Party shall not be applicable.

IN WITNESS WHEREOF, each Party has caused this Supply Agreement to be executed by its duly authorized officer on the date written below.

TRANSMEDICS, INC.		**FRESENIUS -KABI AB**	
By:	/s/ Waleed H. Hassanein	By:	/s/ Christoph Funke
Name:	Waleed H. Hassanein	Name:	Christoph Funke
Title:	President & CEO	Title:	Managing Director

Exhibit A - Project Plan

Table of Contents

Exhibit A - Project Plan

1. INTRODUCTION

TransMedics, Inc. has elected to utilize Fresenius Kabi as a contract manufacturer for solutions associated with TransMedics' Portable Organ Preservation System. The intended use of the system is to support and maintain a donated organ in a near-normal physiological state during transportation for eventual transplantation into a recipient patient.

Fresenius Kabi will assist in a Development Phase and a Supply Phase for the manufacture of priming and maintenance solutions. During the Development Phase Fresenius Kabi will develop a process to manufacture and analyze the solutions according to specifications approved by TransMedics, Inc. Upon authorization by TransMedics, Inc., Fresenius Kabi will proceed with manufacture and analysis of stability and clinical batches. The target shelf life of the solutions will be two years. During the Supply Phase, Fresenius Kabi will manufacture and supply solutions to TransMedics, Inc. in quantities ordered by TransMedics, Inc. During the Development and initial Production Phases Fresenius Kabi may conduct manufacturing activities in the Pilot Plant. Based upon future requirements, the production process may be transferred to the Large-Scale Plant.

2. SCOPE

The project scope includes the following:

- Development of a suitable system for production of priming and maintenance solutions.
- Methods set-up for analysis of raw materials to United States Pharmacopeia (USP) and European Pharmacopeia (EP) Standards, where applicable. The USP Standard will be utilized whenever both standards are available for a particular raw material.
- Analysis of raw materials.
- Method validation and analysis of the finished product(s) for stability programs and product release according to specifications approved by TransMedics, Inc.
- Assure that all systems are in place to assure that production equipment is suitable and validated to ensure compliance with cGMPs. Although TransMedics, Inc. intends to register the products as a Medical Device, all efforts that are undertaken for development of the solutions should fulfill the requirements for a finished pharmaceutical product.

3. OBJECTIVE

In utilizing Fresenius Kabi in the Development and Supply Phases, specific objectives include but are not limited to:

- Validate analytical methods for analysis of finished product under stability programs and product release.
- Manufacture batches for a formal stability program in March 2005.
- Initiate the formal stability program in March 2005.
- Manufacture a batch to be used in clinical trials in March/April 2005.
- Launch the product in Europe during second half of 2005.
- Launch the product in USA during 2006.

4. ORGANIZATION

The TransMedics, Inc. Project Team includes:
[***]
[***]
[***]

The Fresenius Kabi Project Team includes:
[***]
[***]
[***]
[***]
[***]
[***]
[***]
[***]

5. TIME SCHEDULE

A detailed time plan will be generated by Fresenius Kabi for tracking goals and achievements. TransMedics, Inc. will be provided with a copy of the time plan. Regular updates will be provided by Fresenius Kabi on milestone achievements and any required alteration to the milestone schedule.

The important milestones are:

- Feasibility batch manufacture Dec 2004
- Pre-clinical batch/stability batch manufacture March 2005
- Clinical Trial batch release April 2005*
- Commercial production start August 2005*

The achievements marked * require authorization by authorized representatives of TransMedics, Inc. and Fresenius Kabi prior to initiation. The parties hereby acknowledge that some of the work contemplated herein has already been completed or is in progress. The table attached as Appendix I to this Exhibit A shows the work already completed or in progress, along with accountings for the number of hours worked for each part of the Development phase, the number of hours for which TransMedics has been invoiced, and the number of hours for which TransMedics has already paid, as of the date of Appendix I.

6. EXECUTION

The project activities are:

- Purchasing of raw materials and bags
- Optimization and validation of equipment prior to stability batches
- Set up of methods for analysis of raw materials
- Qualification/Validation of raw material methods
- Set up and validation/qualification of finished product analytical methods
- Validation of microbiological methods
- Preparing documentation for batch records
- Manufacturing of batch for pre-clinical testing
- Manufacturing of batches for stability testing
- Set up of stability testing program including multiple temperature conditions, light stability and transport stability
- Compiling of documentation for registration purposes according to specifications from TransMedics, Inc.
- Manufacturing of batch for clinical testing
- Commercial manufacturing

7. PROJECT DELIVERABLES

The deliverables to be supplied to TransMedics, Inc. include documents describing preliminary project activities conducted by Fresenius Kabi for laboratory trials, production records for all manufactured batches, and analytical records for feasibility, stability, clinical and supply batches.

Further, TransMedics, Inc. will be provided with deliverables to support it's registration efforts and project monitoring.

The documents include:

- Method Validation Reports for non USP methods
- Interim Stability Study reports for relevant sampling time-points. The reports will include data from real-time stability studies, accelerated stability studies, light stability studies and transport stability studies, as appropriate. Priming solution data and maintenance solution data will be reported separately. Analytical data from each time point will be included in each report. A final report will be issued upon completion of the study.
- From each sampled time point analytical data will be submitted as soon as the data is available.
- Device Master File documents include but may not be limited to:
    - Personnel responsible for QC Testing
    - Raw Materials descriptions including manufacturers, specifications and analytical methods
    - Finished Product descriptions including components, manufacturers, method of manufacture and packaging, specifications, analytical methods, and stability of individual solutions as well as mixed solutions
    - Packaging Material descriptions including integrity descriptions, material specifications, manufacturing methods, and material specifications and test methods
    - Letter of authorization
    - Method validation reports of raw materials, finished product, and packaging materials
    - Environmental assessments
    - Validation of sterilization cycle
- Transfer documents for specifying one chamber bag, two chamber bag, ports, overpouches, manufacturing process, general inspection and bag integrity report
- Risk analysis
- Validation plan and report
- Box specifications

TransMedics, Inc. may require product throughout the Development and Supply phases in order to conduct internal trials using the Priming and Maintenance solutions. Batches shall be produced so that the stability study program can be executed as if the product were a pharmaceutical.

All documentary deliverables will be provided by Fresenius to TransMedics in English.

8. REFERENCES

Current Good Manufacturing Practice in Manufacturing, Processing, Packing, or Holding of Drugs; General, 21 CFR, Part 210.

Current Good Manufacturing Practice for Finished Pharmaceuticals, 21 CFR, Part 211.

9. DISTRIBUTION LIST

This document is an appendix to the supply contract and an updated copy shall be included in the copy held by each party.

Exhibit B

Manufacturing process

1. PRODUCTION CONDITIONS

Manufacturing is carried out according to the European Union Pharmaceutical Legislation for Good Manufacturing Practices and the US Code of Federal Regulations, 21 CFR parts 210 and 211.

The manufacturing process is carried out by means of sanitized equipment and under clean conditions. To prevent oxidation the preparation and filling process is carried out under supply of nitrogen. Equipment cleaning is verified prior to each production campaign. Batch records and Fill records are prepared prior to each production campaign and are completed throughout the production process.

[***]

Exhibit B

Manufacturing process

2 SOLUTION PRODUCTION

Priming solution

A. [***]
B. [***]
C. [***]
D. [***]
E. [***]
F. [***]

Maintenance solution B-Amino acid solution

A. [***]
B. [***]
C. [***]
D. [***]
E. [***]

Maintenance solution B-Dextrose

A. [***]
B. [***]
C. [***]
D. [***]
E. [***]
F. [***]

3 FILLING

A. [***]
B. [***]
C. [***]
D. [***]
E. [***]

4 STERILISATION

Exhibit B

Manufacturing process

A. [***]
B. [***]
C. The sterilisation process is controlled, monitored and recorded by calibrated equipment.

5 FINISHING

Sterilised bags are visually inspected for unusual appearance and packaged in cartons.

6 CLEANING OF EQUIPMENT

All equipment that comes into contact with the product is cleaned after use.

7 REFERENCES

21 CFR Part 210- Current Good Manufacturing Practice in Manufacturing, Processing, Packing Holding of Drugs; General

21 CFR Part 211- Current Good Manufacturing Practice for Finished Pharmaceuticals

INTERCOMPANY QUALITY AGREEMENT

Fresenius Kabi AB
Rapsgatan 7
SE-751 74 Uppsala
(hereinafter called ''Fresenius"

Approved by: /s/ Ulla Sterning Ericsson Date: 2005 06 29

Ulla Sterning Ericsson
QA Director Fresenius
Kabi AB

AND

TransMedics Inc.

200 Minuteman Road, Suite 302
Andover, MA 01810

(hereinafter called "TransMedics")

Approved by: /s/ Waleed Hassanein Date: 6/7/05

Waleed Hassanein
President & CEO
TransMedics

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

1. QUALITY AGREEMENT

1.1. Purpose

This INTERCOMPANY QUALITY AGREEMENT (this "Quality Agreement') defines the roles and responsibilities of TransMedics and Fresenius with respect to the quality assurance of the PRODUCTS referenced in the PRODUCT DEVELOPMENT AND SUPPLY AGREEMENT entered into by and between TransMedics and Fresenius, dated as of xxx (the "DEVELOPMENT AND SUPPLY AGREEMENT").

This Quality Agreement also defines how TransMedics's Quality Operations and Fresenius's Quality Department will interact with each other.

1.2. Relationship to the DEVELOPMENT AND SUPPLY AGREEMENT

This Quality Agreement shall be attached to and made a part of the DEVELOPMENT AND SUPPLY AGREEMENT.

In the event of a conflict between any of the provisions of this Quality Agreement and the DEVELOPMENT AND SUPPLY AGREEMENT, the provisions of this Quality Agreement shall govern.

All capitalized terms, unless otherwise set forth below, shall have the meanings set forth in the DEVELOPMENT AND SUPPLY AGREEMENT.

2. PRODUCTS

The PRODUCTS prepared by Fresenius for TransMedics are set forth in the DEVELOPMENT AND SUPPLY AGREEMENT.

3. ADMINISTRATIVE INFORMATION

Fresenius contact names: See Appendix II
TransMedics contact names: See Appendix II

Emergency contact names and numbers, during and outside working hours:

Fresenius:
Name: Ulla Sterning Ericsson
Title: QA Director
Work: +46 8 581 78 041 / +46 703 96 17 49
e-mail ulla.sterning-ericsson@fresenius-kabi.com

TransMedics:
Name: [***]
Title: Manager, Solution Development
Work: [***]
e-mail [***]

Either party may appoint alternate or additional individuals to receive communications by written notice to the other party.

4. DURATION OF QUALITY AGREEMENT

The Quality Agreement will expire upon the later of the termination of the DEVELOPMENT AND SUPPLY AGREEMENT or fulfillment of the last open order of PRODUCT. The Quality Agreement will be reviewed annually to ensure that the roles and responsibilities reflect current practice. This Quality Agreement can be modified as needed with the written approval of both parties.

5. MANUFACTURING cGMP COMPLIANCE

5.1. General

The manufacturing operations for the PRODUCTS to be performed by Fresenius are defined in the DEVELOPMENT AND SUPPLY AGREEMENT and Fresenius's and TransMedics's respective responsibilities are specified in Appendix 1 of this document.

5.2. Premises

Fresenius will manufacture the PRODUCTS at its facilities located in Uppsala, Sweden. Fresenius may not change the site of manufacture or testing operations without the prior written consent of TransMedics, which will not be unreasonably withheld, and receipt of all requisite regulatory approvals and provided that Fresenius's ability to supply the PRODUCTS will not be adversely affected. All costs resulting from the change of manufacturing site, including additional costs related to the manufacture of the PRODUCTS, shall be borne by Fresenius. The premises and equipment used to manufacture the PRODUCTS, will be maintained according to current regulatory requirements, cGMP guidelines and as otherwise agreed to by the parties.

The manufacture of the PRODUCTS will be conducted in a suitably controlled environment; and such facilities will be regularly monitored for parameters critical to the process to demonstrate compliance with applicable cGMP guidelines and any conditions registered in the REGULATORY APPROVAL for the PRODUCTS.

Fresenius will maintain controlled access to the premises where the PRODUCTS and MATERIALS are manufactured, tested and stored. Visitors should sign in or have controlled access to all facilities.

5.3. cGMP Guidelines

cGMP guidelines shall include the principles detailed in the US Current Good Manufacturing Practices (21 CFR 210 and 211) and any other similar regulations in other countries in which REGULATORY APPROVAL has been obtained that cover the

standards of manufacture for any product intended for human use, as well as the Product Specifications, REGULATORY APPROVAL and any applicable product license, ANDA or NDA application, pharmacopoeia or formulary requirements.

5.4. Materials

Fresenius will ensure that only raw materials and components that have been tested in accordance with the Material Specifications are used.

5.5. Materials Procured bv Fresenius

Fresenius is responsible for auditing and qualifying vendors of actives, raw materials and components used in PRODUCTS and will provide TransMedics with a Certificate of Conformance statement for such vendors when requested. Fresenius will audit raw material vendors/suppliers at regular intervals according to a defined program. The identity of the vendors/suppliers audited, the date of audit and final audit reports will be available for review by TransMedics upon request.

Fresenius is responsible for ensuring that all materials and components procured by Fresenius for use in the PRODUCTS are in compliance with the Material Specifications. Raw materials are given a retest date upon the satisfactory completion of all initial testing. Re-testing will be performed at defined time intervals to ensure the chemical and physical stability of the raw materials.

TransMedics shall provide the FDA approved text for all labeling materials (including package insert). TransMedics may request revisions to labeling as they determine needed. TransMedics will maintain original documentation according to record retention procedures consistent with FDA requirements. Fresenius will maintain a file documenting TransMedics's approval of printers' proofs.

5.6. Standard Operating Procedures

Fresenius is responsible for establishing and maintaining compliance with any SOPs required to manufacture, test and store the PRODUCTS and MATERIALS at Fresenius and to support applicable cGMPs.

5.7. Methods Validation Certification

Fresenius is responsible for providing to TransMedics a Certification of Methods Validation Compliance for all critical methods practiced by Fresenius (raw materials testing, in- process product testing, product batch release, component and product stability and cleaning validation). The certifications should state, ''The methods are appropriate for the intended purpose, are validated per relevant regulatory guidelines and are readily available in case of a regulatory inspection.''

5.8. Batch Numbers

A unique tracking number will be assigned to each batch and each solution type prior to undertaking manufacturing activities. The batch number and the code number follow the material throughout the manufacturing process. The numbers are recorded in the batch records. This assures that the origin, receipt, the testing and the release of the material can be verified at any time and complete traceability of the material is achieved.

5.9. Dates of Manufacture and Expiration

The date of manufacture of a PRODUCT will be defined as the date that the raw materials are first placed together into a mixing vessel. Expiration dates are computed from the date of manufacture, and are listed in month/year format.

Fresenius will calculate the expiry date from the date of manufacture using the currently approved expiry period. The expiration date will be the last day of the month computed above.

5.10. Manufacturing and Equipment Data

Fresenius is responsible for keeping records of equipment usage (previous PRODUCT produced in non-dedicated equipment), cleaning and any maintenance and/or calibration performed.

5.11. Storage and Shipment

Fresenius will store the PRODUCTS under cGMP conditions with appropriate temperature control, and ensure that appropriate controls are in place to prevent interference, theft, product contamination and mixture with any other products or materials. Fresenius will be responsible for affixing all labels, container sealing and integrity, storage and shipping conditions for the PRODUCTS.

Fresenius will maintain proper segregation of the PRODUCTS. TransMedics shall be permitted to review Fresenius's segregation system. Different lots of single PRODUCT or different types of products will not be mixed on a pallet.

Fresenius will suitably pack the PRODUCTS in appropriate shippers for transit.

Fresenius will ensure that during packaging, storage and shipment of the PRODUCT there is no possibility of deterioration, contamination or admixture with any other materials. Protocols for testing of packaging components shall be mutually agreed upon by the Parties. Fresenius will only deliver PRODUCTS FCA to TransMedics carrier, or as otherwise agreed to by the parties in writing.

Only approved, finished PRODUCTS will be shipped by Fresenius to TransMedics, except as otherwise provided. Fresenius will not ship any PRODUCT that is unapproved or under quarantine, unless mutually agreed by the parties.

6. PRODUCT TESTING

6.1. General

Fresenius shall be responsible for ensuring that the PRODUCTS are manufactured in accordance with the manufacturing formula set forth in the PRODUCTION STANDARDS. No changes may be made to the formula without the prior written consent of TransMedics. The testing activities for the PRODUCTS are to be performed by Fresenius as set forth in Exhibit E and defined in the DEVELOPMENT AND SUPPLY AGREEMENT. Following Fresenius's release of the PRODUCTS to TransMedics, the TransMedics Quality Assurance will be responsible for inspecting PRODUCTS delivered by Fresenius and accepting or rejecting products manufactured by Fresenius, in accordance with TransMedics's SOP and as set forth below.

Fresenius shall ensure that all in-process and finished PRODUCT tests are conducted according to approved standard operating procedures and that such testing is documented and Fresenius shall retain all documents relating to such testing as hereafter set forth.

6.2. In-Process and Finished Product Testing

All testing must be done in accordance with Exhibit E and under cGMP guidelines.

TransMedics may perform confirmatory testing during the initial release of the PRODUCTS. Periodically thereafter, TransMedics may test material to confirm the Fresenius data.

6.3. Retain Samples

Fresenius will retain samples of the raw materials used in the manufacture of the PRODUCTS for a period of no less than three years following the labeled expiration date of that component. The amount of sample retained will be at least twice the amount necessary to carry out all of the tests required to determine if the material meets its specifications, with the exception of sterility and endotoxin testing.

Fresenius will retain samples of the PRODUCTS for at least one year beyond the expiry period. The amount of sample retained will be twice the quantity required to carry out all of the tests required to determine if the material meets its specifications, with the exception of sterility and endotoxin testing.

Fresenius will notify TransMedics prior to the destruction of any PRODUCT designated as Clinical Trial Material involved in clinical trials in which TransMedics was engaged.

6.4. Routine Stability Program

Fresenius is responsible for maintaining a routine stability testing program for the PRODUCTS and will provide a stability report to TransMedics annually. The stability program will be in compliance with the Production Standards and Testing Specifications committments. One lot of each product will be placed on stability each year. The stability program will generally follow ICH guidelines and will be subject to approval by TransMedics. Fresenius shall obtain TransMedics written consent prior to initiating any changes to the stability protocol for any PRODUCT.

Fresenius shall bear the costs for the ongoing stability, which is planned to be one batch per year after the year in which commercial launch of a PRODUCT occurs. Costs for additional stability studies requested by TransMedics should be borne by TransMedics.

Any confirmed problems that arise as a result of the stability program will be communicated by Fresenius to TransMedics in writing within ten (10) business days.

6.5. Out-of-Specification (QQS1 Investigations

Fresenius is responsible for investigating any testing performed by Fresenius that fails to meet specifications. Each investigation will be reviewed by Fresenius's designated Quality person or by the Qualified Person assigned delegate and will follow internal procedures that are in accordance with regulatory guidelines.

Fresenius will record any accidental deviations from the manufacturing process and/or testing of the PRODUCT in the batch/testing records and Fresenius shall inform TransMedics of any confirmed OOS result with respect to any PRODUCT or MATERIAL anticipated to be used in the manufacturing process.

7. QUALITY ASSURANCE

7.1. Investigations

Any deviation from the process or OOS result will be carefully documented and investigated by Fresenius Quality Assurance and appropriate area management, in accordance with controlling Fresenius SOPs. The investigation must document that any failure has not jeopardized the safety, efficacy or quality of the PRODUCT. To support this assurance, additional sampling, testing and checks may be required and these must be recorded in the batch file. Fresenius will perform any additional testing, stability and validation that are necessary as a result of any such investigation. Fresenius will keep TransMedics informed of the conduct and progress of such work if shipping schedules will be impacted.

TransMedics will be notified in advance of all investigations that could impact product quality. A copy of the final investigation report will be included in the Release

Documentation package provided to TransMedics. Fresenius shall keep TransMedics informed of the conduct and progress of any investigation that has a quality impact on the PRODUCTS.

Fresenius will notify TransMedics if any problems are discovered that may impact PRODUCT batch(es) previously shipped to TransMedics.

7.2. Batch Disposition

For each batch, Fresenius will provide release documentation as defined in Appendix 111 which complies with the provisions set forth herein.

Fresenius will provide a standard Certificate of Analysis indicating the test results and specification of each test performed, as well as a signed Certificate of Compliance confirming that the PRODUCTS have been manufactured, tested and stored according to the requirements of the Master Production Record, and in conformance to the Production Standards.

Fresenius will provide copies to TransMedics of the batch documentation (Manufacturing Work Order and Packaging Work Order) for the first three commercial lots and one per year thereafter.

7.3. Product Release

Fresenius shall ensure and certify that the PRODUCT has been made in accordance with the Production Standards by reviewing all manufacturing and control information prior to release of the PRODUCT.

Shipment of the PRODUCTS to TransMedics, once dispositioned as “released” by Fresenius and delivered to TransMedics’s carrier, is the responsibility of TransMedics’s quality department. Acceptance or rejection of released PRODUCT will be undertaken by TransMedics, based on TransMedics’s internal procedures (as set forth below), and the full document package provided by Fresenius, and completion of any release testing required by TransMedics Quality Assurance.

Product Release Procedure

1. Fresenius will provide the following items to TransMedics Quality Assurance:

   – A Certificate of Analysis (COA), executed by Fresenius, confirming that the PRODUCT has been tested, and meets the registered specifications. Test specifications and test results must be included for each test. The COA shall also contain the information set forth in Appendix III;

- A Certificate of Compliance (COC) (Not required if statement of cGMP compliance is on COA) executed by Fresenius stating the PRODUCT has been manufactured in accordance with the approved Batch record and listing all deviations and investigations related to the Batch and confirming that all deviations and investigations related to the Batch were completed in compliance with applicable SOP's, and the Quality Requirements. The COC shall also contain the information set forth in Appendix III.

- Any Quality-Analytical Investigation Report or any other significant deviation investigations related to the batch.

2. Upon receipt of finished product at its indicated distribution center, TransMedics QA will perform an appropriate statistical sampling of received product. The inspection will include verification of visual properties and label integrity.

3. Upon review of Fresenius documents, the TransMedics QA will either (i) reject the PRODUCT for non-conformance or (ii) accept the PRODUCT subject to its rights under the DEVELOPMENT AND SUPPLY AGREEMENT and issue authorization for distribution.

Batch Record Review Procedure

Validation batches: Fresenius is responsible for providing TransMedics with a validation package that includes: (1) the validation protocol, (2) full batch document packages, (3) all validation data and (4) validation report for all validation batches of the PRODUCT manufactured. TransMedics shall have the right to review the protocol and report on request.

Requests for full documentation. Fresenius commits to providing TransMedics with a full document package within ten (10) business days if requested by TransMedics for PRODUCT quality concerns, any regulatory reasons (e.g., Batch Recall) or unsatisfactory audit report.

Any problem discovered by TransMedics likely to cause rejection of the PRODUCTS will be communicated to Fresenius within 15 days from receipt of the full release documentation package in accordance with Article 9 of the DEVELOPMENT AND SUPPLY AGREEMENT (see Appendix III).

TransMedics is responsible for investigating any claims of Hidden Defects and shall report Hidden Defects discovered by or reported to it in accordance with Section 12.2.4 of the DEVELOPMENT AND SUPPLY AGREEMENT and will notify Fresenius of any complaint it receives which may impact the PRODUCT quality and may result from

manufacturing. Fresenius will provide an immediate response and a report within a maximum period of two (2) weeks from the notification.

7.4. Product Complaints and Recalls

TransMedics, or their distribution partner, is responsible for receiving and initially evaluating any PRODUCT complaints. TransMedics will promptly notify Fresenius of all technical complaints received. TransMedics is responsible for reporting complaints to the appropriate regulatory authority, including adverse drug events reports.

Fresenius is responsible to notify TransMedics immediately of any issues that could result in a PRODUCT recall. PRODUCT issues arising from stability data or other manufacturing issues that meet Field Alert Report criteria will be communicated by Fresenius to TransMedics in writing within five (5) business days.

TransMedics, with data and assistance provided by Fresenius as may be reasonably requested by TransMedics, is responsible for filing Field Alerts. Recalls of the PRODUCTS will be conducted in accordance with all applicable laws and regulations; provided, however, that the final decision concerning any recalls and the conduct of any recall shall be made by TransMedics, with such assistance by Fresenius as may be reasonably requested by TransMedics.

7.5. Records Retention

Fresenius will retain, at a minimum, batch production records for the PRODUCTS and materials for five (5) years from manufacture of lots. TransMedics will be notified in advance and provide written authorization prior to the destruction or transfer of any documents related to the development or manufacture of the PRODUCTS.

TransMedics Validation records will be indefinitely maintained.

7.6. QA Presence in the Manufacturing Facility

Fresenius will maintain adequate QA presence in the manufacturing facility during the manufacture of the PRODUCTS to ensure compliance with cGMPs.

8. REGULATORY

8.1. Regulatory Inspections

Fresenius will inform TransMedics (within 24 hours) with notice of any upcoming regulatory inspections that may involve or affect the manufacture of the PRODUCTS and permit a representative from TransMedics Quality Assurance to be present when such inspections occur; provided such inspections may proceed without the presence of a representative from TransMedics Quality Assurance.

TransMedics will promptly inform Fresenius in writing of any regulatory issue that may affect Fresenius's ability to manufacture the PRODUCTS.

8.2. Regulatory Actions

TransMedics will notify Fresenius of any regulatory actions on the PRODUCTS that may impact Fresenius or affect Fresenius's ability to manufacture the PRODUCTS within forty-eight (48) of TransMedics learning of such action.

Fresenius is responsible for supporting all batch record investigations associated with regulatory actions.

Fresenius agrees to supply TransMedics with any manufacturing, testing or storage data within forty-eight (48) hours, if requested, as the result of a regulatory inspection, or a potential regulatory exposure such as a recall or significant product complaint.

In the event any "critical" defects (i.e., cGMP deficiencies that could result in compromise of product safety or efficacy) are discovered during audits by TransMedics or regulatory authorities, no further deliveries of PRODUCT may be delivered to TransMedics until corrective actions have been completed to TransMedics's satisfaction, as reasonably determined by TransMedics.

In the case of other defects (minor cGMP issues) arising during audits by TransMedics or regulatory authorities, a satisfactory corrective action program must be in place.

8.3. Regulatory Affairs

TransMedics is responsible for ensuring all appropriate regulatory filings and import/export documentation are filed with Regulatory Agencies prior to shipment/human administration.

8.4. Right to Audit

Fresenius will allow a reasonable number of representatives from TransMedics Quality Assurance to have access to Fresenius' manufacturing, warehousing, packaging and laboratory premises and records, documentation and reference materials relating to the Products for audit purposes listed below. TransMedics representatives will be escorted at all times by Fresenius personnel. All such audits will be conducted at reasonable times during regular business hours annually and will not unduly disrupt Fresenius's operations.

TransMedics will provide at least 30 days notice for all such audits other than for For Cause Audits. Fresenius will permit TransMedics Quality Assurance to conduct preparatory audits for initiation of cGMP manufacture of the PRODUCTS or for pre-approval inspections (PAI).

Fresenius will permit TransMedics Quality Assurance to conduct additional audits to address significant product quality problems, critical defects, safety problems, or for any other cause, including those set forth Section 3.5 of the DEVELOPMENT AND SUPPLY AGREEMENT (a “For Cause Audit’). A For Cause Audit may be conducted on at least ten (10) days notice.

Fresenius will permit TransMedics Quality Assurance to perform one standard cGMP compliance audit semi annually.

8.5. Audit Closeout

An exit meeting will be held upon completion of any audit by representatives from TransMedics and Fresenius to discuss significant audit observations.

TransMedics will provide a written report of all observations within thirty (30) days to Fresenius. Within 30 days of the audit report receipt, Fresenius will provide a written response to all findings that details corrective action to be implemented which shall be subject to TransMedics approval. Fresenius will follow up to ensure that all corrective actions are implemented.

9. DISPUTE RESOLUTION

9.1. Non-Conformitv Dispute

In the event that a dispute arises between TransMedics and Fresenius regarding the non-conformity of a batch of the PRODUCTS, the supervisors of the Quality departments from both companies will in good faith promptly attempt to reach an agreement. TransMedics may only dispute a batch of PRODUCT which has been dispositioned and released by Fresenius. Financial liability will be determined according to the DEVELOPMENT AND SUPPLY AGREEMENT.

9.2. Test Result Dispute

In the event that a dispute arises between TransMedics and Fresenius in the testing performed by Fresenius for the PRODUCTS, the resolution will proceed in stages. The first stage requires direct communication between analysts from both parties to determine that the methods of analysis are the same and are being executed in the same manner at both sites. Second, carefully controlled and split samples should be sent from one site to another in an attempt to reach agreement. Should there be a failure to achieve resolution, analysts from both parties will be required to meet to work through the analysis of a mutually agreeable sample. If these actions fail to achieve resolution, and only after these avenues have been exhausted, a qualified referee laboratory will be used to achieve resolution. This laboratory must be agreeable to both parties prior to use. The results from this referee laboratory will be used as final authority to determine responsibilities, but whatever the outcome, TransMedics retains the right to determine product release status.

Financial liability will be determined according to the DEVELOPMENT AND SUPPLY AGREEMENT.

In the event that an independent third party laboratory must be retained to settle dispute between the Parties with respect to the conformity or non-conformity of a Product, Fresenius will be responsible for the technology transfer to such laboratory, and will confirm that the technology transfer had been successful and that the laboratory was capable of reproducing Fresenius laboratory results. Fresenius and TransMedics must agree that the laboratory was in compliance with cGMP.

10. CHANGE MANAGEMENT

10.1. Changes for Commercial PRODUCTS

Fresenius will obtain TransMedics's written approval of any of the following __ 072205, ____ 050627 changes which relate to the manufacture and packaging of the PRODUCT:

- Analytical Methods
- *Raw material sources or specifications
- *Packaging materials
- Labelling
- Site of manufacture
- *Facility
- *Equipment
- *Manufacturing process
- Product specifications
- *In-process test method and /or instrument
- Testing laboratory
- Any other change that could require an amendment or supplement to or otherwise

*Means addition of "Substantial changes to" ____ 050627, __ 072205,

10.2. Technical and cGMP Impact Assessment

All significant changes to the PRODUCTS that may impact product safety or efficacy proposed by Fresenius will undergo a technical and cGMP impact assessment by Fresenius's expert groups coordinated by Fresenius's Quality personnel and in accordance with Fresenius's Change Management System. Such changes will be communicated to and discussed with TransMedics Quality Assurance. TransMedics Quality Assurance and Regulatory expert groups will determine if any proposed changes are consistent with the REGULATORY APPROVAL. No such changes shall be implemented without TransMedics's prior written approval, which shall not be unreasonably withheld and, to the extent required, any applicable REGULATORY APPROVALS; provided, however,

that Fresenius shall manufacture a sufficient amount of TransMedics's requirements of PRODUCT for the reasonable period required by TransMedics's to amend its Regulatory Dossiers.

10.3. Scope

The scope of such a Change Management process includes all Manufacturing and Packaging processes. The associated changes may relate to: the Master Production Control Records (e.g. Master Formulas, Filling Work Orders, Packaging Work Orders); Bills of Materials; Analytical Standards and Test Methods (for Raw Materials and Finished Products); Stability Protocols; Purchase Specifications (for Raw Materials and Packaging Components).

11. PRODUCT AND PROCESS VERIFICATION/VALIDATION

11.1. Process Verification

Process Verification - Fresenius is responsible for the verification of the manufacturing process for the PRODUCTS, as might be required before routine production can begin. The verification should ensure that the process is capable of consistently achieving the Production Standards and Testing Specifications.

11.2. Process Validation

Fresenius is responsible for the validation of the manufacturing process for PRODUCTS, as might be required. The validation should ensure that the process is capable of consistently achieving the Production Standards and Testing Specifications. Validation protocols and reports should be available for review before shipment upon request.

11.3. Cleaning Validation

Fresenius is responsible for ensuring that adequate cleaning is carried out between batches of different products to prevent contamination. The cleaning process will be validated before the first PRODUCT Batches are made for TransMedics. TransMedics shall review the cleaning validation on an audit basis. Data should be available to support the campaign of batches of the same product, and the type of cleaning that will be performed in between manufacturing of the same product.

11.4. Equipment, Computer, Facility and Utilities Qualification

Fresenius is responsible for all equipment, computer, facility and utility qualification and calibration activities associated with the manufacture of PRODUCTS. Such qualification/calibration should be in accordance with cGMP regulations. Validation protocols and reports shall be available for TransMedics for review during an audit.

11.5. Laboratory Qualification

Fresenius is responsible for ensuring that all laboratories are in compliance with applicable cGMP guidelines. In addition, if analytical work is subcontracted by Fresenius, then Fresenius will perform an audit on such contract laboratories to be used for analytical testing. Fresenius will be responsible for ensuring that the vendors are practicing within cGMP compliance.

In the event that TransMedics Quality Assurance laboratories will perform analytical testing of a PRODUCT, Fresenius will cooperate in the technology transfer to such laboratory, and will confirm that the technology transfer has been successful and the laboratory is capable of reproducing Fresenius laboratory results.

12. ANNUAL REVIEW, ANNUAL REPORT AND DRUG LISTING

12.1. Annual Review

Fresenius will perform an Annual Product Review for the PRODUCTS. This report will cover all manufacturing and testing performed by Fresenius. It will be a review of any changes at Fresenius in the manufacturing, testing or validation of the PRODUCTS in the previous calendar year and a summary of lots made, released and rejected. In addition, process capability, control charting or trend analysis of key product parameters will be performed. Any unusual observations will be explained in the annual product review. A copy of the Annual Product Review report will be provided to TransMedics upon completion.

12.2. Annual Report

TransMedics is responsible for preparing the Chemistry, Manufacturing and Controls (CMC) section of the Annual Report to the REGULATORY AGENCY as required by applicable regulations, including 21 CFR 314.70, 314.81, and/or 601.12.

12.3. Drug Listing

The PRODUCTS are intended to be registered as a component of a medical device. In the event that the PRODUCTS are registered as a drug, TransMedics is responsible for drug listing domestic products as the REGULATORY APPROVAL holder, and distributor of the PRODUCTS. Fresenius will provide TransMedics with all reasonably required information related to Fresenius's facility and operations needed to register the PRODUCTS.

13. APPENDIX 1 – OUTLINE OF RESPONSIBILITIES

FUNCTION	FRESENIUS	TRANSMEDICS	REMARK
Master formula and method		X	FK Will support in the development
Quality specifications		X	FK Will support in the development
Label design and art work		X	FK Will support in the development
Manufacturing	X		
In-Process testing (Pshycial, Chemical, Microbial)	X		
FP testing - Physical, Chemical	X		TransMedics may conduct as confirmation
FP Release	X	X	TransMedics to market Fresenius to TransMedics
Distribution		X	
FP Retained samples	X		
FP Stability	X		If required under pharmaceutical registration
Certificate of Analysis	X		
Batch record review/signoff	X		
Investigations into deviations and non-conformances	X		
Complaint receipts		X	
Complaint investigations (Technical)	X		
Adverse event reports		X	
Field alert reports		X	
Recalls		X	
Customer returns		X	
Raw material (Active) Orders	X		
Raw material (Active) Testing and Release	X		
Raw material (Inactives/Printed Packaging Materials) Orders	X		
Raw material (Inactives/Printed Packaging Materials) Tests and release	X		
Supplier audits (Active)	X		

FUNCTION	FRESENIUS	TRANSMEDICS	REMARK
Supplier audits (Inactives/Printed Packaging Materials)	X		
Maintenance of vendors lists	X		
Notice of proposed changes (either party may initiate)	X	X	
Document change control	X		
Annual product review	X		

14. APPENDIX II – LIST OF QUALITY CONTACTS – names to be filled in

ISSUE	FRESENIUS	TRANSMEDICS
Product Release	[***]	[***]
Laboratory Testing	[***]	[***]
Investigations	[***]	[***]
Regulatory Affairs	[***]	[***]
Stability	[***]	[***]
Validation	[***]	[***]
Compliance Audits	[***]	[***]
Product Complaints	[***]	[***]
Change Management	[***]	[***]

* [***]

APPENDIX III – RELEASE DOCUMENTATION

The Batch/Lot Release Document Package will include a Certificate of Analysis and a Certificate of Compliance.

Certificate of Analysis (CoA)
A CoA will be provided and will include the name of the PRODUCTS, batch number, date of manufacture, and analytical specifications. The CoA will list the Release tests performed by Fresenius laboratories and actual test results.

Certificate of Compliance (CoC)
This document will attest to the fact that the batch of PRODUCTS was made in accordance with all applicable regulations, licenses, and company policies. This document will include the batch quantity approved, the final batch yield, and the expiration date. It will also include a listing of all investigations for the batch.

Quality Investigations Report (QIR)
A copy of the final investigation report for any OOS or other deviation investigations where the product quality could be affected.

Exhibit D – Product and Material Specifications

TABLE OF CONTENTS

1 BACKGROUND

This document describes the product specifications and material specifications for the TransMedics (TMI) solutions used in the POPS™ device. This specification is valid for products that will be used in clinical trials by TMI.

2 DEFINITIONS

3CB three chamber bag
NMT not more than
NLT not lower than

3 COMPOSITION OF SOLUTIONS

3.1 Priming solution

Component	Quantity per liter
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

[***]

3.2 Maintenance solution

The maintenance solution will be mixed from two individual component solutions at time of use. The individual component solutions consist of a [***] and an [***] as described below.

3.2.1 [***] solution

Component	Quantity per liter
[***]	[***]

[***]

3.2.2 [***] solution

Component	Quantity per liter
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

4 FINISHED PRODUCT SPECIFICATION

4.1 Priming solution

Test	Limit
General inspection	[***]
PH	[***]
Osmolality [mosmol/kg H20]	[***]
Color	[***]
Clarity	[***]
Sodium [g/1]	[***]
Potassium [g/1]	[***]
Magnesium [g/1]	[***]
Particulate matter:	[***]

Test	**Limit**
- particles ³ 10pm	[***]
- particles ³ 25pm	[***]
Sterility	[***]
Endotoxins [EU/m]	[***]
Fill volume	[***]

4.2 Maintenance solution

4.2.1 Dextrose solution

Test	**Limit**
pH	[***]
Osmolality [mosmol/kg H20]	[***]
Dextrose [g/1]	[***]
5-Hydroxymethylfurfural	[***]
Particulate matter:	[***]
- particles ³ 10pm	[***]
- particles ³ 25pm	[***]
Endotoxins [EU/ml]	[***]
Fill volume	[***]

4.2.2 Amino acid solution

Test	**Limit**
pH	[***]
Osmolality [mosmol/kg H20]	[***]
Amino acids [g/1]	[***]
	[***]
Tyrosine/Tryptophane	[***]
Adenosine [g/1]	[***]
Color	[***]
Calcium [g/1]	[***]

Test	**Limit**
Magnesium [g/1]	[***]
Potassium [g/1]	[***]
Sodium [g/1]	[***]
Particulate matter: - particles ³ 10pm - particles ³ 25pm	[***] [***] [***]
Fill volume	[***]

4.2.3 Mixed solution

Component	**Limit**
pH	[***]
Osmolality [mosmol/kg H20]	[***]
Particulate matter: - particles ³ 10pm - particles ³ 25pm	[***] [***] [***]
Sterility	[***]
Endotoxins [EU/ml]	[***]
General inspection	[***]

5 RAW MATERIALS

Component	**Grade**	**Component**	**Grade**
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

Component	Grade	Component	Grade
[***]	[***]	[***]	[***]

*[***]

6 PACKAGING MATERIALS

The Priming and Maintenance solutions will be packaged in a [***] made of the [***]. The [***] is comprised of a [***] and [***] that may be readily combined for mixing at time of use. The Priming solution will be dispensed into a [***]. Each of the two component solutions of the Maintenance solution will be combined at time of use into [***].

6.1 Packaging materials for the TransMedics solution

Type of bag	The Priming solution and each of the two components of the mixed Maintenance solution are each filled into [***]. The nominal volume of each chamber is [***].
Ports	[***]
Labelling	The label is printed directly onto the film by a hot stamp process, where the colour pigment is transferred from a carrier foil and melted onto the outer layer of the film during a short heating cycle. It is a dry process and no surface treatment is needed. The print sets immediately after impression. The print is glossy and rub resistant prior to and after sterilisation. The hot stamp foil, denoted [***]. consists of black, pigmented ink coated on a polymeric carrier foil. The label includes batch number and expiration date.
Overpouch	The filled primary [***] is placed in a [***]. An [***] is placed inside the [***].
Functional description	The [***] is removed by tearing at a notch, the primary bag and the [***] are removed. The [***] is removed from the [***] by tearing along a tear-seal. The infusion port of the Priming chamber is spiked with a [***] and the Priming solution is added directly to the [***] for priming purposes prior to [***]being added. Time for emptying of the chamber is normally less than [***]. The contents of the maintenance solution [***] are mixed by [***]. After mixing, [***]. The [***]. Time for emptying of the Maintenance solution bag is normally less than [***].

7 STERILIZATION

The [***] system containing the Priming solution and the component maintenance solutions is terminally sterilised (autoclave process) to a Sterility Assurance Level of [***].

8 VISUAL INSPECTION OF BAGS

The visual inspection is performed after the sterilisation process but prior to the packing of the bags into cardboard boxes. The bags must be free from damages that could affect the bag integrity. The welds must be free from large wrinkles and large inclusions that might have a negative effect on the weld properties.

The solutions should be free from large particles and foreign matter.

9 PACKAGING IN CARDBOARD BOXES

The [***] are packed in cardboard boxes prior to shipment. Each box shall include one direction for use. Four [***] are packed in one box.

All goods will be delivered on wooden pallets, 800 x 1200 mm.

10 BATCH CLASSIFICATION

A manufacturing batch is the product manufactured from one homogenous lot of bulk solution. One batch contains approximately [***].

11 EXPIRATION DATES

The expiration date (mm-yyyy) of the clinical trial batches will be set to [***] after date of manufacturing.

12 SHIPMENT/TRANSPORTATION

Product will be shipped in accordance with Article 6 of the Development and Supply Agreement.

13 STORAGE DIRECTION

Store products below +[***]. Do not [***]. Store protected from light. The products may be exposed to temperatures up to [***] for a maximum of [***] during transportation.

Exhibit E – Testing Specifications

TABLE OF CONTENTS

1 BACKGROUND

This document describes the testing specifications for the TransMedics (TMI) solutions used in the POPS™ device. This specification is valid for products that will be used in clinical trials by TMI.

2 DEFINITIONS

NMT not more than
NLT not lower than

3 COMPOSITION OF SOLUTIONS

3.1 Priming solution

Component	Quantity per liter
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

*[***]

3.2 Maintenance solution

The maintenance solution will be mixed from two individual component solutions at time of use. The individual component solutions consist of a [***] solution and an [***] solution as described below.

3.2.1 [***]solution

Component	Quantity per liter
[***]	[***]

*pH adjustment with HC1

3.2.2 Amino acid solution

Component	Quantity per liter
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

4 FINISHED PRODUCT SPECIFICATION

4.1 Priming solution

Test	Limit	Methods*
General inspection	[***]	[***]
pH	[***]	[***]
Osmolality [mosmol/kg H20]	[***]	[***]
Color	[***]	[***]
Clarity	[***]	[***]
Sodium [g/1]	[***]	[***]
Potassium [g/1]	[***]	[***]
Magnesium [g/1]	[***]	[***]

Particulate matter: - particles ³ 10pm - particles ³ 25pm	[***] [***] [***]	[***] [***] [***]
Sterility	[***]	[***]
Endotoxins [EU/ml]	[***]	[***]
Fill volume	[***]	[***]

4.2 Dextrose solution

Test	**Limit**	**Methods***
pH	[***]	[***]
Osmolality [mosmol/kg H20]	[***]	[***]
Dextrose [g/1]	[***]	[***]
5 -Hydroxymethylfurfural	[***]	[***]
Particulate matter: - particles ³ 10pm - particles ³ 25pm	[***] [***] [***]	[***] [***] [***]
Endotoxins [EU/ml]	[***]	[***]
Fill volume	[***]	[***]

[***]

4.3 Amino acid solution

Test	**Limit**	**Methods***
pH	[***]	[***]
Osmolality [mosmol/kg H2O]	[***]	[***]
Amino acids [g/1]	[***]	[***]
Tyrosine/Tryptophane	[***]	[***]
Adenosine [g/1]	[***]	[***]
Color	[***]	[***]
Calcium [g/1]	[***]	[***]

* Methods designated as “USP” are indicative of testing procedures prescribed in the United States Pharmacopeia. Methods designated by a 5-digit number are internally validated Fresenius Kabi procedures.

Exhibit E – Testing Specifications

Test	**Limit**	**Methods***
Magnesium [g/1]	[***]	[***]
Potassium [g/1]	[***]	[***]
Sodium [g/1]	[***]	[***]
Particulate matter: - particles ³ 10pm - particles ³ 25pm	[***] [***] [***]	[***] [***] [***]
Fill volume	NLT labelled volume	USP

[***]

4.4 Mixed solution

Component	**Limit**	**Methods***
pH	[***]	[***]
Osmolality [mosmol/kg H20]	[***]	[***]
Particulate matter: - particles ³ 10pm - particles ³ 25pm	[***] [***] [***]	[***] [***] [***]
Sterility	[***]	[***]
Endotoxins [EU/ml]	[***]	[***]
General inspection	[***]	[***]

[***]

* Methods designated as “USP” are indicative of testing procedures prescribed in the United Sates Pharmacopeia. Methods designated by a 5-digit number are internally validated Fresenius Kabi procedures.

Exhibit F – Estimated Costs of Preliminary Activities and New Equipment

Table of Contents

1 INTRODUCTION

TransMedics, Inc. has elected to utilize Fresenius Kabi as a contract manufacturer for solutions associated with the TransMedics Portable Organ Preservation System, referred to as POPS™. The intended use of the solutions is to support and maintain a donated organ in a near-normal physiological state during transportation for eventual transplantation into a recipient patient.

Fresenius Kabi will perform development and other services for the manufacture of priming and maintenance solutions. During the Development Phase Fresenius Kabi will develop a process to manufacture and analyze the solutions according to specifications approved by TransMedics, Inc. Exhibit A of the Development and Supply Agreement outlines the scope of the preliminary activities of the agreement. These activities are presented below in summary.

2 SCOPE

The scope of the preliminary activities includes the following:

- Optimization of finished product formulations.
- Manufacture of a feasibility batch in December 2004.
- Validation of a suitable container bag system for use with the TransMedics, Inc. solutions.
- Ensure regulatory compliance for raw materials through analysis to USP and/or EP Standards.
- Validate analytical methods for analysis of finished product under stability programs and product release.
- Manufacture batches for a formal stability program.
- Initiate the formal stability program.
- Manufacture a batch to be used in clinical trials.
- Provide regulatory compliant documentation at all appropriate stages of the Development Phase

3 EXECUTION

The project activities are:

- Purchasing of raw materials and bags
- Optimization and validation of equipment prior to stability batches
- Set up of methods for analysis of raw materials
- Qualification/Validation of raw material methods
- Set up and validation/qualification of finished product analytical methods

- Validation of microbiological methods
- Preparing documentation for batch records
- Manufacturing of batch for pre-clinical testing
- Manufacturing of batches for stability testing
- Set up of stability testing program including multiple temperature conditions, light stability and transport stability
- Compiling of documentation for registration purposes according to specifications from TransMedics Inc.
- Manufacturing of batch for clinical testing

4 ESTIMATED COSTS OF PRELIMINARY ACTIVITIES

The costs of preliminary activities are divided into the following categories:

- **Project Management ([***] hours @ [***]/hour)**
  - Preparation of a project plan
  - Supervision and coordination of all development activities in order to safeguard the execution of the program according to schedule
- **Process Development ([***] hours @ [***]/hour)**
  - Formulation Laboratory Trials
  - Manufacturing Optimization Batch
  - Stability Batches (3)
  - Clinical Batch
  - Optimization work to be able to fill batches according to cGMPs
  - Validation work to fulfill cGMP requirements for the clinical batch and manufacturing
- **QC-Raw Materials Testing ([***] hours @ [***]/hour)**
  - Set up methods for USP testing of raw materials, as required
  - Validation of methods for raw materials according to applicable guidelines
  - Adopt quality systems for raw materials
- **QC-Finished Product Testing ([***] hours @ [***]/hour)**
  - Assay Components
  - Adopt HPLC method for Adenosine; set up and transfer validation o Additional method validation activities for (6) existing methods
- **Microbiological Development ([***] hours @ [***]/hour)**

- Development of microbiological validation of sterilization o Validation/Qualification of methods for finished product and new raw materials

- **Stability Program ([***] hours @ [***]/hour)**
  - Set up and monitor stability program as per Appendix G.
  - Analysis of stability endpoints

- **Purchasing ([***] hours @ [***]/hour)**
  - Investigations and purchase activities for all materials, including USP/EP grade raw materials

The Parties hereby acknowledge that the preliminary activities contemplated in this Agreement are partially complete and that certain parts of the work have already been invoiced by Fresenius and paid for by TransMedics. Appendix I to this Exhibit F represents the status of hours worked and billed as of April 30, 2005.

5 REFERENCES

Current Good Manufacturing Practice in Manufacturing, Processing, Packing, or Holding of Drugs; General, 21 CFR, Part 210.

Current Good Manufacturing Practice for Finished Pharmaceuticals, 21 CFR, Part 211.

6 NEW EQUIPMENT

There are no new equipment requirements for the program.

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

APPENDIX I TO EXHIBIT F

Cost Report for Preliminary Activities for TransMedics in April 2005

Fresenius Kabi
Rapsgatan 7
751 74 Uppsaia
Sweden

Customer:

TransMedics
Att. Paul Lezberg
200 Minuteman Rd, Suite 302
Andover, MA 01810, USA

Ref: Purchase order [***]
Part of hours described.

Activity	Jan. Cost Est	Prev invoiced	Hours used April.	Hours left
Project management	[***]	[***]	[***]	[***]
Process development	[***]	[***]	[***]	[***]
QA/QC Raw materials	[***]	[***]	[***]	[***]
QA/QC Finished product	[***]	[***]	[***]	[***]
Microbiology	[***]	[***]	[***]	[***]
Stability program	[***]	[***]	[***]	[***]
Purchasing	[***]	[***]	[***]	[***]
Total	[***]	[***]	[***]	[***]

Material	Previous	April
Cost/Hour = 1200 SEK/hour according to LOI		
Hours Cost SEK	[***]	[***]
Sub total Cost SEK	[***]	[***]
Cost according to invoices		
Bags for up to Clinical batch		[***]
Total cost SEK		[***]

Activities performed:

- Optimisation batches and manufacturing of empty bags.
  Equipment validation to secure production quality.
- Preparations for the clinical batch.
- Preparing documentation for the clinical batch.
- Finalising the methods in the raw material laboratory for the USP analyses.
- Setting up and analysing finished product from the optimisation batches, starting method validations/verifications for finished product analysis.

One of the optimisation batches (the third batch) was enrolled into stability testing. The study is planned for 6 months.

Exhibit G – Estimated Costs of Stability Testing

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Exhibit G – Estimated Costs of Stability Testing

1 INTRODUCTION

Fresenius-Kabi will prepare and execute a formal Stability Program for the three TransMedics solutions, The duration of the study will be [***] and will meet the minimum requirements of *ICH Q1A: Stability Testing of New Drug Substances and Products*, current revision. Additional stability elements may be incorporated in order to obtain relevant stability data corresponding to additional time points. The Stability Program Plan is presented in Appendix I of this document. The plan is subject to change by mutual written agreement of TransMedics and Fresenius-Kabi.

2 SCOPE

The scope of the Stability Program activities includes the following:

- Validate analytical methods for analysis of finished product
- Develop a Stability Plan of up to 24 months duration including storage conditions of [***] and light stability. Transport stability will also be set up and monitored.
- Manufacture three batches for the formal Stability Program
- Initiate the formal Stability Program for each batch
- Monitor sampling time points and select representative samples for analysis
- Provide interim stability reports for each sampling time point
- Provide a comprehensive stability report upon completion of the Stability Program

3 ESTIMATED COSTS OF STABILITY TESTING

The costs of Stability Testing are as follows:

- **Stability Testing ([***] hours @ [***]/hour)**

4 REFERENCES

Current Good Manufacturing Practice in Manufacturing, Processing, Packing, or Holding of Drugs; General, 21 CFR, Part 210.

Current Good Manufacturing Practice for Finished Pharmaceuticals, 21 CFR, Part 211.

Exhibit G – Estimated Costs of Stability Testing

ICH Q1A, Stability Testing of New Drug Substances and Products, International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use, current revision.

Exhibit G – Estimated Costs of Stability Testing

5 APPENDIX I, STABILITY PROGRAM

Product: [***] POPS solutions (TransMedics)

Batch No: TBD ([***] independent batches)

Product Manufacturing: Pilot Plant Fresenius Kabi, Uppsala, Sweden
Manufacturing date: March-April 2005

Package description
[***] in Biofine bag container
with HVL 9003 overpouch

Comments: *It is assumed that 3 months data from all three stability batches are to be used for IDE submission. If 6 months data are to be used a full analytical program should be performed at 6 months at 25°C and a reduced program are to be used at 3 months at 40°C.*

Storage conditions		**25°C/40 %RH**								**40C/N MT25**			**Light**	
Storage (months)		**0**	**1**	**3**	**6**	**9**	**12**	**18**	**24**	**1**	**3**	**6**	**2**	**3**
General inspection	41065	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
Fill volume	USP	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
Weight loss	40289	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
A-Priming solution														
[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**
[***]	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**	**[***]**

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATME\NT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Development and Supply Agreement-TransMedics Inc.

Exhibit G – Estimated Costs of Stability Testing

Storage conditions		**25°C/40 %RH**								**40C/N MT25**			**Light**	
Storage (months)		**0**	**1**	**3**	**6**	**9**	**12**	**18**	**24**	**1**	**3**	**6**	**2**	**3**
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]														
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]														
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]														
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

Exhibit H – Purchase Price

The price to be paid by TRANSMEDICS to FRESENIUS for formulating and filling the Product in accordance with the provisions of the Agreement (such price, for the avoidance of doubt, to include all work carried out by FRESENIUS, all raw materials and components to be supplied by FRESENIUS, delivery ex works and the compliance by FRESENIUS with any other provisions of the Agreement) shall be as follows:

Quantity per year [No. of Setsl	**Price [US$]**
1-5,000	[***]
5,001-10,000	[***]
10,001 -20,000	[***]
20,001+	[***]

One “Set” means a three-chamber bag comprising a priming solution in one chamber, a dextrose solution in a second chamber, and an amino acid solution in a third chamber. The solutions and the three-chamber bag are more particularly defined in Exhibit D.

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Exhibit I – Offered Item

The offered item is what is internally within Fresenius Kabi in Uppsala referred to as the Pilot plant. The pilot plant consists of [***] "Pharmadule" modules, which can be disconnected from the fixed buildings and from each other and moved to a different location. The modules have all the facilities that are required for a pharmaceutical plant in terms of HVAC, WFI, and clean room lockers.

The equipment within the pilot plant consists of a formulation department, a filling department and a sterilization unit. The facility for the formulation and the filling does fulfill the requirements for clean rooms as defined in EU GMP and the cGMP.

The pilot plant equipment and facility is defined according to Appendix I to this exhibit.

Appendix I
Equipment list

List of equipment Pilot plan Uppsala

Equipment number	Description of equipment
[***]	

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CONTRACT MANUFACTURING AGREEMENT

This Contract Manufacturing Agreement (the "**Agreement**") is effective as of April 1st, 2015 (the **"Effective Date")** by and between

(1) Fresenius Kabi Austria GmbH, Hafnerstrasse 36, A-8055 Graz, Austria ("FRESENIUS")

and

(2) TransMedics Inc., 200 Minuteman Road, Suite 302, Andover, MA 01810, USA ("COMPANY").

Recitals

(A) WHEREAS, COMPANY holds one or more market authorisations of the Product (as defined herein).

(B) WHEREAS, COMPANY desires to obtain manufacture and supply of the Product from FRESENIUS.

(C) WHEREAS, FRESENIUS desires to manufacture the Product and supply it to COMPANY.

(D) WHEREAS, the Parties have agreed to enter into this Agreement to set forth the general terms and conditions on which the manufacture and supply of any particular Product under a Product Schedule (as defined herein) will be carried out,

NOW, THEREFORE, the Parties agree as follows;

1. Definitions

Unless otherwise specifically provided in this Agreement, the following terms shall have the following meanings:

1.1. "Affiliates" means, with respect to a Person, any Person that controls, is controlled by or is under common control with such first Person. For purposes of this definition only, "control" means' (a) to possess, directly or indirectly, the power to direct the management or policies of a Person, whether through ownership of voting securities or by contract relating to voting rights or corporate governance, or (b) to own, directly or indirectly, more than fifty percent (50%) of the outstanding voting securities or other ownership interest of such Person.

1.2. ''Batch" means the quantity of units of a Product produced from a single homogeneous mix.

1.3. "cGMP" means the current good manufacturing practices as they relate to that part of quality assurance which ensures that medicinal products are consistently produced and controlled to the quality standards appropriate to their intended use in each jurisdiction in which regulatory approval has been obtained, including without limitation, the principles and guidelines specified in Chapter II of European Commission Directive 91/356/EEC (as amended), and the regulations set forth in Title 21 of the U.S. Code of Federal Regulations, Parts 210-211, 820 and Subchapter C (Drugs), quality system regulations and the requirements thereunder imposed by the FDA. In case of conflict with respect to the laws in such jurisdictions, the laws with the strictest interpretation shall control.

1.4. "Confidential Information" means all information disclosed by or on behalf of the relevant Party to the other Party pursuant to this Agreement in written, oral or any other form.

1.5. "Disclosing Party" means the Party disclosing Confidential Information.

1.6. ''Effective Date" is defined in the preamble to this Agreement.

1.7. "First Price Review Date" means the date on which the then current Price for a Product will first be reviewed and negotiated, as specified in item C.4 of the relevant Product Schedule.

1.8. "Fixed Price Term" means the term for which the Price specified in the relevant Product Schedule at the time of signing will remain fixed, as specified in item C.3 of the relevant Product Schedule.

1.9. "Forecast" means a listing of the quantities of the relevant Product that COMPANY expects to order from FRESENIUS within a rolling time-frame.

1.10. "Intellectual Property" means all know-how, copyright, trademarks, patents, design, information and documentation, drawings and other intellectual property of any kind (whether or not protected under patent, trademark, copyright or similar laws).

1.11. "Invoice Currency" means the currency in which each Product will be invoiced and paid, as specified in item C.2 of the relevant Product Schedule.

1.12. "Loss" means any and all liabilities, damages and expenses, including interest, penalties, and reasonable lawyers' fees and disbursements.

1.13. "Manufacturing Activities" means production by FRESENIUS of Product for regular sale by COMPANY.

1.14. "Parties" means FRESENIUS and COMPANY. "Party" means either FRESENIUS or COMPANY.

1.15. "Person" means any individual or entity.

1.16. "Price," with respect to each Product, means the amount payable for such Product, as determined in accordance with the terms hereof and the relevant Product Schedule.

1.17. "Product(s)" means the product to be supplied pursuant to this Agreement, and as detailed in Part A (Specification) of each Product Schedule.

1.18. "Product Schedule" means a schedule executed and delivered by the Parties in accordance with Section 2.

1.19. "Product Schedule Effective Date" means, with respect to each Product Schedule, the date on which such Product Schedule becomes effective, as set forth in such Product Schedule.

1.20. "Purchase Order" means a binding order for such quantities of a Product as COMPANY commits to order from FRESENIUS from time to time during the Term, with a statement of the date on which delivery of such shipment shall be required.

1.21. "Quality Agreement/' means the Quality Agreement(s) entered into by and between the Parties.

1.22. "Receiving Party" means the Party to whom Confidential Information is disclosed.

1.23. "Specification(s)," with respect to each Product, means the specifications for such Product, as specified in Part A of the relevant Product Schedule, as the same may be updated from time to time in accordance with the current Quality Agreement.

1.24. "Term", means the period beginning on the Effective Date and continuing until the earlier of (a) the date of expiration of the Product Schedule that has the latest expiration date and (b) the date upon which this Agreement is terminated in accordance with Article 16.

1.25. "Third Party" means any Person other than the Parties and their Affiliates.

2. Product Schedules

2.1. The Parties shall enter into a Product Schedule for the supply of each Product they wish to be governed by the terms and conditions of this Agreement, each of which shall be attached hereto as part of Exhibit 1.

2.2. Any number of Product Schedules may be executed pursuant to this Agreement during the Term. Each Product Schedule will govern the supply of the Product set forth therein.

2.3. Each Product Schedule will operate for the term specified in the preamble of that Product Schedule unless earlier terminated in accordance with Sec. 16 of this Agreement.

3. Forecasting: Minimum Order Quantity

3.1. Part B.3 of each Product Schedule sets forth a binding Forecast of Product, which COMPANY will order beginning from the date of the signature of such Product Schedule, subject to the terms and conditions in such Product Schedule.

3.2. For every Product, at least [***] prior to the first day of each January, April, July and October, COMPANY shall submit to FRESENIUS a good faith, estimated rolling Forecast of the quantity of Products COMPANY expects to order for production on a monthly basis during the next [***]. The first [***] of any given Forecast shall be binding to COMPANY and COMPANY shall place Purchase Orders for all Product forecasted therein during the month indicated by the Forecast. The Forecast for the fourth, fifth and sixth months shall be “semi-firm”, and COMPANY shall place Purchase Orders for between [***]% and [***]% of the quantities of the Product specified in the Forecast for such months. The succeeding [***] of any Forecast are non-binding estimations and shall be used by FRESENIUS for planning purposes only; the Forecasts concerning this time period may be changed without FRESENIUS’ written consent.

3.3. With respect to the MOQs in Part B.3 of each Product Schedule, if COMPANY does not issue Purchase Orders for such quantities within the specified time period, FRESENIUS can demand compensation as defined in Part C.5 of the relevant Product Schedule.

3.4. With respect to the binding and semi-binding portions of Forecasts, if COMPANY does riot issue Purchase Orders for the forecasted quantities within the specified time period in accordance with Section 3.2, FRESENIUS may issue to COMPANY an invoice for storage fees of [***], per calendar week per full pallet of already delivered but unused raw materials ordered by FRESENIUS to satisfy such forecasted quantities, which invoice shall list the actual number of pallets and identify the specific raw materials actually on hand corresponding to such forecasted but unordered quantities of Products. COMPANY shall pay any such properly documented invoice within [***] days after receipt.

3.5. FRESENIUS shall (a) allocate sufficient manufacturing capacity, components and parts for manufacture of the Products in sufficient quantity to meet the binding and semi-binding portions of each Forecast, and (b) promptly inform COMPANY of any significant unavailability of capacity, components or parts it might face in fulfilling COMPANY’S Forecasts. Notwithstanding anything to the contrary in this Agreement or the applicable

Product Schedule, COMPANY shall have no obligation with respect to any Forecast to the extent of any unavailability of capacity, components or parts.

3.6. If COMPANY requests and FRESENIUS does not object within [***] after receipt of such request, FRESENIUS shall, at COMPANY'S expense and pursuant to a mutually agreed plan and budget, fully qualify a second manufacturing plant for Products that is in a different country in Europe than its initial manufacturing plant or with COMPANY'S prior written consent, qualify a reputable Third Party manufacturer with a physically distinct manufacturing facility to produce the Products. COMPANY shall be entitled to visit and inspect all proposed manufacturing facilities for the Products.

4. Orders: Delivery: Acceptance/Rejection

4.1. COMPANY shall submit to FRESENIUS Purchase Orders for its planned requirements of Product not later than [***] prior to the applicable delivery date. Each Purchase Order shall detail the COMPANY purchase order number, COMPANY Product code, and COMPANY Product names as well as the required quantities per delivery date. All Purchase Orders shall be in writing, and shall be confirmed by FRESENIUS in writing within [***] after receipt of each firm purchase order, confirming the calendar week of delivery.

4.2. FRESENIUS shall accept and confirm all Purchase Orders that are consistent with the most recent Forecast and the [***] lead time, and shall use reasonable efforts to accommodate Purchase Orders for quantities In excess of those in the most recent Forecast and/or with delivery dates earlier than [***] after the date of the Purchase Order.

4.3. All Products shall be handled, packaged, labeled and shipped by FRESENIUS according to the Specifications and to any reasonable instructions from COMPANY, and shall be accompanied by an appropriate certificate of analysis. FRESENIUS shall provide COMPANY by e-mail with a copy of the certificate of analysis and the part of the Batch documentation required for release of the Product. All Products shall be appropriately labeled with traceable Batch numbers and date of manufacture. FRESENIUS shall mark the Products and packaging with the country of origin as required, and provide a certificate of origin and any other documents required for customs purposes. FRESENIUS shall deliver each shipment to COMPANY or COMPANY'S designee in accordance with the applicable Product Schedule. At the request of COMPANY, FRESENIUS will give assistance in arranging transport of the Products in which case FRESENIUS shall follow the instructions of COMPANY.

4.4. Unless otherwise set forth in the applicable Product Schedule, all freight and insurance costs in respect of the Products shall be borne by COMPANY and title, risk of loss, delay or damage in transit shall be with COMPANY from and after delivery to COMPANY'S designated carrier.

4.5. FRESENIUS shall fully deliver and Company shall fully pick up in accordance with this Sec. 4 all Products ordered pursuant to a confirmed Purchase Order within [***] before or after the confirmed calendar week of delivery, Any failure to deliver Product by

the date that is [***] after the confirmed calendar week of delivery shall be considered a material breach of this Agreement by FRESENIUS.

4.6. Other than for Hidden Defects as described in Sec. 4.10, COMPANY shall have [***] after delivery of any Batch of Products pursuant to this Article 4 to reject such Batch. COMPANY may reject a Batch of Products, or a portion thereof, for the (a) failure of such Batch to meet the Specifications; or (b) failure of such Batch to meet FRESENIUS's warranties set forth herein, Failure of COMPANY to reject a Batch of the Products in the manner set forth above within [***] after delivery of such Batch shall constitute acceptance thereof.

4.7. If only a portion of a Batch should be rejected, the Parties shall cooperate and endeavor, to allow the sale of that portion of the Batch than can be sold in compliance with all applicable laws, rules and regulations, and the portion so allowed, if any, will be considered as purchased and delivered as required under this Agreement.

4.8. Should COMPANY rightfully reject any Batch of Product, or part thereof, pursuant to Section 4,6 and FRESENIUS agrees that such rejection is justified, FRESENIUS shall not charge COMPANY for such rejected part of the) Batch and shall reimburse COMPANY for the shipping costs for such (rejected part of the) Batch incurred by COMPANY. FRESENIUS shall have no further liability to COMPANY in respect of such Batch except that FRESENIUS shall have the obligation to replace the rejected (part of the) Batch as promptly as possible. The Parties shall agree how to destroy any such rejected (part of the) Batch. Costs related to the disposal, destruction and/or return of such Batch shall be borne by FRESENIUS.

4.9. Should COMPANY reject any Batch, or part thereof, pursuant to Section 4.6 and FRESENIUS and COMPANY, after good faith negotiation, fail to agree that such rejection is justified, the Parties shall mutually agree on an independent Third Party to evaluate all documentation relating to such Batch of Products and other relevant information developed by both Parties relating thereto to ascertain whether the rejection is justified. If the Third Party determines that COMPANY'S rejection is justified, FRESENIUS shall pay for the costs of the independent Third Party's review and Sec. 4.8 applies to the same extent as if FRESENIUS had agreed the rejection is justified. If the Third Party determines that COMPANY'S rejection is not justified, COMPANY shall pay for the costs of the independent Third Party's review, and COMPANY shall pay FRESENIUS for such Batch, and FRESENIUS will have no further liability to COMPANY with respect thereto.

4.10. If it is found that a Batch of Products has not been manufactured in accordance with the Specifications and/or FRESENIUS's warranties hereunder, which could not reasonably have been found by diligent and adequate inspection by COMPANY (a "Hidden Defect"), Section 4.6 above applies *mutatis mutandis*, except that the relevant event for the time to reject is the discovery of such Hidden Defect and not the delivery of the Batch. In any case COMPANY must reject a faulty Batch (or part thereof) within [***] after the delivery of said Batch of Products.

4.11. Any rejection by COMPANY must be In writing and must reference the date of COMPANY'S applicable Purchase Order and FRESENIUS' invoice as well as the date of delivery and if applicable the discovery of a Hidden Defect.

5. Representations and Warranties: Quality; Audits

5.1. FRESENIUS represents and warrants that ail quantities of the Products supplied hereunder shall (a) meet the Specification as determined by the analytical methods set out in the Part A of the relevant Product Schedule, (b) conform to cGMP, the Quality Agreement, and ail applicable laws as such laws exist at the time of delivery of such Product, the manufacturing, testing and supplying thereof shall comply with the Quality Agreement, and the manufacturing thereof shall adhere to all governmental laws, rules and regulations applicable to the manufacture of the Products in the United States and Europe, (c) not be adulterated, misbranded or otherwise in violation of the U.S. Federal Food, Drug and Cosmetic Act, and its foreign equivalents, as such laws exist at the time of delivery of such Product, (d) be free and clear of any liens and/or encumbrances by any Third Party, including but not limited to any geographic or other restriction imposed on the sale of such Product, and (e) to the best of FRESENlUS's knowledge, have been manufactured in a manner that does not infringe on any Third Party's intellectual property rights.

5.2. FRESENIUS represents and warrants that it has received, and shall maintain at all relevant times, ail governmental permits, licenses and approvals enabling FRESENIUS lawfully and properly to perform its obligations under this Agreement, including ail approvals required by all applicable regulatory agencies for the operation of the facility where Products are manufactured as a cGMP manufacturing facility and necessary to operate such facility in compliance with all applicable local laws, rules and regulations in Austria.

5.3. As regulated under the Quality Agreement, FRESENIUS shall permit authorized representatives of COMPANY at reasonable times to audit Batch records and/or the plant where Product is manufactured in the following cases:

(a) Once per two (2) years under the express condition that such audits are performed at least three (3) weeks after announcement thereof, provided that the time of the audit does not coincide with an important activity of the plant (e.g., audit of another customer or an authority),

(b) in the event of a Batch-related rejection or investigation as contemplated in Sec. 4,

(c) in the event FRESENIUS shall receive a "Warning Letter" from the FDA relating to the manufacture, packaging or labelling of the Products by FRESENIUS or otherwise affecting the Products or similar notification from a regulatory agency, auditing FRESENlUS's operation, and/or

(d) in accordance with the procedures set forth in the Quality Agreement to ensure that the principles of cGMP and the provisions of this Agreement are followed in connection with the production of the Products.

Representatives of COMPANY may be present during any investigation or action by any regulatory authority that is specific to or involves a Product. In case of emergency, the Parties will mutually agree in good faith, on the date of a short-dated special quality audit. FRESENIUS will rectify any deficiencies noted during the course of an audit, If COMPANY requests FRESENIUS to implement changes over and above cGMP, and if FRESENIUS agrees to implement such changes, the costs therefor will be borne by COMPANY.

5.4. FRESENIUS shall provide to COMPANY copies of ail correspondence from applicable regulatory agencies relating to any Product, and all inspection reports issued by such regulatory agencies during the Term to the extent they relate to the manufacture of the Products as such reports and correspondence becomes available. FRESENIUS agrees to notify COMPANY promptly of any governmental inspection activity or actions relating to any of the Products, or to any process, equipment or facilities used to manufacture any Product. Such notification shall apply to any unannounced inspection by COMPANY'S European Notified Body for any Product, and FRESENIUS shall allow any such inspection.

5.5. All materials needed to manufacture the Products shall be tested by FRESENIUS to ensure that they meet applicable specifications and quality standards as set forth in the Quality Agreement.

5.6. Further quality relevant issues and the allocation of the responsibilities are listed in the Quality Agreement.

6. Price

6.1. The Price of each Product is exclusive of Value Added Tax, which, if payable, shall be borne and paid by COMPANY against the provision by FRESENIUS of an appropriate VAT invoice. The Price is payable in the applicable Invoice Currency, item C.2 of the relevant Product Schedule.

6.2. For each Product, the Price(s) specified in item C.l of the relevant Product Schedule at the time of signing will remain fixed for the Fixed Price Term, item C.3 of the relevant Product Schedule. On the First Price Review Date (item C.4 of the relevant Product Schedule) and on each anniversary of such First Price Review Date, the Price(s) will be adjusted (up or down) by the change in the index level specified in the Austrian Industrial Producer Price Index published by Statistics Austria mttp://www.stati5tik,at/web_en/statistics/Prices/industri3l_output_priceJndex/) over the twelve (12) months period ending on October 31 of the preceding calendar year; provided, however, that any such annual adjustment to any Price shall be capped at [***] above or below the previous Price.

6.3. The reference purchase price for [***] is [***], which corresponds to direct raw material costs for [***] for a unit of Product of [***] €, If these direct raw material costs to FRESENIUS for [***] for a unit of Product have changed (up or down) by more than [***], FRESENIUS will notify COMPANY of such price change.' Following such notification,

the Price for subsequent Purchase Orders shall increase or decrease on a Euro-for-Euro basis by the amount by which such costs have changed in excess of [***]. For example, if the Price is €[***],-, the direct raw material cost to FRESENIUS for [***] for a unit of Product is €[***],-, and such cost decreases to €[***],-, the Price for subsequent Purchase Orders would decrease to €[***],-.

7. Invoicing and Payment

7.1. FRESENIUS shall issue an invoice to COMPANY for the applicable Price for ail Products delivered to COMPANY, The invoice shall contain a reference identifying this Agreement and the relevant Product Schedule, and shall state FRESENIUS s registered VAT number.

7.2. COMPANY shall pay all invoices in full within [***] after the date of the relevant invoice to FRESENIUS.

8. Appointed Suppliers

8.1. The Parties may agree that FRESENIUS will order certain or all raw material or packaging, which are needed to manufacture the Product, from certain COMPANY-appointed suppliers (“Appointed Suppliers”). If the Parties agree on this, these Appointed Suppliers will be listed in the relevant Annex of the Quality Agreement.

8.2. COMPANY is responsible for auditing and qualification of ail Appointed Suppliers. If an Appointed Supplier does not deliver in the quality demanded or if its deliveries suffer shortfalls, damages or defects, COMPANY and FRESENIUS will negotiate further actions. Under no circumstances shall any failure to supply the Product by FRESENIUS to COMPANY caused by a delay or default of the delivery of materials of an Appointed Supplier to FRESENIUS be deemed a breach of any contractual obligation by FRESENIUS.

9. [RESERVED]

10. Liability Claims and Expire

10.1. EXCEPT AS OTHERWISE EXPLICITLY STATED HEREIN, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY AMOUNTS REPRESENTING ITS LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF GOODWILL, LOSS OF ECONOMIC OPPORTUNITY, OR INDIRECT, SPECIAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES, ARISING FROM THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT OR ANY ACTS OR OMISSIONS ASSOCIATED THEREWITH OR RELATED TO THE USE OF ANY ITEMS OR SERVICES FURNISHED HEREUNDER, WHETHER THE BASIS OF THE LIABILITY IS BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), STATUTES OR ANY OTHER LEGAL THEORY).

10.2. Except in connection with a Party’s obligations under Section 11 (Indemnification) or breach of obligations under Section 14 (Confidentiality), in any and all other cases, each Party’s liability for any breach of this Agreement shall be limited in the aggregate for each

calendar year to the greater of (a) [***] or (b) the [***] for the [***] such breach occurred.

10.3. Nothing herein shall limit either Party's liability for death or personal injury due to that Party's negligence.

10.4. Statutory rules on the burden of proof remain unaffected by the above rules.

11. Indemnification; Insurance

11.1. COMPANY shall defend, indemnify and hold harmless FRESENIUS, its officers, agents and employees from any Losses in connection with any Third Party claim, demand or cause of action ("Claim") arising out of or related to; (a) the alleged infringement or violation of a Third Party's Intellectual Property rights to the extent relating to the use of know-how included in COMPANY Intellectual Property in accordance with the terms of this Agreement or COMPANY'S other instruction; (b) COMPANY'S negligent, willful or reckless acts or omissions with respect to the distribution, marketing and/or sale of the Products; (c) COMPANY'S breach of this Agreement or applicable law, rules or regulations; or (d) personal injury to consumers relating to the Products, other than injury due to FRESENIUS' gross negligent, willful or reckless acts or omissions, breach of this Agreement or applicable law, rule or regulation, or failure to manufacture, label or package the Products in accordance with the Specifications.

11.2. FRESENIUS shall defend, indemnify and hold harmless COMPANY its officers, agents and employees from Losses in connection with any Claim arising out of or related to: (a) FRESENIUS' negligent, willful or reckless acts or omissions with respect to the manufacture, labeling or packaging of the Products, including any personal injury to consumers relating to the Products arising as a result thereof; (b) FRESENIUS' breach of this Agreement or applicable law, rule or regulation, including without limitation failure to manufacture the Products in accordance with the Specifications; or (c) infringement or violation of a Third Party's Intellectual Property rights as a result of FRESENIUS's use of a manufacturing process for the manufacture of the Products hereunder to the extent such process does not involve know-how included in COMPANY'S Intellectual Property or any formulation or composition of the Products that is not a direct result of the written instructions of COMPANY or the direct compliance with the Specifications.

11.3. In the event either FRESENIUS or COMPANY seeks indemnification under this Article 11 from the other, it shall inform such other Party of a Claim as soon as reasonably practicable after it receives notice of the Claim, shall permit the indemnifying Party to: assume direction and control of the defense of the Claim (including the right to settle the Claim solely for monetary consideration), and shall reasonably cooperate as requested by and at the expense of, the indemnifying Party in the defense of the Claim. In addition, either Party may be represented by its own counsel at its own expense.

11.4. COMPANY and FRESENIUS shall each maintain throughout the Term commercial liability insurance covering product liability and other consumer injuries arising from the

sale of the Products in an amount of at least [***]. At the request of either Party, the other Party shall provide documentation sufficient to show proof of coverage.

12. Product Recall

COMPANY shall have sole discretion over whether and under what circumstances to require the recall of a Product. Each Party will inform the other Party pursuant to Section 17,2 immediately after receiving knowledge of reasons for a Product recall.

13. Intellectual Property

13.1. COMPANY shall solely own any improvement and/or invention relating specifically to the Products (including the manufacture thereof) and all Intellectual Property rights therein ("Product Improvements") and FRESENIUS hereby irrevocably assigns and transfers to COMPANY ail right, title and interest in and to all Product Improvements as they are made, and agrees to perform such actions as COMPANY may reasonably request to cause sole ownership of the Product Improvements to vest in COMPANY. FRESENIUS covenants that each of its employees and independent contractors conducting activities hereunder is obligated to assign ail of his or her rights, title and interest in and to any Product Improvements to FRESENIUS and, as between the Parties, FRESENIUS is responsible for payment of any compensation that may be due in connection with such assignment. COMPANY shall solely own and shall be entitled to apply for patent protection on Product Improvements at its expense and risk.

13.2. FRESENIUS shall solely own any improvement and/or invention generated and/or derived by FRESENIUS in the conduct of Manufacturing Activities that is applicable generally to manufacturing both of the Product and of other products and all Intellectual Property rights therein ("Manufacturing Improvements"). FRESENIUS shall solely own and shall be entitled to apply for patent protection on Manufacturing Improvements at its expense and risk. FRESENIUS hereby grants COMPANY and its Affiliates a royalty free non-exclusive license to use the Manufacturing Improvements in connection with the Products during the term of this Agreement.

13.3. For clarity, nothing in this Agreement shall alter the ownership of any Intellectual Property owned or controlled by a Party as of the Effective Date or that is obtained by a Party independently of this Agreement.

14. Confidentiality

14.1. Except as otherwise provided in this Agreement, any Confidential Information which is disclosed by or on behalf of a Disclosing Party to the Receiving Party will remain the property of the Disclosing Party.

14.2. The Receiving Party undertakes

14.2.1 to use the Disclosing Party's Confidential Information solely and exclusively for the purposes of this Agreement (or such other purpose as is agreed in writing between the Parties at the time of disclosure), and not to use such Confidential Information for any other purpose whatsoever, including the development, manufacture, marketing, sale or licensing of any process or product or any other commercial purpose anywhere in the world, unless the Parties enter into an agreement specifying otherwise; and

14.2.2 to maintain the confidentiality of the Disclosing Party's Confidential Information and not to disclose it directly or indirectly to any other company, organisation, individual or third Person, except as expressively permitted;

14.2.3 at the request of the Disclosing Party, to return, delete or destroy all copies of the Disclosing Party's Confidential Information, in whatever form it is held.

14.3. Notwithstanding Section 14.2, the Receiving Party may disclose the Disclosing Party's Confidential Information to any of its Affiliates, and its and Its Affiliate's directors, employees and professional advisers who need to know such Confidential Information in order to fulfill the purpose of this Agreement, provided that the Receiving Party procures that prior to such disclosure, each such Person to whom such Confidential Information is to be disclosed is made aware of the obligations contained in this Agreement, and adheres to these terms as if it were a party to this Agreement.

14.4. Nothing in Section 14.2 will preclude disclosure of any Confidential Information required by any governmental, quasi-governmental or regulatory agency or authority or court entitled by law to disclosure of the same, or which is required by law or the requirements of a national securities exchange or another similar regulatory body to be disclosed, provided that the Receiving Party promptly notifies the Disclosing Party when such requirement to disclose has arisen to enable the Disclosing Party to seek an appropriate protective order, to make known to the relevant agency, authority, court or securities exchange the proprietary nature of such Confidential Information, and to make any applicable claim of confidentiality. The Receiving Party agrees to co-operate in any action which the Disclosing Party may decide to take. If the Receiving Party is required to make a disclosure in accordance with this clause, it will only make a disclosure to the extent to which it is obliged.

14.5. The provisions of Section 14.2 will not apply to any of the Disclosing Party's Confidential Information which the Receiving Party can demonstrate, to the reasonable satisfaction of the Disclosing Party:

14.5.1 was already in the possession of the Receiving Party or any of its Affiliates and at the Receiving Party's or any of its Affiliates' free use and disposal or in the public domain (through in each case no fault of the Receiving Party or any of its Affiliates or no breach of this Agreement by the Receiving Party) prior to its disclosure by the Disclosing Party under this Agreement;

14.5.2 is purchased or otherwise legally acquired by the Receiving Party or any of its Affiliates at any time from a third Person having and the right to disclose it;

14.5.3 comes into the public domain, otherwise than through the fault of the Receiving Party or any of its Affiliates; or

14.5.4 is independently generated by the Receiving Party or any of its Affiliates without any recourse or reference to the Disclosing Party's Confidential Information.

14.6. The obligations of each Party in this Article 14 will survive for a period of five (5) years after the date of expiration or effect of termination of this Agreement.

15. Exclusivity

15.1. FRESENIUS undertakes to manufacture and supply the Products exclusively to COMPANY.

15.2. 15.2 COMPANY agrees to purchase from FRESENIUS the minimum order quantities of Product in accordance with the applicable Product Schedule and any quantities in excess thereof contained in any binding or any semi-binding (subject to adjustment as permitted by Section 3.2) portion of any Forecast, subject to FRESENlUS's ability to deliver such quantities in accordance with Article 4 and the warranties set forth in Article 5

15.3. Provided that COMPANY complies with its obligations in the Section 15.2, COMPANY shall be free to obtain supplies of Products from sources other than FRESENIUS.

16. Term and Termination

16.1. This Agreement shall become effective at the Effective Date and shall extend for a period of five (5) years ("Initial Term"), unless earlier termination as described in Articles 16.2 and 16.3. The Agreement shall be automatically extended for subsequent periods of twenty-four (24) months (each, an "Extension Term") unless either Party terminates this Agreement by giving the other Party a written notice by registered mail twelve (12) months prior to the end of the Initial Term or prior to the end of the then-current Extension Term, but not before the date of expiration of the Product Schedule that has the latest expiration date.

16.2. In addition to any other provision of this Agreement expressly providing for termination of this Agreement, this Agreement may be terminated immediately by either Party upon notice to the other Party:

- in the event of a material breach of this Agreement by the other Party, where such breach is capable of cure and such breach remains uncured for thirty (30) days after notice of such breach;
- in the event of a breach of this Agreement by the other Party where such breach is not capable of cure;
- if the other Party shall file in any court or agency, pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an the appointment of a receiver or trustee of such other Party or of its assets, or if the other Party proposes a written agreement of composition or extension of its debts, or if the other Party shall be served with an involuntary petition against it filed in any insolvency proceeding that is not stayed or dismissed within sixty (60) days, or if the other Party shall propose or be a party to any dissolution or liquidation, or if the other Party shall make an assignment for the benefit of its creditors;
- if any creditor or lienholder takes possession of any material part of the assets of the other Party;
- if any distress, execution or other such process is levied or enforced upon or against any of the material assets of the other Party;
- if the other Party ceases or threatens to cease to carry on the whole or substantially the whole of its business or that part of its business to which this Agreement (or all Product Schedules, as the case may be) relates.

Further, COMPANY shall have the right to terminate this Agreement upon twelve (12) months' prior written notice if FRESENIUS objects or fails to respond in accordance with Section 3.6 to COMPANY'S request made thereunder.

16.3. Without prejudice to any other rights or remedies which either Party may have, upon the termination of this Agreement, howsoever the same occurs, each Party shall:

- immediately pay to the other Party ail undisputed sums which at the date of termination are due and payable to the other Party under this Agreement;
- immediately cease all use of any property of the other Party, including any Intellectual Property rights of the other Party that are not irrevocably licenses to such Party; and
- within twenty eight (28) days after such termination, at its own expense, return to the other Party any property of the other Party in its possession, custody or control, including subject to Sec. 14.2.3 all Confidential Information of that Party and copies of it.

16.4. Sec. 1, 10, 11, 12, 13, 14 (as provided in Sec. 14.6), 17, 18, 19 and Sections 16.3 and 16.4 will survive expiration or termination of this Agreement, howsoever the same occurs.

16.5. This Sec. 16 applies for the term and termination of any individual Product Schedule as well, except to the extent the term or the termination is regulated differently in the Product

Schedule. A termination of this Agreement automatically leads to a termination of all Product Schedules, subject to Section 16.1 in the case of non-renewal.

17. Notices

17.1. Notices of pharmacovigilance including but without being limited to notices of recalls and complaints as well as address and person in charge are governed by the Quality Agreement and its relevant Annex.

17.2. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement shall be' in writing and shall be deemed given only if delivered-by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognised overnight delivery service that maintains, records of delivery, addressed to the Parties at their respective addresses specified in this Agreement or to such other addresses of which notice shall have been given. Such Notice shall be deemed to have been given as of the date delivered by hand or transmitted by facsimile (with transmission confirmed) or on the second delivery day after deposit with an internationally recognised overnight delivery service. Any notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter. This Section is not intended to govern the day-to-day business communications necessary between the Parties in performing their obligations under the terms of this Agreement.

18. Miscellaneous

18.1. This Agreement contains the entire understanding between the Parties and supersedes any and all prior agreements, understandings and arrangements, whether written or oral, with respect to the subject matter hereof.

18.2. No amendments, changes, modifications or alterations of the terms and conditions of this Agreement shall be binding upon either Party unless in writing -and signed by both Parties.

18.3. Neither Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party, which consent shall not be withheld or delayed unreasonably; provided, however, that (a) either Party may assign this Agreement, in whole but not in part, without such consent, to one of its Affiliates or to an assignee who acquires all or substantially ail of such Party's business, business division relevant to the Products, or in the event of such Party's merger or consolidation or similar transaction; and (b) the assigning Party shall promptly notify the non-assigning Party of any such assignment. Any permitted assignee shall assume all obligations of its assignor under this Agreement. No assignment shall relieve any Party of responsibility for the performance of any obligation hereunder. This Agreement shall be binding upon and inure to the benefit of each of the Parties and its successors and permitted assigns.

18.4. Both Parties hereby expressly state that it is the intention of neither Party to violate any existing rule, law or regulations. If any of the provisions of this Agreement are held to be void or unenforceable, then such void or unenforceable provisions shall be replaced by valid and enforceable provisions which will achieve as far as possible the economic business intentions of the Parties.

18.5. Any amendment or modification of this Agreement must be in writing and signed by an authorised representative of each Party.

18.6. If there is any inconsistency between a Product Schedule, a Quality Agreement or any other Exhibit, on the one hand, and this Agreement on the other hand, the terms of this Agreement shall govern unless such other document expressly provides that its terms (or a single term) shall govern. The Quality Agreement prevails in matters of quality.

19. Law and Jurisdiction

This Agreement shall be governed, construed and interpreted in accordance with the laws of England, without reference to its conflict of law provisions and excluding specifically the UN Convention on Contracts for the International Sale of Goods. Place of exclusive jurisdiction shall be London.

SIGNED for and on behalf of
Fresenius Kabi Austria GmbH

/s/ Anton Gerdenitsch
Signature

Name: Anton Gerdenitsch

Title: Head of Contract Manufacturing
Market Unit PP
May 28, 2015

SIGNED for and on behalf of
TransMedics Inc.

/s/ Waleed Hassanein
Signature

Name: Waleed Hassanein

Title: CEO

Signed for and on behalf of
Fresenius Kabi Austria GmhH

/s/ Jorg Heinrich
Signature

Name: Dr. Jorg Heinrich

Title: Plant Manager
28 May 2015

/s/ Waleed Hassanein
Signature

Name: Waleed Hassanein

Title: CEO

Exhibit 1: Product Schedule(s)

Product Schedule No 1

FOR CONTRACT MANUFACTURING

to the CONTRACT MANUFACTURING AGREEMENT dated Apr 1st, 2015 (the "Agreement"), entered into between:

(1) Fresenius Kabi Austria GmbH, Hafnerstrasse 36, A-8055 Graz, Austria ("FRESENIUS")

and

(2) TransMedics Inc., 200 Minuteman Road, Suite 302, Andover, MA 01810, USA ("COMPANY").

This Product Schedule is made effective as of the day of its signature (the "Product Schedule Effective Date"), and is subject to all of the terms and conditions contained in the Agreement. Together, this Product Schedule and the Agreement form a binding agreement between the parties hereto in relation to the details set out in this Product Schedule.

The term of this Product Schedule is [***] beginning from the Product Schedule Effective Date. It will be extended and can be terminated according to Article 16 of the Agreement. In addition, COMPANY shall have the right to terminate this Product Schedule upon written notice and with a notice period of [***] to FRESENIUS if (a) the Product or the OCS Lung System is no longer covered by a CE Mark for any reason whatsoever or (b) if COMPANY does not receive FDA approval to market (i) the Product with an approved indication for the flushing of donor lungs for preservation during transplantation and (ii) the OCS Lung System in the United States by December 31, 2016. With respect to the binding and semi-binding portions of Forecasts in place at the time that COMPANY provides such notice of termination, if COMPANY does not issue Purchase Orders for U1e forecasted quantities within the specified time period in accordance with Section 3.2, FRESENIUS may issue to COMPANY an invoice for its cost of already delivered but unused raw materials ordered by FRESENIUS to satisfy such forecasted quantities, which invoice shall identify the specific raw materials actually on hand corresponding to such forecasted but unordered quantities of Products and the cost thereof. COMPANY shall pay any such properly documented invoice within [***] after receipt and, if requested by COMPANY, FRESENIUS shall ship such raw materials to COMPANY in accordance with COMPANY's written instructions and at COMPANY'S cost.

This Product Schedule consists of the following parts:

Part A: Product Specification

Part B: Delivery terms and orders

Part C: Pricing and Payment

PART A: PRODUCT SPECIFICATION

1. Product:

OCS™ Lung Solution in 1 liter IV bags

2. Product Specification

The Product Specifications are regulated in the Quality Agreement and its relevant Annexes. A copy of the Product Specifications as of the Product Schedule Effective Date is attached hereto as Exhibit A. FRESENIUS shall provide COMPANY with a copy of any revised Product Specifications.

PART B: DELIVERY TERMS AND ORDERS

1. Delivery Term (Incoterms 2010)

FCA Graz, Austria

2. Packaging and Labelling

4-10 bags will be packaged into 1 labelled or pre-printed cardboard box, whereas several of these are packaged in a labelled shipper.

3. Minimum Order Quantities (MOQs)

Company guarantees to purchase the following yearly minimum order quantities of Product:

Year	2014	2015	2016	2017	2018
Number of Bags	[***]	[***]	[***]	[***]	[***]

*The minimum order quantities for years 2016-2018 are contingent on the attainment of Product shelf life of at least [***] years. If such shelf life is not attained, the MOQs for such years shall be as follows: 2016: [***] / 2017: [***] / 2018: [***]

Any termination of the Agreement shall result in a pro rata adjustment to the MOQ for the 12-month period during which such termination becomes effective.

No individual order shall be less than one full batch of [***] liter.

PART C: PRICING AND PAYMENT

1. Price

	OCS™ LUNG Solution
Price [€/bag] Ordered bags per year less than [***] bags	**[***]**
Price [€/bag] Ordered bags per year [***] bags	**[***]**
Price [€/bag] Ordered bags per year more than [***] bags	**[***]**

- Prices are based on batch size of [***] liter.
- The Price/bag will be fixed For a calendar year based on Company's First Forecast for that calendar year as set forth in Section 3 of the Agreement.
- If the actual quantity ordered in a calendar year would result in the application of a different tier as set forth above, then, within [***] after the end of that calendar year, one Party will make a true-up payment to the other Party to cover the difference in the Price that was paid during such calendar year and the Price that should have been paid. For example, if the Forecast during 2016 is [***] units, the Price paid by COMPANY for each unit will be €[***],-. If COMPANY actually orders [***] units during 2016, FRESENIUS will make a true-up payment to COMPANY by 1 March 2017 of €[***] x [***] = €[***] to reflect the pricing of the tier applicable to the actual quantity ordered.

2. Invoice Currency

Euro

3. Fixed Price Term

Until 31st December 2015

4. First Price Review Date

1st January 2016

5. Compensation in case COMPANY does not purchase MOQs

- If COMPANY does not purchase the yearly minimum order quantities as defined in B.3. of this Product Schedule, COMPANY needs to pay a compensation fee to FRESENIUS to cover the lost sales. This compensation fee shall be COMPANY's sole liability and FRESENIUS's sole remedy with respect to any failure by COMPANY to purchase the yearly minimum order quantities as defined in B.3. of this Product Schedule. This compensation fee shall be calculated by taking the gap between the actual quantity ordered and minimum ordered quantity of the respective year multiplied by the applicable price in the table below:

	OCS LUNG Solution (without [***])
Price [€/bag] MOQ per year [***] bags	**[***]**
Price [€/bag] MOQ per year more than [***] bags	**[***]**

- In the event that COMPANY purchases in any year exceed the minimum order quantity for that year, the excess in that year will be applied to the minimum order quantity commitment for the following year. The amount that can be carried over to [8.1.4] the next year will be limited to [***].
- In the event that COMPANY purchases in any year less than the minimum order quantity for that year, COMPANY may apply purchases in excess of the minimum order quantity in the following year to meet the prior year shortfall. The excess purchased amount that can be so applied to meet the minimum order quantity in any shortfall year will be limited to [***]% of the applicable next year's minimum order quantity. Any compensation fee paid under this part C.5 in respect of shortfalls covered by purchased amounts applied from following years will be promptly refunded to COMPANY.
- The minimum commitment will not apply following any termination of the Contract Manufacturing Agreement.

THIS PRODUCT SCHEDULE IS EXECUTED by the authorised representatives of the Parties as of the date first written above.

SIGNED for and on behalf of
FRESENIUS

/s/ Anton Gerdenitsch
Signature

Name: Anton Gerdenitsch

Title: Head of Market Unit PP
May 28th, 2015

SIGNED for and on behalf of

/s/ Waleed Hassanein
Signature

Name: Waleed Hassanein

Title: CEO

SIGNED for and on behalf of
FRESENIUS

/s/ Dr. Jörg Huund
Signature

Name: Dr. Jörg Huund

Title: Plant Manager
28 May 2015

SIGNED for and on behalf of

/s/ Waleed Hassanein
Signature

Name: Waleed Hassanein

Title: CEO

THIS EXHIBIT HAS BEEN REDACTED AND IS THE SUBJECT OF A CONFIDENTIAL TREATMENT REQUEST. REDACTED MATERIAL IS MARKED WITH [***] AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

EXHIBIT A

PRODUCT SPECIFICATIONS

[to be attached]

Product Schedule No. 1 - 6

Rev	Author	Brief Description of the Change	DCO Approved	DCO Release Date
1	J. Carey	Initial Release	12208	15-May-2014
2	M. O'Hara	Update shelf life based on latest stability data and make minor corrections.	12280	2-Oct-2014
3	R. Bringham	Update Lung Solution Spec, [***], with new expiration date format, updated titles and formatting.	12473	11/10/2015
4	J. Sullivan	Update shelf life to [***]	12833	07/29/2016
5	P. Lezberg	Update acceptance criteria for magnesium and updated packaging requirements	12984	08/30/2017

"Suppliers shall not make changes in specifications, materials, processes or work covered by this document without prior written notification to and authorization from TransMedics, Inc".

Signature	Date		Purchased Component Specification	
Drawn By:	John Carey	5/5/2014	**OCS™ Lung Solution. [***]**	
Approvals:	Wendy Lambert	5/15/2014		
			Size **A**	Number: [***]

1. Component Specification:

- **Description**
  The purpose of this document is to define the purchased component specification for the OCS™ Lung Solution.

- **Performance requirement**
  Refer to following pages

- **Properties & Tolerances**
  Refer to following pages

- **Supplier Records**

  Fresenius Kabi Austria-GmbH will provide a Certificate of Analysis and a Certificate of Conformity with statement of conformance with each batch. The current version of the Purchased Component Specification to which the product was manufactured will be documented in the Quality Agreement. The Certificate of Conformity will note conformance to the Quality Agreement.

- **Labeling Requirements**
  The following labels will appear on the product and product packaging:
  - The primary container will be labeled per Label, Product, Lung Solution, REF [***] ([***]).
  - The shipping package will be labeled per Label, Packaging, Lung Solution, REF [***] ([***]).

  Upon receipt at TransMedics each lot of Solution will be inspected according to Quality Procedure, OCS Lung Solution ([***]). The inspection will include verification of the expiration date based on the procedure found below in “Product Expiration Date.”

- **Packaging Requirements**
  - Bags shall be shipped in a cardboard box containing [***] units per box.
  - Bags shall be oriented in the box perpendicular to the long edge
  - Note that the unit of measure for [***] is [***].

- **Storage Requirements**
  - Storage of the OCS Lung Solution is recommended as follows.
    - Do not store above [***].
    - Do not [***].
    - Upon receipt, the bags will be inspected according to Quality Procedure, OCS Lung Solution ([***]).
    - Inspect carefully for indication of damage prior to distribution to end-users.

- **Safety and Handling Requirements**
  Not applicable

- **Handling Requirements**
  Not applicable

- **Approved Manufacturers**

The manufacture and testing of the OCS Lung Solution includes participation of (4) vendors. Their contact information and participation are as follows:

Vendor	Vendor Participation
Fresenius Kabi Austria-GmbH Hafnerstrasse 36 8055 Graz-Austria (P) +43 (0) 316 249 0 (F) +43 (0) 316 249 1505	■ Project Management ■ Raw Material Testing ■ Formulation/Fill ■ Sterilization ■ Labeling ■ Lot Release including Testing
Österreichische Agentur für Gesundheit und Ernährungssicherheit GmbH (AGES) Institut für medizinische Mikrobiologie und Hygiene Beethovenstrasse 6, A-8010 Graz, Austria	■ Sterility Testing
SGS Life Science Services SGS INSTITUT FRESENIUS Berlin GmbH & Co. KG Tegeler Weg 33 D-10589 Berlin Germany	■ Raw Material Testing-[***] 40
Pharmacosmos A/S Roervangsvej 30 DK—4300 Holbaek Denmark	■ Raw Material Provider -[***]

- **Inspection Requirements**

Each batch will be inspected visually for damage upon receipt per [***], Quality Procedure (-QP) OCS™ Lung Solution.

- Each Lung Solution box must:
  - Be affixed with a label in compliance with Label Specification [***]
  - Have no visible damage to the package
- Each Lung Solution bag must:
  - Be labeled in compliance with Label Specification [***]
  - Have no visible damage to the container
- Each Lung Solution batch must:
  - Include a Certificate of Analysis and a Certificate of Conformity

- **Product Expiration Date**

The shelf life for a batch manufactured using the current revision of this specification is [***]. Product expiration will be based on the following information:

- The date of manufacture
- Validated stability (shelf life) data available at the time of manufacture
- The expiration date (end of shelf life) will be calculated as follows:
    - Manufacturing day plus [***]

2. Properties & Tolerances of the OCS™ Lung Solution Set

2.1. The OCS™ Lung use model incorporates the use of an OCS Lung Solution.

2.1.1. The OCS Lung Solution is a sterile, [***] solution that may be mixed with [***] in the OCS, and pumped through an explanted donor lung in order to maintain and assess the organ. Additionally, the OCS Lung Solution may be used to flush the donated lung.

2.1.2. The OCS Lung Solution is provided in a [***] with a container closure system capable of accepting a line spike for addition of the OCS Lung Solution to the OCS™ Lung Perfusion Module (LPM).

2.2. Raw Materials

2.2.1. The raw materials used in the manufacture of the OCS Lung Solution will be purchased as compendial grade, that is, United States Pharmacopeia (USP) or European Pharmacopoeia (Ph.Eur.).

2.2.2. Table 1 identifies the specified grade and compendial monograph associated with each raw material used for the manufacture of the OCS Lung Solution

Table 1: Raw Material Specifications for OCS Lung Solution Components

Component	Compendial grade	Monograph
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]
[***]	[***]	[***]

2.3. Packaging Components and Specifications

2.3.1. Primary Container ([***])

2.3.1.1. Foil—The primary packaging foil is a multi-layer tube foil commonly used for parenteral nutrition solution Sets and has a thickness of [***]. All additives conform to the valid versions of [***].

2.3.1.2. Port and cap—The Ship-Shape Infusion Corpus Port (SSC) is designed to withdraw solution Set from the infusion bag using an infusion Set or syringe. The port consists of [***].

2.3.1.3. A partial view of the primary container system is pictured in Figure 1.

[***]

2.4. Finished Product

2.4.1. Specification for Batch(s)

Each batch of OCS Lung Solution will be manufactured using predetermined specifications. The specifications are defined in Table 2.

Table 2: Raw Material Specification for OCS Lung Solution Components

Component	Formula	Quantity (gm/L)
[***]	**[***]**	**[***]**
[***]	**[***]**	**[***]**
[***]	**[***]**	**[***]**
[***]	**[***]**	**[***]**
[***]	**[***]**	**[***]**
[***]	**[***]**	**[***]**
[***]	**[***]**	**[***]**
[***]	**[***]**	**[***]**
[***]	**[***]**	**[***]**

3. Performance Requirements

3.1. The OCS Lung Solution is evaluated post-sterilization according to the acceptance criteria provided in Table 3. Testing performed by Fresenius Kabi Austria is designated as FKA while testing performed by Österreichische Agentur für Gesundheit und Ernährungssicherheit GmbH is designated as AGES. Methods are further described in Section 3.2 this document. The OCS Lung Solution is terminally sterilized to a Sterility Assurance Level of at least [***].

Table 3: Methods and Acceptance Criteria for the OCS Lung Solution

Test	Limit	Methods	Responsible Laboratory
Appearance	[***]	[***]	FKA
Identification-Glucose	[***]	[***]	FKA
Identification-Sodium	[***]	[***]	FKA
Identification-Potassium	[***]	[***]	FKA
Identification-Magnesium	[***]	[***]	FKA
Identification-Phosphate	[***]	[***]	FKA
pH	[***]	[***]	FKA
Volume in containers	[***]	[***]	FKA
Osmolality [mOsmol/kg]	[***]	[***]	FKA
Glucose [g/L]	[***]	[***]	FKA
Sodium [mmol/L]	[***]	[***]	FKA
Potassium [mmol/L]	[***]	[***]	FKA
Magnesium [mmol/L]	[***]	[***]	FKA
Total Phosphates	[***]	[***]	FKA
5-HMF	[***]	[***]	FKA
Visible particles	[***]	[***]	FKA
Sub-visible particles: - particles ≥ 10um - particles ≥ 25um	[***]	[***]	FKA
Endotoxins [IU/mL]	[***]	[***]	FKA
Sterility	[***]	[***]	AGES

3.2. Each batch of OCS Lung Solution will be subjected to specification release testing.
  3.2.1. [***] will be utilized for release testing, when applicable.
  3.2.2. Where a [***] is not available, [***] will be validated prior to use.

3.3. The methods associated with release testing as defined in Table 3 are described below.
  3.3.1. Appearance-Color ([***])Color is determined according to [***] Degree of Coloration of Liquids
  3.3.2. Appearance-Clarity ([***])Clarity is determined according to [***] Clarity and Degree of Opalescence of Liquids
  3.3.3. Identification-Glucose ([***])Glucose identification is an enzymatic determination performed according to [***]
  3.3.4. Identification-Sodium ([***]Sodium identification is determined by [***] *Qualitative and quantitative determination of* [***]
  3.3.5. Identification-Potassium ([***])Potassium identification is determined by [***] *Qualitative and quantitative determination of* [***] *by measuring* [***]
  3.3.6. Identification-Magnesium ([***])Magnesium identification is determined by [***] according to [***] *Qualitative and quantitative determination of* [***] *by measuring* [***]

3.3.7. Identification-Phosphate ([***])Phosphate identification is a photometric determination performed according to [***]
3.3.8. pH ([***])pH is determined according to [***]
3.3.9. Volume in containers ([***])Volume in containers is determined according to [***]
3.3.10. Osmolality ([***])Osmolality is determined according to [***]
3.3.11. Glucose ([***])Glucose quantitation is an enzymatic determination performed according to [***]
3.3.12. Sodium ([***])Sodium quantitation is determined by[***] *Qualitative and quantitative determination of* [***] *by measuring the* [***]
3.3.13. Potassium ([***])Potassium quantitation is determined by [***] *Qualitative and quantitative determination of* [***] *by measuring the* [***]
3.3.14. Magnesium ([***])Magnesium quantitation is determined by [***] *Qualitative and quantitative determination of* [***] *by measuring the* [***]
3.3.15. Total Phosphates ([***])Phosphate quantitation is a photometric determination performed according to [***]
3.3.16. 5-HMF ([***])5-HMF determination is performed by [***]
3.3.17. Visible Particles ([***])Determination of visible particle is performed according to [***]
3.3.18. Sub-visible particles ([***]Determination of sub-visible particles is performed according to [***] Quantitation is made for particles of sizes [***]
3.3.19. Bacterial Endotoxins ([***])Bacterial endotoxin is determined according to [***] *Bacterial Endotoxins Test*
3.3.20. Sterility ([***])Sterility is determined according to [***]

4. Stability

4.1. OCS Lung Solution stability and determination of product shelf life was demonstrated through enrollment of the OCS Lung Solution in stability studies of up to [***]. Accelerated stability conditions were applied to the Technical batch with sample withdrawals scheduled throughout a [***] period. Real-time and accelerated stability conditions were applied to a minimum of [***] Stability batches with sample withdrawals scheduled throughout the enrollment period. The shelf life of existing clinical batches may be updated periodically based on the most current aging data available.

4.1.1. Technical Batch: Accelerated stability was assessed at [***] for [***]. The planned time points for the batch were [***], [***], [***], and [***] months. Solution stability was demonstrated under the planned test conditions to [***] months.

4.1.2. Stability Batches: Real-time stability was assessed at [***] for [***]. The planned time points for the batches were [***], [***], [***], [***], [***], [***] and [***] months. In addition, (2) two of the batches were assessed at [***] months. Solution stability was demonstrated under the planned test conditions to [***] months.

4.1.3. Stability Batches: Accelerated stability was assessed at [***] for [***] months. The planned time points for the stability batches were 0, 3 and 6 months. In addition, (2) of the batches were assessed at [***] month. Solution stability was demonstrated under the planned test conditions to [***] months.

4.2. Supplemental stability data may be generated from additional full-scale batches. Sampling or withdrawal time points may vary based on the data required for the study (i.e. early withdrawal time points may be omitted).

5. Sterility

5.1. OCS Lung Solution sterility is assessed for lot release (Time 0) and at the final time point of the stability study at [***].

5.2. A sterilization cycle has been validated for the OCS Lung Solution.

5.3. The sterilization cycle is designed to achieve a Sterility Assurance Level (SAL) of at least [***].

5.4. Pyrogenicity will be measured as a function of lot release using the [***] Test. The test will also be performed at the final time point of the stability study under real-time conditions ([***]).

6. Change Control

6.1. Any and all design or component changes shall require TransMedics' written approval.

6.2. Any and all temporary deviations shall require TransMedics' written approval.

7. Reference Documents

7.1. Label, Product, OCS Lung Solution ([***])

7.2. Label, Packaging, OCS Lung Solution, REF 2300 ([***])

7.3. Quality Procedure, OCS Lung Solution ([***])

7.4. United States Pharmacopeia, USP 36/NF 31, 2010

7.5. European Pharmacopoeia, EP 8th Edition, 2014

7.6. ICH Q1A (R2): Stability Testing of New Drug Substances and Products[1]

7.7. Stability Plan OCS Lung Solution Set (acc)-1000 mL-bag, (FKA Kipdips 96,689)

7.8. Stability Plan OCS Lung Solution Set (ICH)-1000 mL-bag (FKA Kipdips 96,672)

7.9. Analysis of Glucose (FKA G242))

7.10. Analysis of Sodium (FKA G201)

7.11. Analysis of Magnesium (FKA G201)

7.12. Analysis of Potassium (FKA G201)

7.13. Analysis of Total Phosphates ((FKA G251)

[1] The OCS Lung Solution is a component of a system (the Organ Care System) and is regulated as a medical device, not a pharmaceutical. It is not administered to a patient, and does not have contact with either the donor or the recipient during a lung transplant. Nonetheless, the ICH standards for testing new drugs provide well-recognized methods for evaluating solution stability and consequently will be relied upon to demonstrate that the device meets its performance specifications.