FORM 8-K

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

FORM 8-K

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

Date of Report (Date of earliest event reported): January 3, 2013

InspireMD, Inc.

(Exact name of registrant as specified in its charter)

Delaware	000-54335	26-2123838
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4 Menorat Hamaor St. Tel Aviv, Israel	67448
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 972-3-691-7691

(Former name or former address, if changed since last report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 3.02 Unregistered Sales of Equity Securities.

The information required to be disclosed under this Item 3.02 is set forth below under Item 5.02. The securities issued to Mr. Milinazzo were not registered under the Securities Act of 1933, as amended, or the securities laws of any state, and were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended, and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving a public offering. Mr. Milinazzo was an accredited investor (as defined by Rule 501 under the Securities Act of 1933, as amended) at the time the securities were offered and issued to him.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 3, 2013, the board of directors of InspireMD, Inc. (the "Company") appointed Alan W. Milinazzo as the Company's president, chief executive officer and a class 1 member of the board of directors with a term expiring at the Company's 2015 annual meeting of stockholders.

Mr. Milinazzo, age 53, served as president and chief executive officer of Orthofix International N.V., a Nasdaq-listed medical device company, until August 2011, a position he was promoted to in 2006 after being hired a year earlier as chief operating officer. He also served as a director of Orthofix International N.V. from December 2006 until June 2012. From 2002 to 2005, Mr. Milinazzo was the general manager of Medtronic, Inc.'s coronary and peripheral vascular businesses. Mr. Milinazzo also spent 12 years as an executive with Boston Scientific Corporation in numerous roles, including vice president of marketing for SCIMED Europe. Mr. Milinazzo has over 20 years of experience in management and marketing, including positions with Aspect Medical Systems and American Hospital Supply.

In connection with his appointment, the Company entered into an Employment Agreement (the "Employment Agreement") with Mr. Milinazzo. The Employment Agreement has an initial term that ends on January 1, 2016 and will automatically renew for additional one-year periods on January 1, 2016 and on each January 1 thereafter unless either party gives the other party written notice of its election not to extend such employment at least six months prior to the next January 1 renewal date. If a change in control occurs when less than two full years remain in the initial term or during any renewal term, the Employment Agreement will automatically be extended for two years from the change in control date and will terminate on the second anniversary of the change in control date.

Under the Employment Agreement, Mr. Milinazzo is entitled to an annual base salary of at least $450,000. Such amount may be reduced only as part of an overall cost reduction program that affects all senior executives of the Company and does not disproportionately affect Mr. Milinazzo, so long as such reductions does not reduce the base salary to a rate that is less than 90% of the amount set forth above (or 90% of the amount to which it has been increased). The base salary will be reviewed annually by the board for increase as part of its annual compensation review. Mr. Milinazzo is also eligible to receive an annual bonus of at least $275,000 upon the achievement of reasonable target objectives and performance goals, to be determined by the board of directors in consultation with Mr. Milinazzo on or before the end of the first quarter of the fiscal year to which the bonus relates (except that for the current fiscal year, ending June 30, 2013, the goals will be determined as soon as practicable, and no later than March 31, 2013) and, in the event actual performance exceeds the goals, the board may, in its sole discretion, pay Mr. Milinazzo bonus compensation of more than $275,000. In addition, Mr. Milinazzo is eligible to receive such additional bonus or incentive compensation as the board may establish from time to time in its sole discretion. In accordance with the Employment Agreement, on January 3, 2013, the Company granted Mr. Milinazzo a nonqualified stock option to purchase 525,927 shares of the Company's common stock, made pursuant to a Nonqualified Stock Option Agreement, an incentive stock option to purchase 74,073 shares of the Company's common stock, made pursuant to an Incentive Stock Option Agreement, and 400,000 shares of restricted stock, which are subject to forfeiture until the vesting of such shares, made pursuant to a Restricted Stock Award Agreement. The options have an exercise price of $4.05, which was the fair market value of the Company's common stock on the date of grant. Both the options and the restricted stock are subject to a three-year vesting period subject to Mr. Milinazzo's continued service with the Company, with one-thirty-sixth (1/36th) of such awards vesting each month. On or before December 31 of each calendar year, Mr. Milinazzo will be eligible to receive an additional grant of equity awards equal, in the aggregate, to up to 0.5% of the Company's actual outstanding shares of common stock on the date of grant, provided that the actual amount of the grant will be based on his achievement of certain performance objectives as established by the board, in its reasonable discretion, for each such calendar year. Each additional grant will, with respect to any awards that are options, have an exercise price equal to the fair market value of the Company's common stock, and will be subject to a three-year vesting period subject to Mr. Milinazzo's continued service with the Company, with one-third of each additional grant vesting equally on the first, second, and third anniversary of the date of grant for such awards.

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

If, during the term of the Employment Agreement, Mr. Milinazzo's employment is terminated upon his death or disability, by Mr. Milinazzo for good reason, or by the Company without cause, Mr. Milinazzo will be entitled to receive, in addition to other unpaid amounts owed to him (*e.g.*, for base salary and accrued vacation): (i) the pro rata amount of any bonus for the fiscal year of such termination (assuming full achievement of all applicable goals under the bonus plan) that he would have received had his employment not been terminated; (ii) a one-time lump sum severance payment equal to 200% of his base salary, provided that he executes a release relating to employment matters and the circumstances surrounding his termination in favor of the Company, its subsidiaries and their officers, directors and related parties and agents, in a form reasonably acceptable to the Company at the time of such termination; (iii) vesting of 50% of all unvested stock options, restricted stock, stock appreciation rights or similar stock based rights granted to Mr. Milinazzo, and lapse of any forfeiture included in such restricted or other stock grants; (iv) an extension of the term of any outstanding stock options or stock appreciation rights until the earlier of (a) two (2) years from the date of termination, or (b) the latest date that each stock option or stock appreciation right would otherwise expire by its original terms; (v) to the fullest extent permitted by the Company's then-current benefit plans, continuation of health, dental, vision and life insurance coverage; and (vi) a cash payment of $35,000, which Mr. Milinazzo may use for executive outplacement services or an education program. The payments described above will be reduced by any payments received by Mr. Milinazzo pursuant to any of the Company's employee welfare benefit plans providing for payments in the event of death or disability. If Mr. Milinazzo continues to be employed by the Company after the term of the Employment Agreement, unless otherwise agreed by the parties in writing, and Mr. Milinazzo's employment is terminated upon his death or disability, by Mr. Milinazzo for good reason, or by the Company without cause, Mr. Milinazzo will be entitled to receive, in addition to other unpaid amounts owed to him, the payments set forth in (i), (ii) and (iv) above.

If, during the term of the Employment Agreement, the Company terminates Mr. Milinazzo's employment for cause, Mr. Milinazzo will only be entitled to unpaid amounts owed to him and whatever rights, if any, are available to him pursuant to the Company's stock-based compensation plans or any award documents related to any stock-based compensation.

Mr. Milinazzo has no specific right to terminate the Employment Agreement or right to any severance payments or other benefits solely as a result of a change in control. However, if within 24 months following a change in control, (a) Mr. Milinazzo terminates his employment for good reason, or (b) the Company terminates his employment without cause, the lump sum severance payment to which he is entitled will be increased from 200% of his base salary to 250% of his base salary and all stock options, restricted stock units, stock appreciation rights or similar stock-based rights granted to him will vest in full and be immediately exercisable and any risk of forfeiture included in restricted or other stock grants previously made to him will immediately lapse.

"Good reason" means the occurrence of any of the following without Mr. Milinazzo's written consent: (i) any duties, functions or responsibilities are assigned to him that are materially inconsistent with those set forth in the Employment Agreement; (ii) a material diminution in his duties; (iii) a material reduction in his base salary; (iv) a material adverse change or termination of his right to participate in certain incentive compensation and benefit programs; (v) a material breach by the Company of certain representations or the subsidiary guaranty set forth in the Employment Agreement; or (vi) relocation of Mr. Milinazzo's principal place of employment that increases his one-way commute by more than fifty (50) miles. "Cause" means Mr. Milinazzo's: (i) commission of fraud, misappropriation or embezzlement related to the Company; (ii) conviction for, or guilty plea to, or plea of nolo contendere to, a felony or crime of similar gravity; (iii) material breach of the Employment Agreement, and the duties described therein, or any other agreement to which Mr. Milinazzo and the Company or its subsidiaries are parties; (iv) commission of acts that are dishonest and demonstrably injurious to a member the Company or its subsidiaries, monetarily or otherwise; (v) violation of any fiduciary duties owed by him to the Company or its subsidiaries that causes injury to the Company, other than breaches of fiduciary duty also committed by other officers and members of the board of directors based on actions taken after consultation with, and the advice of, legal counsel; and (vi) willful or material violation of, or noncompliance with, any securities law, rule or regulation or stock exchange listing rule adversely affecting the Company or its subsidiaries.

In connection with his appointment, the Company and Mr. Milinazzo also entered into the Company's standard form of Indemnity Agreement.

In connection with the appointment of Mr. Milinazzo, on January 3, 2013, Ofir Paz resigned as chief executive officer of the Company. Mr. Paz will continue to serve as a member of the Company's board of directors. In connection with Mr. Paz's resignation, on January 3, 2013, InspireMD Ltd., the Company's wholly owned subsidiary, and A.S. Paz Management and Investment Ltd., Company No. 514480433 ("A.S. Paz Management"), a company controlled by Mr. Paz, entered into a Separation Agreement and Release (the "Separation Agreement"), pursuant to which, among other things, that certain Consultancy Agreement, dated as of April 1, 2012, by and between InspireMD Ltd. and A.S. Paz Management (the "Consultancy Agreement") was terminated and Mr. Paz resigned as chief executive officer of InspireMD Ltd. and as a director of InspireMD Ltd. In accordance with the terms of the Consultancy Agreement and the Severance Agreement, the Company will continue to pay Mr. Paz's monthly consultancy fee of $21,563 for six months following termination of the Consultancy Agreement.

The foregoing summary of the Employment Agreement, the Indemnity Agreement, the Nonqualified Stock Option Agreement, the Incentive Stock Option Agreement, the Restricted Stock Award Agreement and the Severance Agreement are not complete, and are qualified in their entirety by reference to the full text of such agreements that are attached or incorporated by reference as Exhibits 10.1 through 10.6 of this Current Report on Form 8-K. Readers should review the Employment Agreement, the Indemnity Agreement, the Nonqualified Stock Option Agreement, the Incentive Stock Option Agreement, the Restricted Stock Award Agreement and the Severance Agreement for a more complete understanding of their terms and conditions.

Item 8.01 Other Events.

On January 4, 2013, the Company issued a press release announcing the appointment of Mr. Milinazzo as president, chief executive officer and director of the Company. A copy of that press release is filed as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Employment Agreement, dated January 3, 2013, by and between InspireMD, Inc. and Alan W. Milinazzo
10.2	Form of Indemnity Agreement between InspireMD, Inc. and each of the directors and executive officers thereof (incorporated by reference to Exhibit 10.22 to Amendment No. 1 to Registration Statement on Form S-1 filed with the Securities and Exchange Commission on August 26, 2011)
10.3	Nonqualified Stock Option Agreement, dated January 3, 2013, by and between InspireMD, Inc. and Alan W. Milinazzo
10.4	Incentive Stock Option Agreement, dated January 3, 2013, by and between InspireMD, Inc. and Alan W. Milinazzo
10.5	Restricted Stock Award Agreement, dated January 3, 2013, by and between InspireMD, Inc. and Alan W. Milinazzo
10.6	Separation Agreement and Release, dated January 3, 2013, by and between InspireMD Ltd. and A.S. Paz Management and Investment Ltd., Company No. 514480433
99.1	Press Release dated January 4, 2013

SIGNATURES

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

INSPIREMD, INC.

Date: January 9, 2013

By: /s/ Craig Shore
Name: Craig Shore
Title: Chief Financial Officer

EXHIBIT INDEX

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Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), entered into and effective as of January 3, 2013 (the "Effective Date"), is by and between InspireMD, Inc., a Delaware corporation (the "Company"), and Alan W. Milinazzo, an individual (the "Executive").

PRELIMINARY STATEMENTS

A. The Company desires to employ the Executive as its President and Chief Executive Officer, and the Executive desires to be employed by the Company as its President and Chief Executive Officer and based in the United States.

B. The Company and the Executive desire to set forth in writing the terms and conditions of their agreement and understanding with respect to the employment of the Executive as its President and Chief Executive Officer.

C. Capitalized terms used herein and not otherwise defined have the meaning for them set forth on Exhibit A attached hereto and incorporated herein by reference.

D. Simultaneous with the execution of this Agreement, the Company and the Executive have entered into that certain Indemnity Agreement dated January 3, 2013 (the "Indemnity Agreement"), the terms of which shall not be superseded or modified by this Agreement.

The parties, intending to be legally bound, hereby agree as follows:

I. EMPLOYMENT AND DUTIES

1.1 Duties. The Company hereby employs the Executive as an employee, and the Executive agrees to be employed by the Company, upon the terms and conditions set forth herein. While serving as an employee of the Company, the Executive shall serve as President and Chief Executive Officer of the Company, and be appointed to serve as President and Chief Executive Officer of InspireMD, Ltd., a wholly-owned subsidiary of the Company ("Subsidiary"). The Executive shall be the senior most executive officer of the Company and Subsidiary and shall have such power and authority and perform such duties, functions and responsibilities as are associated with and incident to such positions, and as the Company's Board of Directors (the "Board") may from time to time require of him; provided, however, that such authority, duties, functions and responsibilities are commensurate with the power, authority, duties, functions and responsibilities generally performed by chief executive officers of public companies which are similar in size and nature to, and the financial position of, the Company, including, but not limited to, appropriate involvement in meetings of and exposure to the Board and its committees. The Executive also agrees to serve, if elected, as an officer or director of Company, Subsidiary or any other direct or indirect subsidiary of the Company or Subsidiary, in each such case at no compensation in addition to that provided for in this Agreement, but the Executive serves in such positions solely as an accommodation to the Company and such positions shall grant him no rights hereunder (including for purposes of the definition of Good Reason). The Company will use its reasonable best efforts to cause the Executive to be nominated for election as a member of the Board as long as the Executive continues to serve as its President and Chief Executive Officer. Executive shall resign as a member of the Board if his employment terminates for any reason.

1.2 Services. During the Term (as defined in Section 1.3), and excluding any periods of vacation, sick leave or Disability, the Executive agrees to devote his full business time, attention and efforts to the business and affairs of the Company. During the Term, it shall not be a violation of this Section 1.2 for the Executive to (a) serve on civic or charitable boards or committees, (b) serve on three (3) for-profit corporate boards at any one time (*provided that* such activities do not create a conflict with Executive's employment hereunder as determined by the Board in its reasonable discretion), (c) deliver lectures or fulfill speaking engagements, or (d) manage personal investments, so long as such activities do not interfere with the performance of the Executive's responsibilities in accordance with this Agreement. The Executive must request the Board's prior written consent to serve on a corporate board, which consent shall be at the Board's reasonable discretion and only so long as such service does not interfere with the performance of his responsibilities hereunder.

1.3 Term of Employment. The term of this Agreement shall commence on the Effective Date and shall continue until 11:59 p.m. Eastern Time on January 1, 2016 (the "Initial Term") unless sooner terminated or extended as provided hereunder. This Agreement shall automatically renew for additional one-year periods on January 1, 2016 and on each and every January 1 thereafter (each such extension, the "Renewal Term") unless either party gives the other party written notice of its or his election not to extend such employment at least six months prior to the next January 1 renewal date. Further, if a Change in Control occurs when less than two full years remain in the Initial Term or during any Renewal Term, this Agreement shall automatically be extended for two years only from the Change in Control Date and thereafter shall terminate on the second anniversary of the Change in Control Date in accordance with its terms. The Initial Term, together with any Renewal Term or extension as a result of a Change in Control, are collectively referred to herein as the "Term." In the event that the Executive continues to be employed by the Company after the Term, unless otherwise agreed by the parties in writing, such continued employment shall be on an at-will, month-to-month basis upon terms agreed upon at such time without regard to the terms and conditions of this Agreement (except as expressly provided herein) and this Agreement shall be deemed terminated at the end of the Term, regardless of whether such employment continues at-will, other than Articles VI and VII, plus specified provisions of Articles IV and V to the extent they relate to termination of employment after expiration of the Term, which shall survive the termination or expiration of this Agreement for any reason.

II. COMPENSATION

2.1 General. The base salary (as set forth in Section 2.2) and Incentive Compensation (as defined in Section 2.3.) payable to the Executive hereunder, as well as any stock-based compensation, including stock options, stock appreciation rights and restricted stock grants, shall be determined from time to time by the Board and paid pursuant to the Company's customary payroll practices or in accordance with the terms of the applicable stock-based Plans (as defined in Section 2.4). The Company shall pay the Executive in cash, in accordance with the normal payroll practices of the Company, the base salary and Incentive Compensation set forth below. For the avoidance of doubt, in providing any compensation payable in stock, the Company may withhold, deduct or collect from the compensation otherwise payable or issuable to the Executive a portion of such compensation to the extent required to comply with applicable tax laws to the extent such withholding is not made or otherwise provided for pursuant to the agreement governing such stock-based compensation.

2.2 Base Salary. The Executive shall be paid a base salary of no less than $37,500 per month ($450,000 on an annualized basis) while he is employed by the Company during the Term; provided, however, that nothing shall prohibit the Company from reducing the base salary as part of an overall cost reduction program that affects all senior executives of the Company Group and does not disproportionately affect the Executive, so long as such reductions do not reduce the base salary to a rate that is less than 90% of the minimum base salary amount set forth above (or, if the minimum base salary amount has been increased during the Term, 90% of such increased amount). The base salary shall be reviewed annually by the Board for increase (but not decrease, except as permitted above) as part of its annual compensation review, and any increased amount shall become the base salary under this Agreement.

2.3 Bonus or other Incentive Compensation. During the Term, the Executive shall be eligible to receive annual bonus compensation in an amount equal to at least $275,000 upon the achievement of reasonable target objectives and performance goals as may be determined by the Board in consultation with the Executive, on or before the end of the first quarter of the fiscal year to which the bonus relates (the "Goals") (provided, that, with respect to the fiscal year ending June 30, 2013 (the "2013 Fiscal Year"), the Goals shall be determined as soon as practicable after the Effective Date, and no later than March 31, 2013) and, in the event actual performance exceeds the Goals, the Board, may, in its sole discretion, pay the Executive bonus compensation of more than $275,000, payable in each case in accordance with the Company's annual bonus plan (the "Bonus Plan"); provided, however, that any bonus amounts payable with respect to the 2013 Fiscal Year shall be pro-rated based on the actual days Executive is employed by the Company during the 2013 Fiscal Year. Amounts will be less than either such target or nothing if the Goals are not met as set forth under the terms of the Bonus Plan. Amounts payable under the Bonus Plan shall be determined by the Board and shall be payable following such fiscal year and no later than two and one-half months after the end of such fiscal year. In addition, the Executive shall be eligible to receive such additional bonus or incentive compensation as the Board may establish from time to time in its sole discretion. Any bonus or incentive compensation under this Section 2.3 under the Bonus Plan or otherwise is referred to herein as "Incentive Compensation." Stock-based compensation shall not be considered Incentive Compensation under the terms of this Agreement unless the parties expressly agree otherwise in writing. The payment of any Incentive Compensation shall be subject to all federal, state and withholding taxes, social security deductions and other general withholding obligations.

2.4 Stock Compensation. On the Effective Date, the Company shall grant the Executive an option to purchase 600,000 shares of the Company's Common Stock (the "Option") and 400,000 shares of Restricted Stock, which are subject to forfeiture until the vesting of such shares (the "RS Grant"). The Option will have an exercise price equal to the fair market value of the Company's Common Stock as determined by the Board as of the date of grant under the Company's Amended and Restated 2011 Umbrella Option Plan or other stock-based compensation plans as the Company may establish from time to time (collectively, the "Plans"). Both the Option and the RS Grant will be subject to a three-year vesting period subject to the Executive's continued service with the Company (as defined in the Plans), with one-thirty-sixth (1/36th) of the Option and RS Grant vesting equally each month of the Executive's continued service. The Option and RS Grant will be governed in full by the terms and conditions of the Plans and the Executive's individual Option and RS Grant agreements to be entered into between the Company and the Executive as of the Effective Date . On or before December 31 of each calendar year during the Term, the Executive shall be eligible to receive an additional grant of equity awards under the Plans equal, in the aggregate, to up to 0.5% of the Company's actual outstanding shares of Common Stock on the date of grant (each, an "Additional Grant"), provided that the actual amount of the grant shall be based on the Executive's achievement of certain performance objectives as established by the Board, in its reasonable discretion, for each such calendar year. Each Additional Grant will be subject to a separate award agreement between the Company and the Executive under the Plans, and, with respect any awards that are options, will have an exercise price equal to the fair market value of the Company's Common Stock as determined by the Board as of the date of grant under the Plans and will be subject to a three-year vesting period subject to the Executive's continued service with the Company (as defined in the Plans), with one-third of each Additional Grant vesting equally on the first, second, and third anniversary of the date of grant for such awards.

III. EMPLOYEE BENEFITS

3.1 General. Subject only to any post-employment rights under Article V, so long as the Executive is employed by the Company pursuant to this Agreement, he shall be eligible for the following benefits to the extent generally available to senior executives of the Company or by virtue of his position, tenure, salary and other qualifications. Any eligibility shall be subject to and in accordance with the terms and conditions of the Company's benefits policies and applicable plans (including as to deductibles, premium sharing, co-payments or other cost-splitting arrangements).

3.2 Employee Benefits. During the Term and subject to any contribution therefor generally required of senior executives of the Company, the Executive shall be entitled to participate in such employee benefit plans and benefit programs as are made available by the Company to the Company's senior executives. The Company will not, without Executive's prior written consent, make any changes in such plans, arrangements or perquisites which would adversely affect Executive's rights or benefits thereunder (other than a change or reduction that would apply uniformly to other participating officers and employees of the Company or a change or reduction that is otherwise required by applicable law). Such participation shall be subject to the terms of the applicable plan documents and generally applicable Company policies.

3.3 Vacation. The Executive shall be entitled to 4 weeks paid vacation per 12-month period.

3.4 Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable business-related expenses incurred by the Executive in performing his duties under this Agreement. Reimbursement of the Executive for such expenses will be made upon presentation to the Company of expense vouchers that are in sufficient detail to identify the nature of the expense, the amount of the expense, the date the expense was incurred and to whom payment was made to incur the expense, all in accordance with the expense reimbursement practices, policies and procedures of the Company.

IV. TERMINATION OF EMPLOYMENT

4.1 Termination by Mutual Agreement. The Executive's employment may be terminated at any time during the Term by mutual written agreement of the Company and the Executive.

4.2 Death. The Executive's employment hereunder shall terminate upon his death.

4.3 Disability. In the event the Executive incurs a Disability for a continuous period exceeding 90 days or for a total of 180 days during any period of 12 consecutive months, the Company may, at its election, terminate the Executive's employment during or after the Term by delivering a Notice of Termination (as defined in Section 4.8) to the Executive 30 days in advance of the date of termination.

4.4 Good Reason. The Executive may terminate his employment at any time during or after the Term for Good Reason by delivering a Notice of Termination to the Company 30 days in advance of the date of termination; provided, however, that the Executive agrees not to terminate his employment for Good Reason until the Executive has given the Company at least 30 days' in which to cure the circumstances set forth in the Notice of Termination constituting Good Reason and if such circumstances are not cured by the 30th day, the Executive's employment shall terminate on such date. If the circumstances constituting Good Reason are remedied within the cure period to the reasonable satisfaction of the Executive, such event shall no longer constitute Good Reason for purposes of this Agreement and the Executive shall thereafter have no further right hereunder to terminate his employment for Good Reason as a result of such event. Unless the Executive provides written notification of an event described in the definition of Good Reason within 90 days after the Executive has actual knowledge of the occurrence of any such event, the Executive shall be deemed to have consented thereto and such event shall no longer constitute Good Reason for purposes of this Agreement.

4.5 Termination without Cause. The Company may terminate the Executive's employment at any time during or after the Term without Cause by delivering to the Executive a Notice of Termination 30 days in advance of the date of termination; provided that as part of such notice the Company may request that the Executive immediately tender the resignations contemplated by Section 4.9 and otherwise cease performing his duties hereunder. The Notice of Termination need not state any reason for termination and such termination can be for any reason or no reason. The date of termination shall be the date set forth in the Notice of Termination.

4.6 Cause. The Company may terminate the Executive's employment at any time during or after the Term for Cause by delivering a Notice of Termination to the Executive. The Notice of Termination shall include a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board, at a meeting of the Board called and held for such purpose, finding that in the good faith opinion of the Board an event constituting Cause has occurred and specifying the particulars thereof. A Notice of Termination for Cause may not be delivered unless in conjunction with such Board meeting the Executive was given reasonable notice and the opportunity for the Executive, together with the Executive's counsel, to be heard before the Board prior to such vote. If the event constituting Cause for termination is other than as a result of a breach or violation by the Executive of any provision of Article VI and only if the event constituting Cause is curable, then the Executive shall have 30 days from the date of the Notice of Termination to cure such event described therein to the reasonable satisfaction of the Board in its sole discretion and, if such event is cured by the Executive within the cure period, such event shall no longer constitute Cause for purposes of this Agreement and the Company shall thereafter have no further right to terminate the Executive's employment for Cause as a result of such event. The Executive shall have no other rights under this Agreement to cure an event that constitutes Cause. Unless the Company provides written notification of an event described in the definition of Cause within 90 days after the Company knows or has reason to know of the occurrence of any such event, the Company may not terminate the Executive for Cause unless such event is recurring or uncurable. Knowledge shall mean actual knowledge of any member of the Board or any of the Company's senior executives.

4.7 Voluntary Termination. The Executive may voluntarily terminate his employment at any time during or after the Term by delivering to the Company a Notice of Termination 30 days in advance of the date of termination (a "Voluntary Termination"). For purposes of this Agreement, a Voluntary Termination shall not include a termination of the Executive's employment by reason of death or for Good Reason, but shall include voluntary termination upon retirement in accordance with the Company's retirement policies. A Voluntary Termination shall not be considered a breach or other violation of this Agreement.

4.8 Notice of Termination. Any termination of employment under this Agreement by the Company or the Executive requiring a notice of termination shall require delivery of a written notice by one party to the other party (a "Notice of Termination"). A Notice of Termination must indicate the specific termination provision of this Agreement relied upon and the date of termination. It must also set forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination, other than in the event of a Voluntary Termination or termination without Cause. The date of termination specified in the Notice of Termination shall comply with the time periods required under this Article IV, and may in no event be earlier than the date such Notice of Termination is delivered to or received by the party getting the notice. If the Executive fails to include a date of termination in any Notice of Termination he delivers, the Company may establish such date in its sole discretion. No Notice of Termination under Section 4.4 or 4.6 shall be effective until the applicable cure period, if any, shall have expired without the Company or the Executive, respectively, having corrected the event or events subject to cure to the reasonable satisfaction of the other party. The terms "termination" and "termination of employment," as used herein are intended to mean a termination of employment which constitutes a "separation from service" under Section 409A.

4.9 Resignations. Upon ceasing to be an employee of the Company for any reason, or earlier upon request by the Company pursuant to Section 4.5, the Executive agrees to immediately tender written resignations to the Company with respect to all officer and director positions he may hold at that time with any member of the Company or Subsidiary.

V. PAYMENTS ON TERMINATION

5.1 Death; Disability; Resignation for Good Reason; Termination without Cause. If at any time during the Term the Executive's employment with the Company is terminated pursuant to Section 4.2, 4.3, 4.4 or 4.5, the Executive shall be entitled to the payment and benefits set forth below only. If at any time after the Term the Executive's employment with the Company is terminated pursuant to Section 4.2, 4.3, 4.4 or 4.5, the Executive shall be entitled to the payment and benefits set forth in (a), (b) and the specified provisions of (c) only.

(a) any unpaid base salary and accrued unpaid vacation then owing through the date of termination or Incentive Compensation that is as of such date actually earned or owing under Article II, but not yet paid to the Executive, which amounts shall be paid to the Executive on the next regularly scheduled Company payroll date following the date of termination or earlier if required by applicable law; provided, however, the Executive shall be entitled to receive the pro rata amount of any Bonus Plan Incentive Compensation for the fiscal year of his termination of employment (based on the number of business days he was actually employed by the Company during the fiscal year in which the termination of employment occurs and assuming full achievement of all applicable goals under the Bonus Plan) that he would have received had his employment not been terminated during such year. Nothing in the foregoing sentence is intended to give the Executive greater rights to such Incentive Compensation than a pro rata portion of what he would ordinarily be entitled to under the Bonus Plan Incentive Compensation that would have been applicable to him had his employment not been terminated (and assuming full achievement of all applicable goals under the Bonus Plan), it being understood that Executive's termination of employment shall not be used to disqualify the Executive from or make him ineligible for a pro rata portion of the Bonus Plan Incentive Compensation to which he would otherwise have been entitled (and assuming full achievement of all applicable goals under the Bonus Plan). The pro rata portion of Bonus Plan Incentive Compensation shall, subject to Section 7.16, be paid at the time such Incentive Compensation is paid to senior executives of the Company ("Severance Bonus Payment Date") but in no event later than two and one-half months after the end of such fiscal year.

(b) a one-time lump sum severance payment in an amount equal to 200% of the Executive's Base Amount. The lump sum severance payment shall be paid on the Company's first payroll date after the Executive's signing the release described in Section 5.4 and the expiration of any applicable revocation period, subject, in the case of termination other than as a result of the Executive's death, to Section 7.16, provided, however, that in the event that the time period for return of the release and expiration of the applicable revocation period begins in one taxable year and ends in a second taxable year, such payment shall not be made until the second taxable year if necessary to comply with Section 409A of the Code.

(c) fifty percent (50%) of all unvested stock options, restricted stock units, stock appreciation rights or similar stock based rights granted to the Executive shall vest and, if applicable, be immediately exercisable and any risk of forfeiture included in such restricted or other stock grants previously made to the Executive shall immediately lapse. In addition, if the Executive's employment is terminated pursuant to Section 4.2, 4.3, 4.4 or 4.5 during or after the Term, the Executive shall have until the earlier of (i) two (2) years from the date of termination, or (ii) the latest date that each stock option or stock appreciation right would otherwise expire by its original terms had the Executive's employment not terminated to exercise any outstanding stock options or stock appreciation rights**.** The extension of the exercise period set forth in this Section 5.1(c) shall occur notwithstanding any provision in any Plans or related grant documents which provides for a lesser vesting or shorter period for exercise upon termination by the Company without Cause (which for this purpose shall include a termination by the Executive for Good Reason), notwithstanding anything to the contrary in any Plans or grant documents; provided, however, and for the avoidance of doubt, nothing in this Agreement shall be construed as or imply that this Agreement does or can grant greater rights than are allowed under the terms and conditions of the Plans.

(d) to the fullest extent permitted by the Company's then-current benefit plans, continuation of health, dental, vision and life insurance coverage, (but not pension, retirement, profit-sharing, severance or similar compensatory benefits), for the Executive and the Executive's eligible dependents substantially similar to coverage they were receiving or which they were entitled to immediately prior to the termination of the Executive's employment for the lesser of 18 months after termination or until the Executive secures coverage from new employment and the period of COBRA health care continuation coverage provided under Section 4980B of the Code shall run concurrently with the foregoing 18 month period. In order to receive such benefits, the Executive or his eligible dependents must continue to make any required co-payments, deductibles, premium sharing or other cost-splitting arrangements the Executive was otherwise paying immediately prior to the date of termination and nothing herein shall require the Company to be responsible for such items. If the Executive is a "specified employee" under Section 409A, the full cost of the continuation or provision of employee group welfare benefits (other than medical or dental benefits) shall be paid by the Executive until the earliest to occur of (i) the Executive's death or (ii) the first day of the seventh month following the Executive's termination of employment, and such cost shall be reimbursed by the Company to, or on behalf of, the Executive in a lump sum cash payment on the earlier to occur of the Executive's death or the first day of the seventh month following the Executive's termination of employment, except that, as provided above, the Executive shall not receive reimbursement for any required co-payments, deductibles, premium sharing or other cost-splitting arrangements the Executive was otherwise paying immediately prior to the date of termination.

(e) a cash payment to the Executive in the amount of $35,000 which Executive may use towards the costs and expenses of executive outplacement services or an education program selected by the Executive. The payment shall be paid on the Company's first regularly scheduled payroll date after the Executive's signing the release described in Section 5.4 and the expiration of any applicable revocation period, subject, in the case of termination other than as a result of the Executive's death, to Section 7.16, provided, however, that in the event that the time period for return of the release and expiration of the applicable revocation period begins in one taxable year and ends in a second taxable year, such payment shall not be made until the second taxable year if necessary to comply with Section 409A of the Code.

Any payments by the Company under Section 5.1(b) above pursuant to a termination under Section 4.2 or 4.3 shall be reduced by any payments received by the Executive pursuant to any of the Company's employee welfare benefit plans providing for payments in the event of death or Disability to the extent such reduction is permitted by, and does not trigger an impermissible change in time or form of payment under, Section 409A of the Code.

5.2 Termination for Cause; Voluntary Termination. If at any time during or after the Term the Executive's employment with the Company is terminated pursuant to Section 4.6 or 4.7, the Executive shall be entitled to only the following:

(a) any unpaid base salary and accrued unpaid vacation then owing through the date of termination or Incentive Compensation that is as of such date actually earned or owing under Article II, but not yet paid to the Executive, which amounts shall be paid to the Executive within 30 days of the date of termination. Nothing in this provision is intended to imply that the Executive is entitled to any partial or pro rata payment of Incentive Compensation on termination unless the Bonus Plan expressly provides as much under its specific terms.

(b) whatever rights, if any, that are available to the Executive upon such a termination pursuant to the Plans or any award documents related to any stock-based compensation such as stock options, stock appreciation rights or restricted stock grants. This Agreement does not grant any greater rights with respect to such items than provided for in the Plans or the award documents in the event of any termination for Cause or a Voluntary Termination.

5.3 Termination following a Change in Control. The Executive shall have no specific right to terminate this Agreement or right to any severance payments or other benefits solely as a result of a Change in Control. However, if during a Change in Control Period during or after the Term, (a) the Executive terminates his employment with the Company pursuant to Section 4.4, or (b) the Company terminates the Executive's employment pursuant to Section 4.5, the lump sum severance payment under Section 5.1 shall be increased from 200% of the Base Amount to 250% of the Base Amount and, for a termination of employment described in (a) and (b) all stock options, restricted stock units, stock appreciation rights or similar stock-based rights granted to the Executive shall vest in full and be immediately exercisable and any risk of forfeiture included in restricted or other stock grants previously made to the Executive shall immediately lapse. The terms and rights with respect to such payments shall otherwise be governed by Section 5.1. No other rights result from termination during a Change in Control Period; provided, however, that nothing in this Section 5.3 is intended to limit or impair the rights of the Executive under the Plans or any documents evidencing any stock-based compensation awards in the event of a Change in Control if such Plans or award documents grant greater rights than are set forth herein.

5.4 Release. The Company's obligation to pay or provide any benefits to the Executive following termination (other than in the event of death pursuant to Section 4.2) is expressly subject to the requirement that he execute and not breach or rescind a release relating to employment matters and the circumstances surrounding his termination in favor of the members of the Company Group and their officers, directors and related parties and agents, in a form reasonably acceptable to the Company at the time of Executive's termination of employment. The Company shall deliver such release to the Executive within three business days following his termination of employment and the Executive shall be obligated to sign and return the release to the Company within 45 days of receipt of such release to receive any benefits or payments following termination.

5.5 Other Benefits. Except as expressly provided otherwise in this Article V, the provisions of this Agreement shall not affect the Executive's participation in, or terminating distributions and vested rights under, any pension, profit-sharing, insurance or other employee benefit plan of the Company Group to which the Executive is entitled pursuant to the terms of such plans, or expense reimbursements he is otherwise entitled to under Section 3.4.

5.6 No Mitigation. It will be difficult, and may be impossible, for the Executive to find reasonably comparable employment following the termination of the Executive's employment, and the protective provisions under Article VI contained herein will further limit the employment opportunities for the Executive. In addition, the Company's severance pay policy applicable in general to its salaried employees does not provide for mitigation, offset or reduction of any severance payment received thereunder. Accordingly, the parties hereto expressly agree that the payment of severance compensation in accordance with the terms of this Agreement will be liquidated damages, and that the Executive shall not be required to seek other employment, or otherwise, to mitigate any payment provided for hereunder.

5.7 Limitation; No Other Rights. Any amounts due or payable under this Article V are in the nature of severance payments or liquidated damages, or both, and the Executive agrees that such amounts shall fully compensate the Executive, his dependents, heirs and beneficiaries and the estate of the Executive for any and all direct damages and consequential damages that they do or may suffer as a result of the termination of the Executive's employment, or both, and are not in the nature of a penalty. Notwithstanding the above, no member of the Company Group shall be liable to the Executive under any circumstances for any consequential, incidental, punitive or similar damages. The Executive expressly acknowledges that the payments and other rights under this Article V shall be the sole monies or other rights to which the Executive shall be entitled to and such payments and rights will be in lieu of any other rights or remedies he might have or otherwise be entitled to. In the event of any termination under this Article V, the Executive hereby expressly waives any rights to any other amounts, benefits or other rights, including without limitation whether arising under current or future compensation or severance or similar plans, agreements or arrangements of any member of the Company Group (including as a result of changes in (or of) control or similar Change in Control events), unless Executive's entitlement to participate or receive benefits thereunder has been expressly approved by the Board. Similarly, no one in the Company Group shall have any further liability or obligation to the Executive following the date of termination, except as expressly provided in this Agreement.

5.8 No Right to Set Off. The Company shall not be entitled to set off against amounts payable to the Executive hereunder any amounts earned by the Executive in other employment, or otherwise, after termination of his employment with the Company, or any amounts which might have been earned by the Executive in other employment had he sought such other employment.

5.9 Adjustments Due to Excise Tax.

(a) If it is determined that any amount or benefit to be paid or payable to the Executive under this Agreement or otherwise in conjunction with his employment (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise in conjunction with his employment) would give rise to liability of the Executive for the excise tax imposed by Section 4999 of the Code, as amended from time to time, or any successor provision (the "Excise Tax"), then the amount or benefits payable to the Executive (the total value of such amounts or benefits, the "Payments") shall be reduced by the Company to the extent necessary so that no portion of the Payments to the Executive is subject to the Excise Tax. Such reduction shall only be made if the net amount of the Payments, as so reduced (and after deduction of applicable federal, state, and local income and payroll taxes on such reduced Payments other than the Excise Tax (collectively, the "Deductions")) is greater than the excess of (1) the net amount of the Payments, without reduction (but after making the Deductions) over (2) the amount of Excise Tax to which the Executive would be subject in respect of such Payments.

(b) In the event it is determined that the Excise Tax may be imposed on the Executive prior to the possibility of any reductions being made pursuant to Section 5.9(a), the Company and the Executive agree to take such actions as they may mutually agree in writing to take to avoid any such reductions being made or, if such reduction is not otherwise required by Section 5.9(a), to reduce the amount of Excise Tax imposed.

(c) The independent public accounting firm serving as the Company's auditing firm, or such other accounting firm, law firm or professional consulting services provider of national reputation and experience reasonably acceptable to the Company and Executive (the "Accountants") shall make in writing in good faith all calculations and determinations under this Section 5.9, including the assumptions to be used in arriving at any calculations. For purposes of making the calculations and determinations under this Section 5.9, the Accountants and each other party may make reasonable assumptions and approximations concerning the application of Section 280G and Section 4999. The Company and Executive shall furnish to the Accountants and each other such information and documents as the Accountants and each other may reasonably request to make the calculations and determinations under this Section 5.9. The Company shall bear all costs the Accountants incur in connection with any calculations contemplated hereby.

VI. PROTECTIVE PROVISIONS

Since the Executive will be serving as President and Chief Executive Officer and will have access to Confidential Information of the Company Group, the Executive agrees to the following restrictive covenants.

6.1 Noncompetition. Without the prior written consent of the Board (which may be withheld in the Board's sole discretion), so long as the Executive is an employee of the Company or any other member of the Company Group and for a two-year period thereafter (the "Restricted Period"), the Executive agrees that he shall not anywhere in the Prohibited Area, for his own account or the benefit of any other, engage or participate in or assist or otherwise be connected with a Competing Business. For the avoidance of doubt, the Executive understands that this Section 6.1 prohibits the Executive from acting for himself or as an officer, employee, manager, operator, principal, owner, partner, shareholder, advisor, consultant of, or lender to, any individual or other Person that is engaged or participates in or carries out a Competing Business or is actively planning or preparing to enter into a Competing Business. The parties agree that such prohibition shall not apply to the Executive's passive ownership of not more than 5% of a publicly-traded company.

6.2 No Solicitation or Interference. During the Restricted Period (other than while an employee acting solely for the express benefit of the Company Group), the Executive shall not, whether for his own account or for the account or benefit of any other Person, throughout the Prohibited Area:

(a) request, induce or attempt to influence (i) any customer of any member of the Company Group who was a customer of any member of the Company Group at any time during the two-year period prior to the Executive's date of termination, to limit, curtail, cancel or terminate any business it transacts with, or products or services it receives from or sells to, or (ii) any Person employed by (or otherwise engaged in providing services for or on behalf of) any member of the Company Group to limit, curtail, cancel or terminate any employment, consulting or other service arrangement, with any member of the Company Group. Such prohibition shall expressly extend to any hiring or enticing away (or any attempt to hire or entice away) any employee of the Company Group;

(b) solicit from or sell to any customer any products or services that any member of the Company Group provides or is planning to provide to such customer and that are the same as or substantially similar to the products or services that any member of the Company Group, sold or provided while the Executive was employed with, or providing services to, any member of the Company Group;

(c) contact or solicit any customer for the purpose of discussing (i) services or products that are competitive with and the same or closely similar to those offered by any member of the Company Group during the two-year period prior to the Executive's date of termination, or (ii) any past or present business of any member of the Company Group;

(d) request, induce or attempt to influence any supplier, distributor or other Person with which any member of the Company Group has a business relationship or to limit, curtail, cancel or terminate any business it transacts with any member of the Company Group; or

(e) otherwise interfere with the relationship of any member of the Company Group with any Person which is, or within one-year prior to the Executive's date of termination was, doing business with, employed by or otherwise engaged in performing services for, any member of the Company Group.

6.3 Confidential Information. During the period of the Executive's employment with the Company or any member of the Company Group and at all times thereafter, the Executive shall hold in secrecy for the Company all Confidential Information that may come to his knowledge, may have come to his attention or may have come into his possession or control while employed by the Company (or otherwise performing services for any member of the Company Group). Notwithstanding the preceding sentence, the Executive shall not be required to maintain the confidentiality of any Confidential Information which (a) is or becomes available to the public or others in the industry generally (other than as a result of inappropriate disclosure or use by the Executive in violation of this Section 6.3) or (b) the Executive is compelled to disclose under any applicable laws, regulations or directives of any government agency, tribunal or authority having jurisdiction in the matter or under subpoena. Except as expressly required in the performance of his duties to the Company under this Agreement, the Executive shall not use for his own benefit or disclose (or permit or cause the disclosure of) to any Person, directly or indirectly, any Confidential Information unless such use or disclosure has been specifically authorized in writing by the Company in advance. During the Executive's employment and as necessary to perform his duties under Section 1.2, the Company will provide and grant the Executive access to the Confidential Information. The Executive recognizes that any Confidential Information is of a highly competitive value, will include Confidential Information not previously provided the Executive and that the Confidential Information could be used to the competitive and financial detriment of any member of the Company Group if misused or disclosed by the Executive. The Company promises to provide access to the Confidential Information only in exchange for the Executive's promises contained herein, expressly including the covenants in Sections 6.1, 6.2 and 6.4.

6.4 Inventions.

(a) The Executive shall promptly and fully disclose to the Company any and all ideas, improvements, discoveries and inventions, whether or not they are believed to be patentable ("Inventions"), that the Executive conceives of or first actually reduces to practice, either solely or jointly with others, during the Executive's employment with the Company or any other member of the Company Group, and that relate to the business now or thereafter carried on or contemplated by any member of the Company Group or that result from any work performed by the Executive for any member of the Company Group.

(b) The Executive acknowledges and agrees that all Inventions shall be the sole and exclusive property of the Company (or member of the Company Group) and are hereby assigned to the Company (or applicable member of the Company Group). During the term of the Executive's employment with the Company (or any other member of the Company Group) and thereafter, whenever requested to do so by the Company, the Executive shall take such action as may be requested to execute and assign any and all applications, assignments and other instruments that the Company shall deem necessary or appropriate in order to apply for and obtain Letters Patent of the United States and/or of any foreign countries for such Inventions and in order to assign and convey to the Company (or any other member of the Company Group) or their nominees the sole and exclusive right, title and interest in and to such Inventions.

(c) The Company acknowledges and agrees that the provisions of this Section 6.4 do not apply to an Invention: (i) for which no equipment, supplies, or facility of any member of the Company Group or Confidential Information was used; (ii) that was developed entirely on the Executive's own time and does not involve the use of Confidential Information; (iii) that does not relate directly to the business of any member of the Company Group or to the actual or demonstrably anticipated research or development of any member of the Company Group; and (iv) that does not result from any work performed by the Executive for any member of the Company Group.

6.5 Return of Documents and Property. Upon termination of the Executive's employment for any reason, the Executive (or his heirs or personal representatives) shall immediately deliver to the Company (a) all documents and materials containing Confidential Information (including without limitation any "soft" copies or computerized or electronic versions thereof) or otherwise containing information relating to the business and affairs of any member of the Company Group (whether or not confidential), and (b) all other documents, materials and other property belonging to any member of the Company Group that are in the possession or under the control of the Executive.

6.6 Reasonableness; Remedies. The Executive acknowledges that each of the restrictions set forth in this Article VI are reasonable and necessary for the protection of the Company's business and opportunities (and those of the Company Group) and that a breach of any of the covenants contained in this Article VI would result in material irreparable injury to the Company and the other members of the Company Group for which there is no adequate remedy at law and that it will not be possible to measure damages for such injuries precisely. Accordingly, the Company and any member of the Company Group shall be entitled to the remedies of injunction and specific performance, or either of such remedies, as well as all other remedies to which any member of the Company Group may be entitled, at law, in equity or otherwise, without the need for the posting of a bond or by the posting of the minimum bond that may otherwise be required by law or court order.

6.7 Extension; Survival. The Executive and the Company agree that the time periods identified in this Article VI, including, without limitation, the Restricted Period, will be stayed, and the Company's obligation to make any payments or provide any benefits under Article V shall be suspended, during the period of any breach or violation by the Executive of the covenants contained herein. The parties further agree that this Article VI shall survive the termination or expiration of this Agreement for any reason. The Executive acknowledges that his agreement to each of the provisions of this Article VI is fundamental to the Company's willingness to enter into this Agreement and for it to provide for the severance and other benefits described in Article V, none of which the Company was required to do prior to the date hereof. Further, it is the express intent and desire of the parties for each provision of this Article VI to be enforced to the fullest extent permitted by law. If any part of this Article VI, or any provision hereof, is deemed illegal, void, unenforceable or overly broad (including as to time, scope and geography), the parties express desire is that such provision be reformed to the fullest extent possible to ensure its enforceability or if such reformation is deemed impossible then such provision shall be severed from this Agreement, but the remainder of this Agreement (expressly including the other provisions of this Article VI) shall remain in full force and effect.

VII. MISCELLANEOUS

7.1 Notices. Any notice required or permitted under this Agreement shall be given in writing and shall be deemed to have been effectively made or given if personally delivered, or if sent via U.S. mail or recognized overnight delivery service or sent via confirmed e-mail or facsimile to the other party at its address set forth below in this Section 7.1, or at such other address as such party may designate by written notice to the other party hereto. Any effective notice hereunder shall be deemed given on the date personally delivered, three business days after mailed via U.S. mail or one business day after it is sent via overnight delivery service or via confirmed e-mail or facsimile, as the case may be, to the following address:

If to the Company:

InspireMD, Inc.
4 Menorat Hamaor St.
Tel Aviv, Israel 67448
Attn: Chairman of the Board
Telephone: +972 3 691 7691
Facsimile: +972 3 691 7692

With a copy which shall not constitute notice to:

Haynes and Boone, LLP
30 Rockefeller Plaza, 26th Floor
New York, NY 10112-0015
Attn: Rick A. Werner, Esq.
Telephone No.: (212) 659-4974
Facsimile No.: (212) 884-8234
Email: rick.werner@haynesboone.com

If to the Executive:

At the most recent address on file with the Company

With a copy which shall not constitute notice to:

Cooley LLP
500 Boylston Street
Boston, Massachusetts 02116-3736
Attn: Miguel J. Vega, Esq.
Telephone No.: (617) 937-2300
Facsimile No.: (617) 937-2400
E-mail: mvega@cooley.com

7.2 Legal Fees.

(a) The Company shall pay all reasonable legal fees and expenses of the Executive's counsel in connection with the preparation and negotiation of this Agreement, up to $25,000.

(b) It is the intent of the Company that the Executive not be required to bear the legal fees and related expenses associated with the enforcement or defense of the Executive's rights under this Agreement by litigation, arbitration or other legal action because having to do so would substantially detract from the benefits intended to be extended to the Executive hereunder. Accordingly, the parties hereto agree that any dispute or controversy arising under or in connection with this Agreement shall be resolved exclusively and finally by binding arbitration in New York, New York, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The Company shall be responsible for its own fees, costs and expenses and shall pay to the Executive an amount equal to all reasonable attorneys' and related fees, costs and expenses incurred by the Executive in connection with such arbitration unless the arbitrator determines that the Executive (a) did not commence or engage in the arbitration with a reasonable, good faith belief that his claims were meritorious or (b) the Executive's claims had no merit and a reasonable person under similar circumstances would not have brought such claims. If there is any dispute between the Company and the Executive as to the payment of such fees and expenses, the arbitrator shall resolve such dispute, which resolution shall also be final and binding on the parties, and as to such dispute only the burden of proof shall be on the Company.

7.3 Severability. If an arbitrator or a court of competent jurisdiction determines that any term or provision hereof is void, invalid or otherwise unenforceable, (a) the remaining terms and provisions hereof shall be unimpaired and (b) such arbitrator or court shall replace such void, invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the void, invalid or unenforceable term or provision. For the avoidance of doubt, the parties expressly intend that this provision extend to Article VI of this Agreement.

7.4 Entire Agreement. This Agreement represents the entire agreement of the parties with respect to the subject matter hereof and shall supersede any and all previous contracts, arrangements or understandings between the Company, the Subsidiary and the Executive relating to the Executive's employment by the Company. Nothing in this Agreement shall modify or alter the Indemnity Agreement or alter or impair any of the Executive's rights under the Plans or related award agreements. In the event of any conflict between this Agreement and any other agreement between the Executive and the Company (or any other member of the Company Group), this Agreement shall control.

7.5 Amendment; Modification. Except for increases in base salary, and adjustments with respect to Incentive Compensation, made as provided in Article II, or changes that are expressly required by applicable law, this Agreement may be amended at any time only by mutual written agreement of the Executive and the Company; provided, however, that, notwithstanding any other provision of this Agreement, the Plans (or any award documents under the Plans) or Indemnity Agreement, the Company may reform this Agreement, the Plans (or any award documents under the Plans), the Indemnity Agreement, or any provision thereof (including, without limitation, an amendment instituting a six-month waiting period before a distribution) or otherwise as contemplated by Section 7.16 below.

7.6 Withholding. The Company shall be entitled to withhold, deduct or collect or cause to be withheld, deducted or collected from payment any amount of withholding taxes required by law, statutory deductions or collections with respect to payments made to the Executive in connection with his employment, termination (including Article V) or his rights hereunder, including as it relates to stock-based compensation.

7.7 Representations.

(a) The Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by the Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Executive is a party or by which he is bound, and (ii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of the Executive, enforceable in accordance with its terms. The Executive hereby acknowledges and represents that he has consulted with legal counsel regarding his rights and obligations under this Agreement and that he fully understands the terms and conditions contained herein.

(b) The Company hereby represents and warrants to the Executive that (i) the execution, delivery and performance of this Agreement by the Company do not and shall not conflict with, breach, violate or cause a default under any material contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which it is bound and (ii) upon the execution and delivery of this Agreement by the Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms.

7.8 Governing Law; Jurisdiction. This Agreement shall be construed, interpreted, and governed in accordance with the laws of the State of New York without regard to any provision of that State's rules on the conflicts of law that might make applicable the law of a jurisdiction other than that of the State of New York. Except as otherwise provided in Section 7.2, all actions or proceedings arising out of this Agreement shall exclusively be heard and determined in state or federal courts in the State of New York having appropriate jurisdiction. The parties expressly consent to the exclusive jurisdiction of such courts in any such action or proceeding and waive any objection to venue laid therein or any claim for forum nonconveniens.

7.9 Successors. This Agreement shall be binding upon and inure to the benefit of, and shall be enforceable by the Executive, the Company, and their respective heirs, executors, administrators, legal representatives, successors, and assigns. In the event of a Change in Control, the provisions of this Agreement shall be binding upon and inure to the benefit of the Company or entity resulting from such Change in Control or to which the assets shall be sold or transferred, which entity from and after the date of such Change in Control shall be deemed to be the Company for purposes of this Agreement. In the event of any other assignment of this Agreement by the Company, the Company shall remain primarily liable for its obligations hereunder; provided, however, that if the Company is financially unable to meet its obligations hereunder, the Subsidiary shall assume responsibility for the Company's obligations hereunder pursuant to the guaranty provision following the signature page hereof. The Executive expressly acknowledges that the Subsidiary and other members of the Company Group (and their successors and assigns) are third party beneficiaries of this Agreement and may enforce this Agreement on behalf of themselves or the Company. Both parties agree that there are no third party beneficiaries to this Agreement other than as expressly set forth in this Section 7.9.

7.10 Nonassignability. Neither this Agreement nor any right or interest hereunder shall be assignable by the Executive, his beneficiaries, dependents or legal representatives without the Company's prior written consent; provided, however, that nothing in this Section 7.10 shall preclude (a) the Executive from designating a beneficiary to receive any benefit payable hereunder upon his death or (b) the executors, administrators or other legal representatives of the Executive or his estate from assigning any rights hereunder to the Person(s) entitled thereto.

7.11 No Attachment. Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge or hypothecation in favor of any third party, or to execution, attachment, levy or similar process or assignment by operation of law in favor of any third party, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

7.12 Waiver. No term or condition of this Agreement shall be deemed to have been waived, nor there be any estoppel against the enforcement of any provision of this Agreement, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

7.13 Construction. The headings of articles or sections herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement. References to days found herein shall be actual calendar days and not business days unless expressly provided otherwise.

7.14 Counterparts. This Agreement may be executed by any of the parties hereto in counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

7.15 Effectiveness. This Agreement shall be effective as of the Effective Date when signed by the Executive and the Company.

7.16 Section 409A of the Code.

(a) It is the intent of the parties that payments and benefits under this Agreement are exempt from the provisions of Section 409A of the Code and, to the extent not so exempt, comply with Section 409A of the Code and, accordingly, to interpret, to the maximum extent permitted, this Agreement to be in compliance therewith. If the Executive notifies the Company in writing (with specificity as to the reason therefore) that the Executive believes that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause the Executive to incur any additional tax or interest under Section 409A of the Code and the Company concurs with such belief or the Company (without any obligation whatsoever to do so) independently makes such determination, the parties shall, in good faith, reform such provision to try to comply with Section 409A of the Code through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A of the Code. To the extent that any provision hereof is modified by the parties to try to comply with Section 409A of the Code, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent of the applicable provision without violating the provisions of Section 409A of the Code. Notwithstanding the foregoing, the Company shall not be required to assume any economic burden in connection therewith.

(b) If the Executive is deemed on the date of "separation from service" to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is specified as subject to this Section, such payment or benefit shall be made or provided at the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (B) the date of the Executive's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 7.16 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. If a payment is to be made promptly after a date, it shall be made within sixty (60) days thereafter.

(c) Any expense reimbursement under this Agreement shall be made promptly upon Executive's presentation to the Company of evidence of the fees and expenses incurred by the Executive and in all events on or before the last day of the taxable year following the taxable year in which such expense was incurred by the Executive, and no such reimbursement or the amount of expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year, except for (i) the limit on the amount of outplacement costs and expenses reimbursable pursuant to Section 5.1(c) and (ii) any limit on the amount of expenses that may be reimbursed under an arrangement described in Section 105(b) of the Code. If necessary to comply with Section 409A of the Code, the Executive will not be deemed to terminate employment unless such termination of employment also qualifies as a "separation from service" under Treasury Regulation Section 1.409A-1(h). Each payment of severance of other benefits that is subject to Section 409A of the Code is considered a separate payment under Treasury Regulation Section 1.409A-2(b).

7.17 Survival. As provided in Section 1.3 with respect to expiration of the Term, Articles VI and VII and specified parts of Articles IV and V, including parts relating to the Company's obligations to provide payments or benefits to the Executive upon termination of employment or expiration of the Term, shall survive the termination or expiration of this Agreement for any reason.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

INSPIREMD, INC	**EXECUTIVE**
/s/ Sol J. Barer	/s/ Alan W. Milinazzo
Name: Sol J. Barer	Alan W. Milinazzo, an individual
Title: Chairman of the Board	

Guaranty by Subsidiary

Subsidiary (InspireMD Ltd.) is not a party to this Agreement, but joins in this Agreement for the sole purpose of guaranteeing the obligations of the Company to pay, provide, or reimburse the Executive for all cash or other benefits provided for in this Agreement, including the provision of all benefits in the form of, or related to, securities of Subsidiary and to elect or appoint the Executive to the positions with Subsidiary and provide the Executive with the authority relating thereto as contemplated by Section 1.1 of this Agreement, and to ensure the Board will take the actions required of it hereby.

INSPIREMD, INC

/s/ Sol J. Barer

Name: Sol J. Barer

Title: Chair

EXHIBIT A

Definitions

For purposes of this Agreement, the following capitalized terms have the meanings set forth below:

"Base Amount" shall mean an amount equal to the sum of:

(i) the Executive's annual base salary at the highest annual rate in effect at any time during the Term; and

(ii) the greater of (i) the Executive's target bonus under Section 2.3 in effect during the fiscal year in which termination of employment occurs, or (ii) the average of the Incentive Compensation (as defined in Section 2.3) actually earned by the Executive (A) with respect to the two consecutive annual Incentive Compensation periods ending immediately prior to the year in which termination of the Executive's employment with the Company occurs or, (B) if greater, with respect to the two consecutive annual Incentive Compensation periods ending immediately prior to the Change in Control Date; provided, however, that if the Executive was not eligible for Incentive Compensation for such two consecutive Incentive Compensation periods, the amount included pursuant to this clause (ii) shall be the Incentive Compensation paid to the Executive for the most recent annual Incentive Compensation Period. In the event the Incentive Compensation paid to the Executive for any such prior Incentive Compensation period represented a prorated full-year amount because the Executive was not employed by the Company for the entire Incentive Compensation period, the Incentive Compensation paid to the Executive for such period for purposes of this clause (ii) shall be an amount equal to such pro-rated full-year amount.

"Board" shall mean the Board of Directors of the Company. Any obligation of the Board other than termination for Cause under this Agreement may be delegated to an appropriate committee of the Board, including its compensation committee, and references to the Board herein shall be references to any such committee, as appropriate.

"Cause" shall mean termination of the Executive's employment because of the Executive's: (i) commission of fraud, misappropriation or embezzlement related to the business or property of the Company; (ii) conviction for, or guilty plea to, or plea of nolo contendere to, a felony or crime of similar gravity in the jurisdiction in which such conviction or guilty plea occurs; (iii) material breach by the Executive of this Agreement, and the duties described therein, or any other agreement to which the Executive and the Company or a member of the Company Group are parties, including, without limitation, wrongful disclosure of Confidential Information or violation of Article VI of this Agreement; (iv) commission by the Executive of acts that are dishonest and demonstrably injurious to a member of the Company Group, monetarily or otherwise; (v) any violation by the Executive of any fiduciary duties owed by him to the Company or a member of the Company Group that causes injury to the Company, other than breaches of fiduciary duty also committed by other officers and members of the Board of Directors based on actions taken after consultation with, and the advice of, legal counsel; and (vi) willful or material violation of, or willful or material noncompliance with, any securities law, rule or regulation or stock exchange listing rule adversely affecting the Company Group including without limitation (a) if the Executive has undertaken to provide any chief executive officer or principal executive officer certification required under the Sarbanes-Oxley Act of 2002, including the rules and regulations promulgated thereunder (the "Sarbanes-Oxley Act"), and he willfully or materially fails to take reasonable and appropriate steps to determine whether or not the certificate was accurate or otherwise in compliance with the requirements of the Sarbanes Oxley Act or (b) the Executive's willful failure to establish and administer effective systems and controls applicable to his area of responsibility necessary for the Subsidiary to timely and accurately file reports pursuant to Section 13 or 15(d) of the Exchange Act.

"Change in Control" means the first to occur of the following events:

(i) *A change in ownership of the Company*. On the date any "Person" (as defined in subparagraph (iv) below) acquires ownership of stock of the Company that, together with stock held by such Person, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company; provided, however, that there shall be no Change in Control and this subparagraph (a) shall not apply if such acquiring Person is a corporation and 2/3's of the Board of Directors of the acquiring Person immediately after the transaction consists of individuals who constituted a majority of the Board immediately prior to the acquisition of such fifty percent (50%) or more total fair market value or total voting power; and provided, further, that if any Person is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same Person is not considered to be a Change in Control; or

(ii) *A change in the effective control of the Company*. On the date that either:
(a) any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such Person) ownership of stock of the Company possessing thirty-five percent (35%) or more of the total voting power of the stock of the Company; or on the date a majority of members of the Board is replaced during any twelve (12)-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of the appointment or election; provided, however, that any such director shall not be considered to be endorsed by the Board if his or her initial assumption of office occurs as a result of an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

(iii) *A change in the ownership of a substantial portion of the Company's assets*. On the date any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than eighty percent (80%) of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. However, there is no Change in Control when there is such a sale or transfer to (i) a shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's then outstanding stock; (ii) an entity, at least fifty percent (50%) of the total value or voting power of the stock of which is owned, directly or indirectly, by the Company; (iii) a Person that owns directly or indirectly, at least fifty percent (50%) of the total value or voting power of the outstanding stock of the Company; or (iv) an entity, at least fifty percent (50%) of the total value or voting power of the stock of which is owned, directly or indirectly, by a Person that owns, directly or indirectly, at least fifty percent (50%) of the total value or voting power of the outstanding stock of the Company.

(iv) For purposes of subparagraphs (i), (ii) and (iii) above, "Person" shall have the meaning given in Code Section 7701(a)(1). Person shall include more than one Person acting as a group as defined by the final Treasury Regulations issued under Section 409A of the Code.

"Change in Control Date" shall mean the date on which a Change in Control occurs.

"Change in Control Period" shall mean the 24 month period commencing on the Change in Control Date; provided, however, if the Company terminates the Executive's employment with the Company prior to the Change in Control Date, and it is reasonably demonstrated that the Executive's (i) employment was terminated at the request of an unaffiliated third party who has taken steps reasonably calculated to effect a Change in Control or (ii) termination of employment otherwise arose in connection with or in anticipation of the Change in Control, then the "Change in Control Period" shall mean the 24 month period beginning on the date immediately prior to the date of the Executive's termination of employment with the Company.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Company Group" shall mean the Company, together with its subsidiaries including the Subsidiary.

"Competing Business" means any business or activity that (i) competes with any member of the Company Group for which the Executive performed services or the Executive was involved in for purposes of making strategic or other material business decisions and (ii) involves (A) the same or substantially similar types of products or services (individually or collectively) manufactured, marketed or sold by any member of the Company Group during Term or (B) products or services so similar in nature to that of any member of the Company Group during Term (or that any member of the Company Group will soon thereafter offer) that they would be reasonably likely to displace substantial business opportunities or customers of the Company Group. Competing Business shall include, but not be limited to, any entity or person engaged in the business of manufacturing and selling medical devices for the intravascular or intra coronary treatment of vascular diseases, including stents and mesh technologies, and any other business the Company Group is engaged in during Executive's employment or that was seriously considered by the Company Group within the 2 years preceding the termination of this Agreement.

"Confidential Information" shall include Trade Secrets and confidential and proprietary information acquired by the Executive in the course and scope of his activities under this Agreement, including information acquired from third parties, that (i) is not generally known or disseminated outside the Company Group (such as non-public information), (ii) is designated or marked by any member of the Company Group as "confidential" or reasonably should be considered confidential or proprietary, or (iii) any member of the Company Group indicates through its policies, procedures, or other instructions should not be disclosed to anyone outside the Company Group. Without limiting the foregoing definitions, some examples of Confidential Information under this Agreement include (a) matters of a technical nature, such as scientific, trade or engineering secrets, "know-how", formulae, secret processes, inventions, and research and development plans or projects regarding existing and prospective customers and products or services, (b) information about costs, profits, markets, sales, customer lists, customer needs, customer preferences and customer purchasing histories, supplier lists, internal financial data, personnel evaluations, non-public information about medical devices or products of any member of the Company Group (including future plans about them), information and material provided by third parties in confidence and/or with nondisclosure restrictions, computer access passwords, and internal market studies or surveys and (c) and any other information or matters of a similar nature.

"Disability" as used in this Agreement shall have the meaning given that term by any disability insurance the Company carries at the time of termination that would apply to the Executive. Otherwise, the term "Disability" shall mean the inability of the Executive to perform his duties and responsibilities under this Agreement as a result of a physical or mental illness, disease or personal injury he has incurred. Any dispute as to whether or not the Executive has a "Disability" for purposes of this Agreement shall be resolved by a physician reasonably satisfactory to the Board and the Executive (or his legal representative, if applicable). If the Board and the Executive (or his legal representative, if applicable) are unable to agree on a physician, then each shall select one physician and those two physicians shall pick a third physician and the determination of such third physician shall be binding on the parties.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Good Reason" shall mean the occurrence of any of the following without the written consent of the Executive: (i) any duties, functions or responsibilities are assigned to the Executive that are materially inconsistent with the Executive's duties, functions or responsibilities with the Company or the Subsidiary as contemplated or permitted by Section 1.1; (ii) material diminution in Executive's duties; (iii) the base salary of the Executive is materially reduced, unless a reduction in accordance with Section 2.2; (iv) there is a material adverse change or termination of the Executive's right to participate, on a basis substantially consistent with practices applicable to senior executives of the Company generally, in any bonus, incentive, profit-sharing, stock option, stock purchase, stock appreciation, restricted stock, discretionary pay or similar policy, plan, program or arrangement of the Company, or any material adverse failure to provide the compensation and benefits contemplated by Sections 2.3, 2.4 and Article III, except where necessary to avoid the imposition of any additional tax under Section 409A of the Code; (v) there is a material termination or denial of the Executive's right, on a basis substantially consistent with practices applicable generally to senior executives of the Company, to participate in and receive service credit for benefits as provided under, all life, accident, medical payment, health and disability insurance, retirement, pension, salary continuation, expense reimbursement and other employee and perquisite policies, plans, programs and arrangements that generally are made available to senior executives of the Company, except for any arrangements that the Board adopts for select senior executives to compensate them for special or extenuating circumstances or as needed to comply with applicable law or as necessary to avoid the imposition of any additional tax under Section 409A; (vi) any material breach by the Company of its representations under Section 7.7(b), or the guaranty by Subsidiary on the signature page of the Agreement; or (vii) relocation of the Executive's principal place of employment to a place that increases his one-way commute by more than fifty (50) miles as compared to the Executive's then-current principal place of employment immediately prior to such relocation.

"Person" shall include individuals or entities such as corporations, partnerships, companies, firms, business organizations or enterprises, and governmental or quasi-governmental bodies.

"Prohibited Area" means North America, South America and the European Union, which Prohibited Area the parties have agreed to as a result of the fact that those are the geographic areas in which the members of the Company Group conduct a preponderance of their business and in which the Executive provides substantive services to the benefit of the Company Group.

"Section 409A" shall mean Section 409A of the Code and regulations promulgated thereunder (and any similar or successor federal or state statute or regulations).

"Subsidiary" shall mean InspireMD, Ltd., a wholly-owned subsidiary of the Company.

"Trade Secrets" are information of special value, not generally known to the public that any member of the Company Group has taken steps to maintain as secret from Persons other than those selected by any member of the Company Group.

Exhibit 10.3

NONQUALIFIED STOCK OPTION AGREEMENT

INSPIREMD, INC.
AMENDED AND RESTATED 2011 UMBRELLA OPTION PLAN – U.S. APPENDIX

1. Grant of Option. Pursuant to the 2011 U.S. Equity Incentive Plan (the "***U.S. Appendix***"), a sub-plan to the InspireMD, Inc. Amended and Restated 2011 UMBRELLA Option Plan (the "***Umbrella Plan***") (collectively, the Umbrella Plan and the U.S. Appendix being referred to herein as, the "***Plan***") for employees, consultants, outside directors, and other service providers of InspireMD, Inc., a Delaware corporation (the "***Company***") and its subsidiaries and affiliates (collectively, the "***Group***"), the Company grants to

Alan W. Milinazzo
(the "***Participant***"),

an option to purchase Shares of the Company as follows:

On the date hereof, the Company grants to the Participant an option (the "***Stock Option***") to purchase Five Hundred Twenty-Five Thousand Nine Hundred Twenty-Seven (525,927) full Shares (the "***Optioned Shares***") at an Exercise Price equal to $4.05 per share (which is equal to the fair market value of the Company's Shares on the date hereof). The "***Date of Grant***" of this Stock Option is January 3, 2013.

The "***Option Period***" shall commence on the Date of Grant and shall expire on the date immediately preceding the tenth (10^{th}) anniversary of the Date of Grant, unless terminated earlier in accordance with Section 4 below. The Stock Option is a nonqualified stock option. This Nonqualified Stock Option Agreement (this "***Agreement***") and Stock Option are intended to comply with the provisions governing nonqualified stock options under the final Treasury Regulations issued on April 17, 2007, in order to exempt this Stock Option from application of Section 409A of the Code.

2. Subject to Plan. The Stock Option and its exercise are subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Agreement. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. The Stock Option is subject to any rules promulgated pursuant to the Plan by the Board or the Administrator and communicated to the Participant in writing.

3. Vesting; Time of Exercise.

a. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the Optioned Shares shall be vested and exercisable as follows:

i. Over a three (3) year vesting period commencing on the Date of Grant, one-thirty-sixth (1/36) of the total Optioned Shares (rounded down for fractional shares) shall vest and become exercisable on the 3^{rd} day of each month during the vesting period, provided that the Participant has continuously provided services to the Company or the Group as an employee, consultant, or outside director through the applicable monthly vesting date.

ii. Upon (A) the Participant's death, or (B) the Termination Date (as defined below) if the Participant's termination of employment or service is due to (1) his Disability (as defined below), (2) a termination by the Company without Cause (as defined below), or (3) a termination by the Participant for Good Reason (as defined below), fifty percent (50%) of the total Optioned Shares not previously vested shall thereupon immediately become fully vested and exercisable.

iii. Notwithstanding the foregoing, in the event that a Change in Control (as defined below) occurs and during the Change in Control Period (as defined below) (A) the Participant terminates his employment or service for Good Reason, or (B) the Company terminates the Participant's employment or service without Cause, then upon the Termination Date, one hundred percent (100%) of the total Optioned Shares not previously vested shall thereupon immediately become fully vested and exercisable.

b. For purposes of this Agreement, the following terms shall have the meanings set forth below:

i. "***Cause***" shall have the meaning set forth in the Employment Agreement, by and between the Company and the Participant, entered into and effective as of January 3, 2013 (the "***Employment Agreement***").

ii. "***Change in Control***" shall have the meaning set forth in the Employment Agreement.

iii. "***Change in Control Period***" shall have the meaning set forth in the Employment Agreement.

iv. "***Disability***" shall have the meaning set forth in the Employment Agreement.

v. "***Good Reason***" shall have the meaning set forth in the Employment Agreement.

vi. "***Termination Date***" shall mean the date of the Participant's termination of employment or service with the Company and the Group.

4. Term; Forfeiture.

a. Except as otherwise provided in this Agreement, to the extent the unexercised portion of the Stock Option relates to Optioned Shares which are not vested on the Participant's Termination Date, the Stock Option will be terminated on that date. The unexercised portion of the Stock Option that relates to Optioned Shares which are vested will terminate at the first of the following to occur:

i. 5 p.m. on the date the Option Period terminates;

ii. 5 p.m. on the date which is two (2) years following the date of the Participant's termination of service due to (A) death, (B) Disability, (C) termination by the Participant for Good Reason, or (D) termination by the Company without Cause;

iii. immediately upon the Participant's termination of service for Cause;

iv. 5 p.m. on the date which is thirty (30) days following the date of the Participant's termination of service for any reason not otherwise specified in this Section 4.a.; and

v. 5 p.m. on the date the Company causes any portion of the Stock Option to be forfeited pursuant to Section 7 hereof.

b. Notwithstanding anything herein to the contrary, if the Participant is terminated for Cause, then all Optioned Shares (including vested Optioned Shares), whether exercisable or not on the date that the Company delivers to the Participant a termination notice, shall expire and may not be exercised, and the Shares covered by the Stock Options shall revert to the Plan.

5. Who May Exercise. Subject to the terms and conditions set forth in Sections 3 and 4 above, during the lifetime of the Participant, the Stock Option may be exercised only by the Participant, or by the Participant's guardian or personal or legal representative. If the Participant's termination of service is due to his death prior to the dates specified in Section 4.a. hereof, and the Participant has not exercised the Stock Option as to the maximum number of vested Optioned Shares as set forth in Section 3 hereof as of the date of death, the following persons may exercise the exercisable portion of the Stock Option on behalf of the Participant at any time prior to the earliest of the dates specified in Section 4.a. hereof: the personal representative of his estate, or the person who acquired the right to exercise the Stock Option by bequest or inheritance or by reason of the death of the Participant; provided that the Stock Option shall remain subject to the other terms of this Agreement, the Plan, and applicable laws, rules, and regulations.

6. No Fractional Shares. The Stock Option may be exercised only with respect to full shares, and no fractional Share shall be issued.

7. Manner of Exercise. Subject to such administrative regulations as the Administrator may from time to time adopt, the Stock Option may be exercised by the delivery of the Exercise Notice to the Company setting forth the number of Shares with respect to which the Stock Option is to be exercised, the date of exercise thereof (the "***Exercise Date***") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall deliver to the Company consideration with a value equal to the total Exercise Price of the Shares to be purchased, payable as follows: cash, cashier's check, or certified check payable to the order of the Company.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Optioned Shares then being purchased to be delivered to the Participant (or the person exercising the Participant's Stock Option in the event of his death) at its principal business office promptly after the Exercise Date. The obligation of the Company to deliver Shares shall, however, be subject to the condition that if at any time the Company shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Optioned Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of Shares thereunder, then the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Company.

If the Participant fails to pay for any of the Optioned Shares specified in such notice or fails to accept delivery thereof, then the Stock Option, and right to purchase such Optioned Shares may be forfeited by the Participant.

8. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

9. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to the Optioned Shares until the issuance of a certificate or certificates to the Participant or the registration of such shares in the Participant's name for the Shares. The Optioned Shares shall be subject to the terms and conditions of this Agreement. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such Shares. The Participant, by his execution of this Agreement, agrees to execute any documents requested by the Company in connection with the issuance of the Shares.

10. Adjustment of Number of Optioned Shares and Related Matters. The number of Shares covered by the Stock Option, and the Exercise Prices thereof, shall be subject to adjustment in accordance with Section 9 of the Umbrella Plan and Articles VII and VIII of the U.S. Appendix.

11. Nonqualified Stock Option. The Stock Option shall not be treated as an "incentive stock option" under Section 422 of the Code.

12. Voting. The Participant, as record holder of some or all of the Optioned Shares following exercise of this Stock Option, has the exclusive right to vote, or consent with respect to, such Optioned Shares until such time as the Optioned Shares are transferred in accordance with this Agreement; provided, however, that this Section shall not create any voting right where the holders of such Optioned Shares otherwise have no such right.

13. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

14. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he will not exercise the Stock Option granted hereby, and that the Company will not be obligated to issue any Shares to the Participant hereunder, if the exercise thereof or the issuance of such Shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The rights and obligations of the Company and the rights and obligations of the Participant are subject to all applicable laws, rules, and regulations.

15. Investment Representations. Notwithstanding anything herein to the contrary, the Participant hereby represents and warrants to the Company, that:

a. This Stock Option and the Optioned Shares are being acquired for investment purposes only for the Participant's own account and not with a view to or in connection with any distribution, re-offer, resale or other disposition not in compliance with the Securities Act of 1933 (the "***Securities Act***") and applicable state securities laws;

b. The Participant, alone or together with the Participant's representatives, possesses such expertise, knowledge and sophistication in financial and business matters generally, and in the type of transactions in which the Company proposes to engage in particular, that the Participant is capable of evaluating the merits and economic risks of acquiring this Stock Option and the Optioned Shares;

c. The Participant has had access to all of the information with respect to this Stock Option and the Optioned Shares that the Participant deems necessary to make a complete evaluation thereof, and has had the opportunity to question the Company concerning the Stock Option and Optioned Shares;

d. The decision of the Participant to acquire the Stock Option for investment has been, and any subsequent decision to acquire any Optioned Shares will be, based solely upon an evaluation made by the Participant;

e. The Participant understands that the Stock Option and Optioned Shares constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Participant's investment intent as expressed herein. The Participant further understands that the Stock Option and Optioned Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available;

f. Except as set forth in Section 28 below, the Participant acknowledges and understands that the Company is under no obligation to register the Stock Option or the Optioned Shares and that the certificates evidencing the Optioned Shares will be imprinted with a legend which prohibits the transfer of such Shares unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable state securities laws; and

g. The Participant is, and at the time of exercise will be, an "accredited investor," as such term is defined in Section 501 of Regulation D promulgated under the Securities Act.

16. Participant's Acknowledgments. The Participant acknowledges that a copy of the Plan has been made available for his review by the Company, and represents that he is familiar with the terms and provisions thereof, and hereby accepts this Stock Option subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

17. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Agreement to the laws of another state).

18. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or the Group, whether as an employee or as a consultant or as an outside director, or interfere with or restrict in any way the right of the Company or the Group to discharge the Participant at any time.

19. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

20. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that are set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

21. Entire Agreement. This Agreement together with the Plan and the Employment Agreement supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

22. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

23. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties; provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

24. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

25. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

26. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

InspireMD, Inc.
4 Menorat Hamaor St.
Tel Aviv, Israel 67448
Attn: Craig Shore
Facsimile: 972-3-691-7692

b. Notice to the Participant shall be addressed and delivered as set forth on the signature page.

27. Tax Requirements. The Participant is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement. The Company or, if applicable, any subsidiary (for purposes of this Section 27, the term "***Company***" shall be deemed to include any applicable subsidiary), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any Federal, state, local, or other taxes required by law to be withheld in connection with this award. The amount of any tax withholding due with respect to the exercise of the Optioned Shares may be made by the Participant to the Company by (i) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding obligations of the Company; (ii) the actual delivery by the exercising Participant to the Company of Shares, which Shares so delivered have an aggregate fair market value that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding payment; (iii) the Company's withholding of a number of Shares to be delivered upon the exercise of this Stock Option, which shares so withheld have an aggregate fair market value that equals (but does not exceed) the required tax withholding payment; or (iv) any combination of (i), (ii), or (iii). The Company may,with the consent of the Participant, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Grantee. In all events, all tax withholding due with respect to the exercise of the Optioned shares shall be required to be paid by the Participant prior to the issuance of any Shares to the Participant in connection with such exercise.

28. Registration Covenant. The Company agrees to use its best efforts to register the issuance of the Optioned Shares to the Participant upon exercise of the Stock Option under the Securities Act on the earlier of (i) 12 months following the Date of Grant or (ii) 30 days following the listing of the Company's shares of common stock, $0.0001 par value per share, on a national securities exchange. Such registration will be maintained for as long as the Participant may exercise this Stock Option hereunder.

* * * * * * * *

[*Remainder of Page Intentionally Left Blank*
Signature Page Follows.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

COMPANY:

InspireMD, Inc.

By: /s/ Craig Shore
Name: Craig Shore
Title: Chief Financial Officer

PARTICIPANT:

/s/ Alan W. Milinazzo
Signature

Name: Alan W. Milinazzo
Address:

Exhibit 10.4

INCENTIVE STOCK OPTION AGREEMENT

INSPIREMD, INC.
AMENDED AND RESTATED 2011 UMBRELLA OPTION PLAN – U.S. APPENDIX

1. Grant of Option. Pursuant to the 2011 U.S. Equity Incentive Plan (the "***U.S. Appendix***"), a sub-plan to the InspireMD, Inc. Amended and Restated 2011 UMBRELLA Option Plan (the "***Umbrella Plan***") (collectively, the Umbrella Plan and the U.S. Appendix being referred to herein as, the "***Plan***") for employees, consultants, outside directors, and other service providers of InspireMD, Inc., a Delaware corporation (the "***Company***") and its subsidiaries and affiliates (collectively, the "***Group***"), the Company grants to

Alan W. Milinazzo
(the "***Participant***"),

an option to purchase Shares of the Company as follows:

On the date hereof, the Company grants to the Participant an option (the "***Stock Option***") to purchase Seventy-Four Thousand Seventy-Three (74,073) full Shares (the "***Optioned Shares***") at an Exercise Price equal to $4.05 per share (which is equal to the fair market value of the Company's Shares on the date hereof, or equal to 110% of the fair market value in the case of a ten percent (10%) or more stockholder as provided in Section 422 of the Code). The "***Date of Grant***" of this Stock Option is January 3, 2013.

The "***Option Period***" shall commence on the Date of Grant and shall expire on the date immediately preceding the tenth (10^{th}) anniversary of the Date of Grant, unless terminated earlier in accordance with Section 4 below. The Stock Option is an "incentive stock option" within the meaning of Section 422 of the Code.

2. Subject to Plan. The Stock Option and its exercise are subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Incentive Stock Option Agreement (the "***Agreement***"). The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. The Stock Option is subject to any rules promulgated pursuant to the Plan by the Board or the Administrator and communicated to the Participant in writing.

3. Vesting; Time of Exercise.

a. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the Optioned Shares shall be vested and exercisable as follows:

i. Over a three (3) year vesting period commencing on the Date of Grant, one-thirty-sixth (1/36) of the total Optioned Shares (rounded down for fractional shares) shall vest and become exercisable on the third (3^{rd}) day of each month during the vesting period, provided that the Participant has continuously provided services to the Company or the Group as an employee, consultant, or outside director through the applicable monthly vesting date.

ii. Upon (A) the Participant's death, or (B) the Termination Date (as defined below) if the Participant's termination of employment or service is due to (1) his Disability (as defined below), (2) a termination by the Company without Cause (as defined below), or (3) a termination by the Participant for Good Reason (as defined below), fifty percent (50%) of the total Optioned Shares not previously vested shall thereupon immediately become fully vested and exercisable.

iii. Notwithstanding the foregoing, in the event that a Change in Control (as defined below) occurs and during the Change in Control Period (as defined below) (A) the Participant terminates his employment or service for Good Reason, or (B) the Company terminates the Participant's employment or service without Cause, then upon the Termination Date, one hundred percent (100%) of the total Optioned Shares not previously vested shall thereupon immediately become fully vested and exercisable.

b. For purposes of this Agreement, the following terms shall have the meanings set forth below:

i. "***Cause***" shall have the meaning set forth in the Employment Agreement, by and between the Company and the Participant, entered into and effective as of January 3, 2013 (the "***Employment Agreement***").

ii. "***Change in Control***" shall have the meaning set forth in the Employment Agreement.

iii. "***Change in Control Period***" shall have the meaning set forth in the Employment Agreement.

iv. "***Disability***" shall have the meaning set forth in the Employment Agreement.

v. "***Good Reason***" shall have the meaning set forth in the Employment Agreement.

vi. "***Termination Date***" shall mean the date of the Participant's termination of employment or service with the Company and the Group.

4. Term; Forfeiture.

a. Except as otherwise provided in this Agreement, to the extent the unexercised portion of the Stock Option relates to Optioned Shares which are not vested on the Participant's Termination Date, the Stock Option will be terminated on that date. The unexercised portion of the Stock Option that relates to Optioned Shares which are vested will terminate at the first of the following to occur:

i. 5 p.m. on the date the Option Period terminates;

ii. 5 p.m. on the date which is two (2) years following the date of the Participant's termination of service due to (A) death, (B) Disability, (C) termination by the Participant for Good Reason, or (D) termination by the Company without Cause;

iii. immediately upon the Participant's termination of service for Cause;

iv. 5 p.m. on the date which is thirty (30) days following the date of the Participant's termination of service for any reason not otherwise specified in this Section 4.a.; and

v. 5 p.m. on the date the Company causes any portion of the Stock Option to be forfeited pursuant to Section 7 hereof.

b. Notwithstanding anything herein to the contrary, if the Participant is terminated for Cause, then all Optioned Shares (including vested Optioned Shares), whether exercisable or not on the date that the Company delivers to the Participant a termination notice, shall expire and may not be exercised, and the Shares covered by the Stock Options shall revert to the Plan.

5. Who May Exercise. Subject to the terms and conditions set forth in Sections 3 and 4 above, during the lifetime of the Participant, the Stock Option may be exercised only by the Participant, or by the Participant's guardian or personal or legal representative. If the Participant's termination of service is due to his death prior to the dates specified in Section 4.a. hereof, and the Participant has not exercised the Stock Option as to the maximum number of vested Optioned Shares as set forth in Section 3 hereof as of the date of death, the following persons may exercise the exercisable portion of the Stock Option on behalf of the Participant at any time prior to the earliest of the dates specified in Section 4.a. hereof: the personal representative of his estate, or the person who acquired the right to exercise the Stock Option by bequest or inheritance or by reason of the death of the Participant; provided that the Stock Option shall remain subject to the other terms of this Agreement, the Plan, and applicable laws, rules, and regulations.

6. No Fractional Shares. The Stock Option may be exercised only with respect to full shares, and no fractional Share shall be issued.

7. Manner of Exercise. Subject to such administrative regulations as the Administrator may from time to time adopt, the Stock Option may be exercised by the delivery of the Exercise Notice to the Company setting forth the number of Shares with respect to which the Stock Option is to be exercised, the date of exercise thereof (the "***Exercise Date***") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall deliver to the Company consideration with a value equal to the total Exercise Price of the Shares to be purchased, payable as follows: cash, cashier's check, or certified check payable to the order of the Company.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Optioned Shares then being purchased to be delivered to the Participant (or the person exercising the Participant's Stock Option in the event of his death) at its principal business office promptly after the Exercise Date. The obligation of the Company to deliver Shares shall, however, be subject to the condition that if at any time the Company shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Optioned Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of Shares thereunder, then the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Company.

If the Participant fails to pay for any of the Optioned Shares specified in such notice or fails to accept delivery thereof, then the Stock Option, and right to purchase such Optioned Shares may be forfeited by the Participant.

8. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

9. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to the Optioned Shares until the issuance of a certificate or certificates to the Participant or the registration of such shares in the Participant's name for the Shares. The Optioned Shares shall be subject to the terms and conditions of this Agreement. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such Shares. The Participant, by his execution of this Agreement, agrees to execute any documents requested by the Company in connection with the issuance of the Shares.

10. Adjustment of Number of Optioned Shares and Related Matters. The number of Shares covered by the Stock Option, and the Exercise Prices thereof, shall be subject to adjustment in accordance with Section 9 of the Umbrella Plan and Articles VII and VIII of the U.S. Appendix.

11. Incentive Stock Option. The portion, and only such portion, of this Stock Option, if any, which is attributable to Optioned Shares which become purchasable during a calendar year, together with the portion of any other option attributable to any shares which become purchasable, pursuant to any other plan maintained by the Company pursuant to Section 422 of the Code, during such calendar year which together have a fair market value, as of the Date of Grant in the case of Optioned Shares or the date of grant with respect to shares obtainable pursuant to another plan maintained by the Company pursuant to Section 422 of the Code, which exceeds $100,000, shall constitute a portion of the Stock Option or options which shall be reclassified as options which are not Incentive Stock Options pursuant to Section 422(d) of the Code. Notwithstanding anything to the contrary contained herein, this Stock Option shall only be treated as an "incentive stock option" within the meaning of Section 422 of the Code if it is exercised by the Participant (or as applicable, his guardian or personal or legal representative) within the time periods required by Section 422(a)(2) of the Code, Section 422(c)(6) of the Code, and any regulations issued under such Sections.

12. Disqualifying Disposition. In the event that Shares acquired upon exercise of this Stock Option is disposed of by the Participant in a "Disqualifying Disposition," the Participant shall notify the Company in writing within thirty (30) days after such disposition of the date and terms of such disposition. For purposes hereof, "Disqualifying Disposition" shall mean a disposition of Shares that are acquired upon the exercise of this Stock Option (and that is not deemed granted pursuant to an option which is not an Incentive Stock Option under Section 11) prior to the expiration of either two (2) years from the Date of Grant of this Stock Option or one (1) year from the transfer of Shares to the Participant pursuant to the exercise of this Stock Option.

13. Voting. The Participant, as record holder of some or all of the Optioned Shares following exercise of this Stock Option, has the exclusive right to vote, or consent with respect to, such Optioned Shares until such time as the Optioned Shares are transferred in accordance with this Agreement; provided, however, that this Section shall not create any voting right where the holders of such Optioned Shares otherwise have no such right.

14. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

15. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he will not exercise the Stock Option granted hereby, and that the Company will not be obligated to issue any Shares to the Participant hereunder, if the exercise thereof or the issuance of such Shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The rights and obligations of the Company and the rights and obligations of the Participant are subject to all applicable laws, rules, and regulations.

16. Investment Representations. Notwithstanding anything herein to the contrary, the Participant hereby represents and warrants to the Company, that:

a. This Stock Option and the Optioned Shares are being acquired for investment purposes only for the Participant's own account and not with a view to or in connection with any distribution, re-offer, resale or other disposition not in compliance with the Securities Act of 1933 (the "***Securities Act***") and applicable state securities laws;

b. The Participant, alone or together with the Participant's representatives, possesses such expertise, knowledge and sophistication in financial and business matters generally, and in the type of transactions in which the Company proposes to engage in particular, that the Participant is capable of evaluating the merits and economic risks of acquiring this Stock Option and the Optioned Shares;

c. The Participant has had access to all of the information with respect to this Stock Option and the Optioned Shares that the Participant deems necessary to make a complete evaluation thereof, and has had the opportunity to question the Company concerning the Stock Option and Optioned Shares;

d. The decision of the Participant to acquire the Stock Option for investment has been, and any subsequent decision to acquire any Optioned Shares will be, based solely upon an evaluation made by the Participant;

e. The Participant understands that the Stock Option and Optioned Shares constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Participant's investment intent as expressed herein. The Participant further understands that the Stock Option and Optioned Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available;

f. Except as set forth in Section 29 below, the Participant acknowledges and understands that the Company is under no obligation to register the Stock Option or the Optioned Shares and that the certificates evidencing the Optioned Shares will be imprinted with a legend which prohibits the transfer of such Shares unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable state securities laws; and

g. The Participant is, and at the time of exercise will be, an "accredited investor," as such term is defined in Section 501 of Regulation D promulgated under the Securities Act.

17. Participant's Acknowledgments. The Participant acknowledges that a copy of the Plan has been made available for his review by the Company, and represents that he is familiar with the terms and provisions thereof, and hereby accepts this Stock Option subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

18. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Agreement to the laws of another state).

19. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or the Group, whether as an employee or as a consultant or as an outside director, or interfere with or restrict in any way the right of the Company or the Group to discharge the Participant at any time.

20. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

21. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that are set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

22. Entire Agreement. This Agreement together with the Plan and the Employment Agreement supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

23. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

24. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties; provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

25. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

26. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

27. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

InspireMD, Inc.
4 Menorat Hamaor St.
Tel Aviv, Israel 67448
Attn: Craig Shore
Facsimile: 972-3-691-7692

b. Notice to the Participant shall be addressed and delivered as set forth on the signature page.

28. Tax Requirements. The Participant is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement. The Company or, if applicable, any subsidiary (for purposes of this Section 28, the term "***Company***" shall be deemed to include any applicable subsidiary), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any Federal, state, local, or other taxes required by law to be withheld in connection with this award. The amount of any tax withholding due with respect to the exercise of the Optioned Shares may be made by the Participant to the Company by (i) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding obligations of the Company; (ii) the actual delivery by the exercising Participant to the Company of Shares, which Shares so delivered have an aggregate fair market value that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding payment; (iii) the Company's withholding of a number of Shares to be delivered upon the exercise of this Stock Option, which shares so withheld have an aggregate fair market value that equals (but does not exceed) the required tax withholding payment; or (iv) any combination of (i), (ii), or (iii). The Company may, with the consent of the Participant, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Grantee. In all events, all tax withholding due with respect to the exercise of the Options Shares shall be required to be paid by the Participant prior to the issuance of any Shares to the Participant in connection with such exercise.

29. Registration Covenant. The Company agrees to use its best efforts to register the issuance of the Optioned Shares to the Participant upon exercise of the Stock Option under the Securities Act on the earlier of (i) 12 months following the Date of Grant or (ii) 30 days following the listing of the Company's shares of common stock, $0.0001 par value per share, on a national securities exchange. Such registration will be maintained for as long as the Participant may exercise this Stock Option hereunder.

* * * * * * * *

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Signature Page Follows.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

COMPANY:

InspireMD, Inc.

By: /s/ Craig Shore
Name: Craig Shore
Title: Chief Financial Officer

PARTICIPANT:

/s/ Alan W. Milinazzo
Signature

Name: Alan W. Milinazzo
Address:

Exhibit 10.5

RESTRICTED STOCK AWARD AGREEMENT

INSPIREMD, INC.
AMENDED AND RESTATED 2011 UMBRELLA OPTION PLAN – U.S. APPENDIX

1. Grant of Award. Pursuant to the 2011 U.S. Equity Incentive Plan (the "***U.S. Appendix***"), a sub-plan to the InspireMD, Inc. Amended and Restated 2011 UMBRELLA Option Plan (the "***Umbrella Plan***") (collectively, the Umbrella Plan and the U.S. Appendix being referred to herein as, the "***Plan***") for employees, consultants, outside directors, and other service providers of InspireMD, Inc., a Delaware corporation (the "***Company***") and its subsidiaries and affiliates (collectively, the "***Group***"),

Alan W. Milinazzo
(the "***Grantee***")

has been granted an award of Restricted Stock in accordance with Article VI of the U.S. Appendix. The number of Shares awarded under this Restricted Stock Award Agreement (this "***Agreement***") is Four Hundred Thousand (400,000) shares (the "***Awarded Shares***"). The "***Date of Grant***" of this award is January 3, 2013.

2. Subject to Plan. This Agreement is subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Agreement. The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. This Agreement is subject to any rules promulgated pursuant to the Plan by the Board or the Administrator and communicated to the Grantee in writing.

3. Vesting.

a. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the Awarded Shares shall vest as follows:

i. Over a three (3) year vesting period commencing on the Date of Grant, one-thirty-sixth (1/36) of the total Awarded Shares (rounded down for fractional shares) shall vest and on the third (3rd) day of each month during the vesting period, provided that the Grantee has continuously provided services to the Company or the Group as an employee, consultant, or outside director through the applicable monthly vesting date.

ii. Upon (A) the Grantee's death, or (B) the Termination Date (as defined below) if the Grantee's termination of employment or service is due to (1) his Disability (as defined below), (2) a termination by the Company without Cause (as defined below), or (3) a termination by the Grantee for Good Reason (as defined below), fifty percent (50%) of the total Awarded Shares not previously vested shall thereupon immediately become fully vested.

iii. Notwithstanding the foregoing, in the event that a Change in Control (as defined below) occurs and during the Change in Control Period (as defined below) (A) the Grantee terminates his employment or service for Good Reason, or (B) the Company terminates the Grantee's employment or service without Cause, then upon the Termination Date, one hundred percent (100%) of the total Awarded Shares not previously vested shall thereupon immediately become fully vested.

b. For purposes of this Agreement, the following terms shall have the meanings set forth below:

i. "***Cause***" shall have the meaning set forth in the Employment Agreement, by and between the Company and the Grantee, entered into and effective as of January 3, 2013 (the "***Employment Agreement***").

ii. "***Change in Control***" shall have the meaning set forth in the Employment Agreement.

iii. "***Change in Control Period***" shall have the meaning set forth in the Employment Agreement.
iv. "***Disability***" shall have the meaning set forth in the Employment Agreement.

v. "***Good Reason***" shall have the meaning set forth in the Employment Agreement.

4. Forfeiture of Awarded Shares. Awarded Shares that are not vested in accordance with Section 3 shall be forfeited on the date of the Grantee's termination of employment or service with the Company and the Group (the "***Termination Date***"). Upon forfeiture, all of the Grantee's rights with respect to the forfeited Awarded Shares shall cease and terminate, without any further obligations on the part of the Company or the Group.

5. Restrictions on Awarded Shares. Subject to the provisions of the Plan and the terms of this Agreement, from the Date of Grant until the date the Awarded Shares are vested in accordance with Section 3 and are no longer subject to forfeiture in accordance with Section 4 (the "***Restriction Period***"), the Grantee shall not be permitted to sell, transfer, pledge, hypothecate, margin, assign or otherwise encumber any of the Awarded Shares. Except for these limitations, the Administrator may in its sole discretion, remove any or all of the restrictions on such Awarded Shares whenever it may determine that, by reason of changes in applicable laws or changes in circumstances after the date of this Agreement, such action is appropriate.

6. Legend. The following legend shall be placed on all certificates issued representing Awarded Shares:

On the face of the certificate:

"Transfer of this stock is restricted in accordance with conditions printed on the reverse of this certificate."

On the reverse:

"The shares of stock evidenced by this certificate are subject to and transferable only in accordance with that certain InspireMD, Inc. Amended and Restated 2011 UMBRELLA Option Plan (the "Umbrella Plan") and the 2011 U.S. Equity Incentive Plan, a sub-plan to the Umbrella Plan (the "U.S. Appendix," collectively, the Umbrella Plan and the U.S. Appendix, the "Plan"), a copy of which is on file at the principal office of the Company in Tel Aviv, Israel and that certain Restricted Stock Award Agreement dated as of January 3, 2013, by and between the Company and Alan W. Milinazzo. No transfer or pledge of the shares evidenced hereby may be made except in accordance with and subject to the provisions of said Plan and award agreement. By acceptance of this certificate, any holder, transferee, or pledgee hereof agrees to be bound by all of the provisions of said Plan and award agreement."

The following legend shall be inserted on a certificate evidencing Awarded Shares issued under the Plan if the Awarded Shares were not issued in a transaction registered under the applicable federal and state securities laws:

> "Shares of stock represented by this certificate have been acquired by the holder for investment and not for resale, transfer or distribution, have been issued pursuant to exemptions from the registration requirements of applicable state and federal securities laws, and may not be offered for sale, sold, or transferred other than pursuant to effective registration under such laws, or in transactions otherwise in compliance with such laws, and upon evidence satisfactory to the Company of compliance with such laws, as to which the Company may rely upon an opinion of counsel satisfactory to the Company."

All Awarded Shares owned by the Grantee shall be subject to the terms of this Agreement and shall be represented by a certificate or certificates bearing the foregoing legend.

7. Delivery of Certificates. Certificates for Awarded Shares free of restriction under this Agreement shall be delivered to the Grantee promptly after, and only after, the Restriction Period has expired without forfeiture pursuant to Section 4. In connection with the issuance of a certificate for Restricted Stock, the Grantee shall endorse such certificate in blank or execute a stock power in a form satisfactory to the Company in blank and deliver such certificate and executed stock power to the Company.

8. Rights of a Stockholder. Except as provided in Section 4 and Section 5 above, the Grantee shall have, with respect to his Awarded Shares, all of the rights of a stockholder of the Company, including the right to vote the shares, and the right to receive any dividends thereon. Any stock dividends paid with respect to Awarded Shares shall at all times be treated as Awarded Shares and shall be subject to all restrictions placed on Awarded Shares; any such stock dividends paid with respect to Awarded Shares shall vest as the Awarded Shares become vested.

9. Voting. The Grantee, as record holder of the Awarded Shares, has the exclusive right to vote, or consent with respect to, such Awarded Shares until such time as the Awarded Shares are transferred in accordance with this Agreement; provided, however, that this Section 9 shall not create any voting right where the holders of such Awarded Shares otherwise have no such right.

10. Adjustment to Number of Awarded Shares. The number of Awarded Shares shall be subject to adjustment in accordance with Section 9 of the Umbrella Plan and Articles VII and VIII of the U.S. Appendix.

11. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

12. Grantee's Representations. Notwithstanding any of the provisions hereof, the Grantee hereby agrees that he will not acquire any Awarded Shares, and that the Company will not be obligated to issue any Awarded Shares to the Grantee hereunder, if the issuance of such shares shall constitute a violation by the Grantee or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The rights and obligations of the Company and the rights and obligations of the Grantee are subject to all applicable laws, rules, and regulations.

13. Grantee's Acknowledgments. The Grantee acknowledges that a copy of the Plan has been made available for his review by the Company, and represents that he is familiar with the terms and provisions thereof, and hereby accepts this award subject to all the terms and provisions thereof. The Grantee hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

14. Investment Representations. Notwithstanding anything herein to the contrary, the Grantee hereby represents and warrants to the Company, that:

a. The Awarded Shares are being acquired for investment purposes only for the Grantee's own account and not with a view to or in connection with any distribution, re-offer, resale, or other disposition not in compliance with the Securities Act of 1933 (the "***Securities Act***") and applicable state securities laws;

b. The Grantee, alone or together with the Grantee's representatives, possesses such expertise, knowledge, and sophistication in financial and business matters generally, and in the type of transactions in which the Company proposes to engage in particular, that the Grantee is capable of evaluating the merits and economic risks of acquiring the Awarded Shares and holding such Awarded Shares;

c. The Grantee has had access to all of the information with respect to the Awarded Shares that the Grantee deems necessary to make a complete evaluation thereof, and has had the opportunity to question the Company concerning the Awarded Shares;

d. The decision of the Grantee to acquire the Awarded Shares for investment has been based solely upon the evaluation made by the Grantee;

e. The Grantee understands that the Awarded Shares constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Grantee's investment intent as expressed herein. The Grantee further understands that the Awarded Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available;

f. Except as set forth in Section 26 below, the Grantee acknowledges and understands that the Company is under no obligation to register the Awarded Shares and that the certificates evidencing such Awarded Shares will be imprinted with a legend which prohibits the transfer of such Awarded Shares unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable state securities laws; and

g. The Grantee is an "accredited investor," as such term is defined in Section 501 of Regulation D promulgated under the Securities Act.

15. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Agreement to the laws of another state).

16. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Grantee the right to continue in the employ or to provide services to the Company or the Group, whether as an employee or as a consultant or as an outside director, or interfere with or restrict in any way the right of the Company or the Group to discharge the Grantee at any time.

17. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

18. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that are set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Grantee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

19. Entire Agreement. This Agreement together with the Plan and the Employment Agreement supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

20. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein. No person shall be permitted to acquire any Awarded Shares without first executing and delivering an agreement in the form satisfactory to the Company making such person or entity subject to the restrictions on transfer contained herein.

21. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

22. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

23. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

24. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Grantee, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

InspireMD, Inc.
4 Menorat Hamaor St.
Tel Aviv, Israel 67448
Attn: Craig Shore
Facsimile: 972-3-691-7692

b. Notice to the Grantee shall be addressed and delivered as set forth on the signature page.

25. Tax Requirements. **The Grantee is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement, the method and timing for filing an election to include this Agreement in income under Section 83(b) of the Code, and the tax consequences of such election. By execution of this Agreement, the Grantee agrees that if the Grantee makes such an election, the Grantee shall provide the Company with written notice of such election in accordance with the regulations promulgated under Section 83(b) of the Code.** The Company or, if applicable, any subsidiary (for purposes of this Section 25, the term "***Company***" shall be deemed to include any applicable subsidiary), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any Federal, state, local, or other taxes required by law to be withheld in connection with this award. The amount of any tax withholding due with respect to the vesting of the Awarded Shares may be made by the Participant to the Company by (i) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding obligations of the Company; (ii) the actual delivery by the Grantee to the Company of Shares, which Shares so delivered have an aggregate fair market value that equals or exceeds (to avoid the issuance of fractional shares under (iii) below) the required tax withholding payment; (iii) the actual delivery by the Grantee of a number of Awarded Shares vesting, which Awarded Shares so delivered have an aggregate fair market value that equals (but does not exceed) the required tax withholding payment; or (iv) any combination of (i), (ii), or (iii). The Company may, with the consent of the Participant, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Grantee. In all events, all taxes due with respect to the vesting of the Awarded Shares shall be required to be paid by the Participant prior to the removal of any legend from any certificate representing Awarded Shares.

26. Registration Covenant. The Company agrees to use its best efforts to register the resale of the Awarded Shares under the Securities Act on the earlier of (i) 12 months following the Date of Grant or (ii) 30 days following the listing of the Company's shares of common stock, $0.0001 par value per share, on a national securities exchange. Such registration will be maintained for as long as the Grantee remains employed with the Company.

* * * * * * * *

[*Remainder of Page Intentionally Left Blank*
Signature Page Follows.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Grantee, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

COMPANY:

InspireMD, Inc.

By: /s/ Craig Shore
Name: Craig Shore
Title: Chief Financial Officer

GRANTEE:

/s/ Alan W. Milinazzo
Signature

Name: Alan W. Milinazzo
Address:

Exhibit 10.6

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release (the "**Separation Agreement**") is made this 3rd day of January, 2013 by and between Inspire MD Ltd. (the "**Company**") and A.S. Paz Management and Investment Ltd., Company No. 514480433 ("**Consultant**").

WHEREAS, as of May 2005 the Key Person has been engaged by the Company, first as an employee and starting April 1st, 2011 as its CEO and independent consultant through the Consultant, which is an Israeli corporation wholly controlled by the Key Person, under that certain Consultancy Agreement (the "**Agreement**"), a copy of which is attached as **Exhibit A** hereto;

WHEREAS, Consultant informed the Company of its desire to cease providing the Services and resign from all of its and the Key Person's offices in the Company;

WHEREAS, due to the Consultant's aforesaid desire the parties have mutually agreed to terminate the Agreement effective as of January 3rd, 2013 (the "**Effective Date**") pursuant to the terms and conditions hereto;

WHEREAS, Consultant has agreed to release the Company from any and all claims, rights or demands arising from or related to the Agreement, the relations between the parties or the termination thereof;

NOW THEREFORE, in consideration of the mutual promises made herein, the Consultant and Company hereby agree as follows:

(Capitalized terms used herein and not otherwise defined shall have the respective meaning ascribed to them in the Agreement.)

1. Termination of Agreement.

1.1. The parties hereby terminate the Agreement and the engagement between them in mutual consent and effective as of the Effective Date.

1.2 As part of the termination of the Agreement (i) the Key Person hereby resigns from its offices as the CEO of the Company and member of its Board of Directors; (ii) the Key Person hereby resigns from its offices as the CEO of InspireMD Inc. (the Company's sole shareholder) and (iii) upon the Company's request, the Consultant and Key Person shall take all necessary actions in a timely manner to transfer all the information they possess on the Company to the Company's CEO or other person(s) designated by InspireMD Inc's CEO or Chairman of the Board.

1.3 Despite anything to the contrary in the Agreement, the Company shall pay to the Consultant as a prior notice payment, and on a monthly basis, the Consultancy Fee for 6 months following the Effective Date (the "**Prior Notice Payment**"). Other than as set forth in Sub section 1.2(iii) above, the Consultant shall not be required to provide its Services to the Company during the aforesaid 6-month prior notice period.

2. Release of Claims.

2.1. By signing this Termination Agreement, the Consultant confirms that it has fully received from the Company all the payments and other rights to which it has been entitled from the inception of the Company and until January 3rd, 2013, including in connection with the Services and the employment of the Key Person by the Company as provided herein and particularly:

2.1.1 Consultancy Fee under the Agreement and any previous salary for the period until January 3rd, 2013;

2.1.2 Payment for unused absent days under Section 1.3 of the Agreement;

2.1.3 Reimbursement of any costs or expenses incurred by the Consultant and/or the Key Person in connection with their engagement with the Company and InspireMD Inc.;

The Consultant and Key Person acknowledge that the payments of the funds and other rights as aforesaid have been in full satisfaction of any obligation of the Company, Inspire GmbH and InspireMD, Inc. (the "**Affiliates**") to Consultant and Key Person, including under the Agreement and, other than the Prior Notice Payment and the Consultancy Fee for December 2012 (if such has not been paid by this date), the Company has no further obligation to the Consultant whatsoever.

2.2 Each of the Consultant and Key Person hereby irrevocable releases and forever discharges the Company, the Affiliates and its officers, directors, employees, managers, agents, investors, shareholders, representatives, predecessor and successor corporations, and assigns (the "**Company's Releasees**") from, and agrees not to sue concerning, or, in any manner to institute, prosecute or pursue, any claim, complaint, charge, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, disclosed or undisclosed, liquidated or contingent, that Consultant or Key Person may possess against any of the Company's Releasees arising from any omissions, acts or facts that have occurred up until and including the date hereof including without limitation any and all claims or demands, directly or indirectly, relating to or arising out of the Agreement or Consultant's or Key Person's relationship with the Company, the termination of the Agreement and that relationship, including without limitation negligent, breach of contract, loss of profits and good will and the existence (which is denied) of labor relations between the parties as of April 1, 2011 until the Effective Date.

The release included in this paragraph shall not apply to the Prior Notice Payment.

Subject to any applicable law, the Company hereby and forever releases the Consultant and Key Person (the "**Consultant's Releasees**") from, and agrees not to sue concerning, or, in any manner to institute, prosecute or pursue, any claim, complaint, charge, duty, obligation or cause of action relating to any matters of any kind known to the Company on the date hereof, liquidated or contingent, that the Company may possess against any of the Consultant's Releasees arising from any omissions, acts or facts that have occurred up until and including the date hereof including without limitation any and all claims or demands, directly or indirectly, relating to or arising out of the Agreement or relationship between the parties, the termination of the Agreement and that relationship, including without limitation negligent, breach of contract, loss of profits and good will.

2.3. The parties acknowledge and agree that any breach of this Section 2 shall constitute a material breach of the Separation Agreement.

3. Survival of Obligations and Return of Company's Property.

The termination of the Agreement shall not reveal the Consultant and Key Person from continue fulfilling their obligations under the Agreement which by their nature or as set forth in the Agreement are intended to survive the termination of the Agreement, including
3.1. Sections 4 (Independent Contractor), 5 (Confidentiality), 6 (Creations and Inventions), 7 (Non-competition and Non-Solicitation), 8 (Miscellaneous) and Annex A (Undertaking) to the Agreement, all of which shall continue to bind the Consultant and Key Person without any change.

Consultant shall deliver to the Company on or before the Effective Date, and shall not keep in its possession, recreate or deliver to anyone else, any and all equipment, devices, records, data, notes, marketing materials, reports, e-mail messages, proposals, lists,
3.2. correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, reproductions of any aforementioned items, or electronically stored or accessible copies or versions of such items, which were provided to the Consultant or Key Person by the Company or developed or obtained by the Consultant and Key Person in connection with their relation with the Company.

4. Non-Disparagement

The parties mutually agree that the terms of the termination of the Agreement are amicable and mutually acceptable and each agree with the other that neither shall malign, defame, blame, or otherwise disparage the other, either publicly or privately regarding the past or future business or personal affairs of the other party, or any other officer, director or employee of such party.

5. General

5.1. This Separation Agreement supersedes and replaces all previous oral and written agreements or communications regarding the termination of the Agreement and the events leading thereto and associated therewith.

5.2. In the event that any provision or any portion of any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision or portion of provision, unless the absence of that provision or portion materially alters the rights and obligations of the signatories under this Separation Agreement.

5.3. This Separation Agreement may only be amended in writing signed by both parties.

5.4. This Separation Agreement shall be governed by and construed according to the laws of the State of Israel and any dispute arising under or in connection with this Separation Agreement shall be presented in and determined by the courts of Israel at Tel Aviv, exclusively, to whose sole jurisdiction the parties do hereby submit.

5.5. All notices, demands or other communications by either party to the other shall be in writing and shall be effective upon personal delivery or if sent by (i) mail seven days after deposited in the mail, first class postage, prepaid, Register or Certified; or (ii) by fax or email 1 business day (Sunday to Thursday) and all such notices given by mail, fax or email shall be sent and addressed as follows until such time as another address or fax number is given by notice pursuant to this provision.

If to Company:

Inspire Ltd.
4 Menorat Hamaor St., Tel Aviv
Israel

Attention: Mr. Craig Shore

Fax No.: +972-3-_____
Email:craig@inspiremd.com

If to Consultant / Key Person:

_____ St., Rishon Lezion,
Israel

Attention: Mr. Ofir Paz

Fax No.: +972-3-_____
Email: _____

[remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Inspire MD Ltd.

By: /s/ Craig Shore

Name: Craig Shore

Title: CFO

A.S. Paz Management and Investment Ltd.

By: /s/ Ofir Paz

Name: Ofir Paz

Title: CEO

Undertaking

I the undersigned, Ofir Paz, hereby acknowledge that I read and fully understood the Separation Agreement to which this Undertaking is attached and agree that it shall bind me personally for all matter and purpose as if I was a party thereto.

/s/ Ofir Paz

Ofir Paz

Date: January 3, 2013

Exhibit 99.1

InspireMD Names Alan Milinazzo President and CEO

Former Medtronic and Boston Scientific Executive Brings Important Commercial, Operations, International, and Public Company CEO Experience

TEL AVIV, Israel – JAN 4 InspireMD, Inc. (OTC: NSPRD) ("InspireMD" or the "Company") appointed Alan W. Milinazzo President, Chief Executive Officer, and a member of the board, effective January 3, 2013. He replaces Ofir Paz who previously announced his intention to step down as Chief Executive Officer in September 2012 once a successor was named. Mr. Paz will continue to serve as a director.

Mr. Milinazzo brings fifteen years of experience in interventional cardiology to bear on InspireMD's commercial strategy and operations as it launches a major new embolic protection stent technology platform, initially for patients undergoing emergency coronary intervention for potentially fatal heart attacks.

He was instrumental in the launch of ENDEAVOR, Medtronic's first drug eluting stent platform which has since generated more than $1 billion in revenue. He previously spent 12 years in executive positions at Boston Scientific Corporation, another major stent producer, serving as Vice President of Marketing at its $200 million SCIMED European unit, responsible for product launches, clinical programs and regulatory strategies.

Mr. Milinazzo most recently served as President and Chief Executive Officer of Nasdaq-quoted Orthofix International, a position he was promoted to in 2006 after being hired a year earlier as Chief Operating Officer. During his tenure at Orthofix he transformed it into a category leader in novel spine and orthopedic stem cell therapy. Total company revenue grew from $300 million to $580 million and profits nearly doubled.

"Alan brings an exceptional set of experiences to us as a proven executive in the medical device field, particularly as relates to interventional cardiology and stents specifically", said Sol J. Barer, PhD, Chairman of InspireMD. "He brings a long list of strategically and commercially important accomplishments as a public company executive, he has the right blend of domestic and international experience for a company with our opportunities and intentions, and a well-documented entrepreneurial drive that's critical to success in managing the evolving needs and challenges of an emerging company such as ours."

"I am delighted to join the young, professional and dedicated management team at InspireMD which has brought the Company to the current point of launching a major new entry in interventional therapy, said Mr. Milinazzo. "InspireMD's technology platform can and will make important contributions in treating life threatening vascular disease, while producing outstanding returns to its investors."

In conjunction with Mr. Milinazzo's appointments and InspireMD's intention to begin a registration trial for FDA approval of its currently CE-marked MGuard™ Embolic Protection Stent (EPS™), the Company plans to establish a more formal operational presence in the U.S.

About InspireMD, Inc.

InspireMD is a medical device company focusing on the development and commercialization of its proprietary stent system technology, MGuard™. InspireMD intends to pursue applications of this technology in coronary, carotid and peripheral artery procedures. InspireMD's common stock is quoted on the OTC, currently under the ticker symbol NSPRD.

About MGuard™ Embolic Protection Stent

MGuard™ EPS™ combines a coronary stent merged with an embolic protection specifically designed for acute MI patients. The embolic protection is comprised of an ultra-thin polymer micron net that is integrated with the stent. The MGuard EPS is designed to provide outstanding and lifelong embolic protection, without affecting deliverability. MGuard EPS is CE Mark approved. MGuard is not approved for sale in the U.S. by the U.S. Food and Drug Administration at this time.

Forward-looking Statements:

This press release contains "forward-looking statements." Such statements may be preceded by the words "intends," "may," "will," "plans," "expects," "anticipates," "projects," "predicts," "estimates," "aims," "believes," "hopes," "potential" or similar words. Forward-looking statements are not guarantees of future performance, are based on certain assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond the Company's control, and cannot be predicted or quantified and consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, risks and uncertainties associated with (i) market acceptance of our existing and new products, (ii) negative clinical trial results or lengthy product delays in key markets, (iii) an inability to secure regulatory approvals for the sale of our products, (iv) intense competition in the medical device industry from much larger, multi-national companies, (v) product liability claims, (vi) our limited manufacturing capabilities and reliance on subcontractors for assistance, (vii) insufficient or inadequate reimbursement by governmental and other third party payers for our products, (viii) our efforts to successfully obtain and maintain intellectual property protection covering our products, which may not be successful, (ix) legislative or regulatory reform of the healthcare system in both the U.S. and foreign jurisdictions, (x) our reliance on single suppliers for certain product components, (xi) the fact that we will need to raise additional capital to meet our business requirements in the future and that such capital raising may be costly, dilutive or difficult to obtain and (xii) the fact that we conduct business in multiple foreign jurisdictions, exposing us to foreign currency exchange rate fluctuations, logistical and communications challenges, burdens and costs of compliance with foreign laws and political and economic instability in each jurisdiction. More detailed information about the Company and the risk factors that may affect the realization of forward-looking statements is set forth in the Company's filings with the Securities and Exchange Commission (SEC), including the Company's Transition Report on From 10-K/T and its Quarterly Reports on Form 10-Q. Investors and security holders are urged to read these documents free of charge on the SEC's web site at http://www.sec.gov. The Company assumes no obligation to publicly update or revise its forward-looking statements as a result of new information, future events or otherwise.

For additional information:

InspireMD Desk
Redington, Inc.
+1-212-926-1733
+1-203-222-7399
inspiremd@redingtoninc.com