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Index to Financial Statements

As filed with the Securities and Exchange Commission on September 1, 2017.

Registration No. 333-

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

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

Restoration Robotics, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	3841	06-1681204
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

128 Baytech Drive
San Jose, CA 95134
(408) 883-6888
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Ryan Rhodes
President and Chief Executive Officer
Restoration Robotics, Inc.
128 Baytech Drive
San Jose, CA 95134
(408) 883-6888
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☒

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price (1)	Amount of registration fee
Common Stock, $0.0001 par value per share	$28,750,000	$3,332.13

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes a base offering of $25,000,000 of shares of common stock and $3,750,000 of shares of common stock subject to the underwriters' over-allotment option.

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

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated , 2017

PROSPECTUS

Shares

RESTORATION ROBOTICS

Common Stock

This is Restoration Robotics, Inc.'s initial public offering. We are selling shares of our common stock.

We expect that the initial public offering price will be between $ and $ per share. Currently, no public market exists for the shares. We intend to apply to list our common stock on The NASDAQ Global Market under the symbol "HAIR."

We are an "emerging growth company" under applicable Securities and Exchange Commission rules and will be subject to reduced public company reporting requirements. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 11 of this prospectus.

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

(1) Please see "Underwriting" beginning on page 144 for additional information regarding the total compensation to be received by the underwriters.

We have granted the underwriters a -day option to purchase up to additional shares of our common stock on the same terms and conditions described herein, solely to cover over-allotments, if any.

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

The underwriters expect to deliver the shares of common stock against payment in New York, New York on or about , 2017.

Sole Book-Running Manager

National Securities Corporation

Co-Managers

Roth Capital Partners **Craig-Hallum Capital Group**

The date of this prospectus is , 2017

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Neither we nor the underwriters have authorized anyone to provide you with information that is different from that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock.

Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than the U.S. You are required to inform yourself about, and to observe any restrictions relating to, this offering and the distribution of this prospectus.

Restoration Robotics™, ARTAS® and our logo are some of our trademarks and registered marks used in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks and tradenames referred to in this prospectus appear without the ® and ™ symbol, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks and tradenames.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before deciding to invest in our common stock, you should read this entire prospectus carefully, including the sections of this prospectus entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes contained elsewhere in this prospectus. Unless the context otherwise requires or as otherwise noted, references in this prospectus to the "company," "Restoration Robotics," "RR," "we," "us" and "our" refer to Restoration Robotics, Inc. and its subsidiaries taken as a whole, and references to "Restoration Robotics Limited," "Restoration Robotics Europe Limited" and "Restoration Robotics Korea Yuhan Hoesa" refer to our wholly-owned subsidiaries.

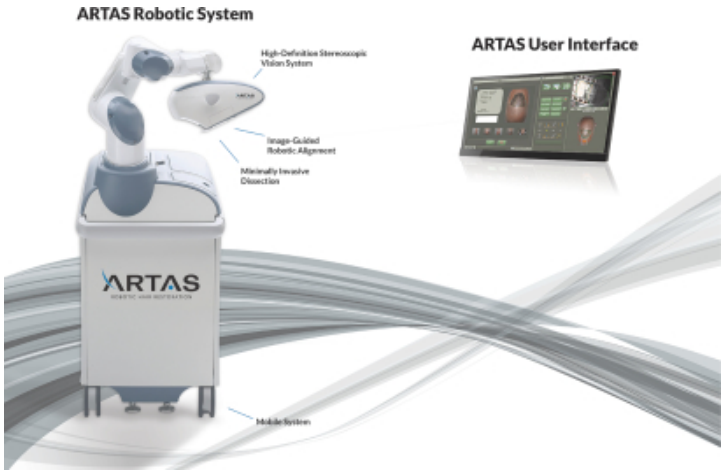
Restoration Robotics, Inc.

Overview

We are a medical technology company developing and commercializing a robotic device, the ARTAS System, that assists physicians in performing many of the repetitive tasks that are a part of a follicular unit extraction surgery, a type of hair restoration procedure. We believe the ARTAS System is the first and only physician-assisted robotic system that can identify and dissect hair follicular units directly from the scalp and create recipient implant sites. The ARTAS System includes the ARTAS Hair Studio application, an interactive three-dimensional patient consultation tool that enables a physician to create a simulated hair transplant model for use in patient consultations. We received clearance from the U.S. Food and Drug Administration, or FDA, in April 2011 to market the ARTAS System in the U.S., and we have sold the ARTAS System into 29 other countries. As of June 30, 2017, we have sold 89 ARTAS Systems in the U.S. and 144 internationally. As of June 30, 2017, the ARTAS System and ARTAS Hair Studio application are protected by over 70 patents in the U.S. and over 100 international patents.

The ARTAS System is comprised of the patient chair, the cart, which includes the robotic arm, integrated vision system, artificial intelligence algorithms and a series of proprietary end effectors, which are the various devices at the end of the robotic arm, such as the automated needle and punch, that interact with the patient's scalp and hair follicles and perform various clinical functions.

The image below depicts the ARTAS System cart, including the robotic arm and the needle mechanism which houses the automated needle and punch used for follicle dissection and site making, and the ARTAS User Interface.



Market Overview

According to data collected by the International Society of Hair Restoration Surgery, or ISHRS, the global market for hair restoration procedures was approximately $2.5 billion in 2014. We believe the global hair restoration market will continue to grow due to several factors, including:

- An aging population with disposable income and an increased acceptance of aesthetic procedures. According to data from the American Society for Aesthetic Plastic Surgery, or ASAPS, in 2016, Americans spent more than $15 billion on combined surgical and nonsurgical aesthetic procedures. Male aesthetic procedures have increased 325% since 1997.
- A market shift to less invasive hair restoration procedures such as follicular unit extraction, or FUE, which, according to ISHRS, have increased from less than 10% of hair restoration procedures performed in 2004 to about 49% in 2014.
- A greater number of physicians seeking patient direct pay procedures, such as hair restoration, due to increased government and private payor reimbursement restrictions.

This growing market has a significant potential patient population with approximately 35 million males in the United States suffering from androgenic alopecia, or AGA, also referred to as male pattern baldness. We have FDA clearance to market the ARTAS System in the U.S. for dissecting hair follicles from the scalp in men diagnosed with AGA who have black or brown straight hair. With this clearance we are able to market the ARTAS System treatment to a significant portion of this growing market.

Existing Treatment Options

Men suffering from AGA rely on a variety of non-surgical treatment options. One option is the use of prescription drugs such as Propecia, or over-the-counter topical treatments like Rogaine, that have limited efficacy. Propecia and similar drugs may also have side effects. Other options include cosmetic solutions such as wigs or spray-on applications which only mask the condition.

In lieu of these non-surgical options, many individuals opt for surgical procedures. Surgical procedures for hair restoration come in various forms. One common surgical treatment is often referred to as strip surgery or FUT, follicular unit transplantation. Strip surgery involves several steps including: the dissection of a large tissue strip from the patient's scalp; the manual removal of each hair follicle from the scalp strip following dissection; making incisions at the scalp site where the follicles are to be implanted; and implanting the extracted follicles into the prepared implant sites on the scalp. The strip surgery procedure is invasive, as the surgeon must make a linear incision at the back of the patient's scalp and remove a strip of the scalp approximately 8 inches long, one-half inch wide and one-half inch deep. Once the strip of tissue is removed, the physician sutures or staples the large wound closed. The procedure generally results in a long linear scar on the back of the patient's head.

In contrast, FUE is significantly less invasive than strip surgery. In this procedure, the physician or technician removes individual hair follicles from the patient's scalp without removing a strip of tissue. FUE can be performed with manual hand-held punches, automated hand-held devices or with the ARTAS System. Use of manual or automated hand-held devices requires significant time, and demands that complicated, repetitive and tedious tasks be performed by a trained technician or physician. We have developed the ARTAS System to provide robotic assistance for many of the tedious and repetitive tasks that are part of an FUE procedure.

The ARTAS Solution

We believe the ARTAS System addresses many of the shortcomings of other hair restoration procedures. The ARTAS System is capable of robotically assisting a physician through many of the most challenging steps of the

hair restoration process, including the dissection of hair follicles, site planning and recipient site making. In addition, we have a robotic implantation functionality in clinical development which, if cleared for marketing, will enable the ARTAS System to implant harvested hair follicles. Our platform includes the ARTAS Hair Studio application which can simulate pre-procedure and post-procedure outcomes and can be utilized during the patient consultation and education process.

The image below illustrates an example of possible results from an ARTAS Robotic Procedure based on an individual patient's outcome:

Individual patient outcomes will vary based on a multitude of factors, including, but not limited to, the patient's desired aesthetic outcome, the physician's skill and his/her performance during the procedure, the number of grafts implanted, the number of planned hair restoration procedures a patient anticipates undergoing and a patient's post-operative care of the scalp.

Advantages of the ARTAS Procedure

Patient Value. We believe the ARTAS System and the ARTAS Hair Studio application significantly improve the patient experience and outcome in hair transplantation procedures in the following ways:

- Through the ARTAS System, the dissection of grafts is performed in a manner that leaves only small pinpoint scars that heal faster and are less detectable than the larger post-operative linear scar that would be produced from strip surgery. As a result, an ARTAS procedure can, in many cases, offer a shorter recovery time and can enable patients to resume their daily lifestyle faster than with strip surgery. In addition, the ARTAS procedure allows patients to wear their hair short without a noticeable scar.
- The ARTAS Hair Studio application enables patients to interact with their physician to make educated decisions on graft numbers and implant placements to achieve their desired aesthetic outcome and to view a simulation of their potential result. We believe this process and interaction give patients more confidence in undergoing a procedure since they have direct input into their treatment and can preview the expected outcome.
- The ARTAS Site Making functionality translates the physician-patient site design onto the patient's recipient area. The ARTAS System's enhanced imaging system and sophisticated algorithms enable the ARTAS System to rapidly create recipient sites at precise depths, replicate pre-existing hair angles, avoid damaging the healthy pre-existing hair and adjust the distribution of the recipient sites to optimally fill in the transplantation area. We believe these elements can contribute to a superior aesthetic outcome.

Physician Value. We believe the ARTAS System provides physicians compelling economic benefits and enables physicians to achieve consistent reproducible results. As a result, we believe the ARTAS procedure also offers an attractive addition to existing dermatology, plastic surgery or aesthetics practices that do not provide hair restoration procedures.

- Hair restoration procedures are generally paid for by the patient and do not involve the complexity of securing reimbursement from third-party payors.

- The ARTAS System's image-guided robotic capabilities allow physicians to perform hair restoration procedures with fewer staff required than a traditional strip surgery or a manual FUE procedure. Procedures can also be performed with less physician and technician fatigue.
- Because we provide high quality training for physicians and their clinical teams on the use of the ARTAS System and because the robotic system and its intelligent algorithms assist these teams in performing hair restoration procedures, we believe we can significantly shorten the learning curve necessary for hair transplantation procedures using the ARTAS System. This shorter learning curve can reduce barriers to entry for a new hair restoration practice. It can also ease the adoption of a new technology into existing practices.

Clinically-Established Results. Four peer-reviewed clinical publications have demonstrated the quality and consistency of grafts produced by the ARTAS System. One published study, *Robotic Follicular Unit Extraction in Hair Transplantation*, Avram, M. R., M.D. & Watkins, S. A., M.D., published in Dermatologic Surgery, 2014;40:1319-1327, indicated average damage rates for the hair follicles, or transection rates, with the ARTAS System were as low as 6.6%, with a second study, *Characteristics of robotically harvested hair follicles in Koreans* by Shin, J. W., M.D., et. al., published in the Journal of the American Academy of Dermatology, documenting average transection rates as low as 4.9% in a Korean population of patients. The third study documented that the ARTAS System can be programmed by the physician to select follicular units with larger groupings of hairs while skipping single hair grafts, which allows physicians to choose particular follicular units depending on the hair density they are trying to achieve. The fourth study demonstrated that FUE cases larger than 2,500 grafts, or mega-sessions, are possible using the ARTAS System. These peer-reviewed publications demonstrate the reproducibility and consistency of dissection results from the ARTAS System in a diverse group of patients, even as the system is used by different clinicians. To our knowledge, there are no other peer-reviewed clinical publications that demonstrate the reproducibility of results utilizing other products in FUE or strip surgery procedures. We intend to encourage scientific research in the study of hair restoration to improve our technology, solutions, enhance understanding of our industry and educate physicians on the capabilities of the ARTAS System.

Our Growth Strategy

Our goal is to expand the commercialization of the ARTAS System so that it becomes the standard of care for minimally invasive hair transplantation surgery. The key elements of our strategy to achieve this goal are to:

- Broaden our physician customer base to include additional physician specialties, such as dermatology and plastic surgery.
- Expand our international business by adding distributors and sales support staff to increase sales and strengthen physician relationships in our international markets.
- Continue to innovate and introduce new features such as the robotic implantation functionality (which is in clinical development), continue to refine our Harvesting technology and user interface, and potentially pursue expanding our cleared indications of use.
- Drive increased utilization of the ARTAS System by working collaboratively with our physician customers to increase the number of ARTAS procedures that are performed.

Risks Associated With Our Business

Our ability to implement our business strategy is subject to numerous risks that you should be aware of before making an investment decision. These risks are described more fully in the section entitled "Risk Factors" immediately following this prospectus summary. These risks include, among others:

- We have limited commercial history and we have incurred significant losses since our inception. We anticipate that we will continue to incur losses for the foreseeable future, which, together with our limited operating history, makes it difficult to assess our future viability.

- It is difficult to forecast our future performance and our results may fluctuate unpredictably.
- We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our product development, commercialization and other operations or efforts. We are restricted by covenants in our term loan agreement with Oxford Finance LLC, or Oxford, that restrict, among other things, our ability to incur additional debt without Oxford's consent, which may limit our ability to obtain additional funds.
- We are dependent upon the success of the ARTAS System, which has a limited commercial history. If we are unsuccessful in developing the market for robotic hair restoration or the market acceptance for the ARTAS System fails to grow significantly, our business and future prospects will be harmed.
- If there is not sufficient patient demand for ARTAS procedures and growing physician adoption of the use of the ARTAS System, our financial results and future prospects will be harmed.
- Our inability to effectively compete with competitive hair restoration treatments or procedures may prevent us from achieving significant market penetration or improving our operating results.
- We rely on a single third-party manufacturer for the manufacturing of the ARTAS System that has limited experience in producing the ARTAS System and may be unable to manufacture the ARTAS System in high-quality commercial quantities successfully and consistently to meet demand.
- We are dependent on third-party suppliers and, in some cases, sole suppliers, making us vulnerable to supply shortages and price fluctuations which could harm our business.
- If we are unable to maintain and enforce intellectual property protection directed to our ARTAS System technology and any future technologies that we develop, others may be able to make, use, or sell products substantially the same as ours, which could adversely affect our ability to compete in the market.
- The ARTAS System and our operations are subject to extensive regulation both in the U.S. and abroad, and our failure to comply with applicable requirements could harm our business.
- The ARTAS System and related products and services are regulated as medical devices and are subject to extensive regulation in the U.S. and abroad, including by the FDA and foreign equivalents. If we fail to comply with applicable regulations, our ability to sell the ARTAS System could be jeopardized, and we may be subject to enforcement actions.

Corporate Information

We were founded on November 22, 2002 as a Delaware corporation under the name Restoration Robotics, Inc. Our principal executive offices are located at 128 Baytech Drive, San Jose, CA 95134, and our telephone number is (408) 883-6888. Our website address is www.restorationrobotics.com. The information on, or that can be accessed through, our website is not part of this prospectus. We have included our website address as an inactive textual reference only.

Implications of Being an Emerging Growth Company

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We will remain an emerging growth company until the earlier of (1) the last day of the year following the fifth anniversary of the consummation of this offering, (2) the last day of the year in which we have total annual gross revenue of at least $1.07 billion, (3) the last day of the year in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the

Exchange Act, which would occur if the market value of our common stock held by non-affiliates exceeded $700 million as of the last business day of the second fiscal quarter of such year or (4) the date on which we have issued more than $1 billion in non-convertible debt securities during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting requirements and is relieved of certain other significant requirements that are otherwise generally applicable to public companies. As an emerging growth company:

- we are presenting herein only two years of audited consolidated financial statements, plus unaudited consolidated financial statements for any interim period, and related management's discussion and analysis of financial condition and results of operations;
- we will avail ourselves of the exemption from the requirement to obtain an auditor attestation report from our auditors on the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002, or Sarbanes Oxley;
- we will provide less extensive disclosure about our executive compensation arrangements; and
- we will not be required to hold stockholder non-binding advisory votes on executive compensation or golden parachute arrangements.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act.

As a result, the information that we provide to our stockholders may be different than the information you might receive from other public reporting companies in which you hold equity interests.

THE OFFERING

Issuer	Restoration Robotics, Inc.
Common stock offered by us	shares.
Common stock to be outstanding after the offering	shares (shares if the underwriters exercise their over-allotment option in full).
Underwriters' over-allotment option	We have granted the underwriters a -day option to purchase up to additional shares of our common stock on the same terms and conditions described herein, solely to cover over-allotments, if any.
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $ million, or approximately $ million if the underwriters exercise their over-allotment option in full, at an assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discount and estimated offering expenses payable by us. We expect to use the net proceeds from this offering to fund the continued commercialization of the ARTAS System, to complete the research and development of the robotic implantation functionality currently in clinical development, to fund other planned research and product development activities and for general corporate purposes, which may include scheduled repayments of our outstanding loan. See "Use of Proceeds" on page 51 for a more complete description of the intended use of proceeds from this offering.
Risk factors	Investing in our common stock involves risks. See "Risk Factors" beginning on page 11 and other information included in this prospectus for a discussion of factors that you should consider carefully before deciding to invest in our common stock.
Proposed NASDAQ Global Market symbol	"HAIR"

The number of shares of common stock to be outstanding after this offering is based on 242,919,882 shares of common stock outstanding as of June 30, 2017, and includes an aggregate of 226,717,977 shares of common stock issuable upon conversion of our outstanding preferred stock at June 30, 2017, and excludes, as of that date, the following:

- 19,398,976 shares of common stock issuable upon the exercise of outstanding stock options having a weighted-average exercise price of $0.18 per share;
- 3,851,412 shares of common stock issuable upon exercise of outstanding warrants;
- 2,795,080 shares of common stock reserved for issuance pursuant to future awards under our 2015 Equity Incentive Plan, as amended, which will become available for issuance under our 2017 Equity Incentive Award Plan after consummation of this offering;

- shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- shares of common stock reserved for issuance pursuant to future awards under our Employee Stock Purchase Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering.

In addition, unless we specifically state otherwise, all information in this prospectus assumes:

- a -for- reverse stock split of our capital stock to be effected prior to the effectiveness of the registration statement of which this prospectus is a part;
- the conversion of all shares of our outstanding Series A, Series AA, Series B and Series C preferred stock at June 30, 2017 into an aggregate of 226,717,977 shares of common stock immediately prior to the consummation of this offering pursuant to a stockholder consent to be provided in connection with this offering by the holders of our preferred stock in accordance with our amended and restated certificate of incorporation;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the consummation of this offering;
- no exercise of outstanding stock options subsequent to June 30, 2017; and
- no exercise of the underwriters' over-allotment option.

We refer to our Series A, Series AA, Series B and Series C preferred stock collectively as "preferred stock" in this prospectus, as well as for financial reporting purposes and in the financial tables included in this prospectus, as more fully explained in Note 7 to our unaudited interim consolidated financial statements included in this prospectus.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables present our summary consolidated financial data. You should read this data together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information under the captions "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

We derived the following summary consolidated statements of operations data for the years ended December 31, 2015 and 2016 from our audited consolidated financial statements included elsewhere in this prospectus. We derived the summary consolidated statements of operations data for the six months ended June 30, 2016 and 2017 and the summary consolidated balance sheet data as of June 30, 2017 from our unaudited interim consolidated financial statements included elsewhere in this prospectus. Our unaudited interim consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which only include only normal recurring adjustments necessary for a fair presentation of our consolidated financial position and consolidated results of operations for these periods. Our historical results are not necessarily indicative of the results that may be expected in the future, and our interim results should not necessarily be considered indicative of results that may be expected for the full year or any other period.

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands, except share and per share data)			
Consolidated Statements of Operations Data:				
Revenue, Net	$ 17,230	$ 15,600	$ 6,746	$ 11,264
Cost of Revenue	12,513	10,431	4,863	6,578
Gross Profit	4,717	5,169	1,883	4,686
Operating Expenses:				
Research and Development	7,399	7,474	3,554	3,841
Sales and Marketing	14,587	12,483	6,196	7,304
General and Administrative	3,256	4,144	1,853	2,410
Total Operating Expenses	25,242	24,101	11,603	13,555
Loss from Operations	(20,525)	(18,932)	(9,720)	(8,869)
Other Income (Expense), Net:				
Interest Expense	(2,892)	(2,483)	(1,249)	(1,115)
Other Income (Expense), net	446	(431)	(16)	(174)
Total Other Income (Expense)	(2,446)	(2,914)	(1,265)	(1,289)
Net Loss before Provision for Income Taxes	(22,971)	(21,846)	(10,985)	(10,158)
Provision for Income Taxes	—	—	—	24
Net Loss attributable to common stockholders	$ (22,971)	$ (21,846)	$ (10,985)	$ (10,182)
Net Loss per share attributable to common stockholders, basic and diluted(1)	$ (1.49)	$ (1.35)	$ (0.68)	$ (0.63)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted(1)	15,415,495	16,129,638	16,117,602	16,192,034
Pro forma net loss per share attributable to common stockholders, basic and diluted(2)		$ (0.10)		$ (0.04)
Weighted-average shares used in computing pro forma net loss attributable to common stockholders, basic and diluted(2)		214,534,913		230,516,101

(1) Basic and diluted net loss per share attributable to common stockholders is computed based on the weighted-average number of shares of common stock outstanding during each period. For additional information, see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

(2) Pro forma basic and diluted net loss per share attributable to common stockholders and pro forma weighted-average number of shares used in computing pro forma basic and diluted net loss per share attributable to common stockholders reflect (i) automatic conversion of all outstanding shares of our convertible preferred stock pursuant to a stockholder consent by the holders of our preferred stock in accordance with our amended and restated certificate of incorporation into an aggregate of 226,717,977 shares of common stock immediately prior to the completion of this offering and (ii) the conversion of the convertible preferred stock warrants into common stock warrants as though the conversions had occurred at the beginning of the period. For additional information, see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

The table below presents our consolidated balance sheet data as of June 30, 2017:

- on an actual basis;
- on a pro forma basis to give effect to: (i) the conversion of all shares of our outstanding preferred stock at June 30, 2017 into an aggregate of 226,717,977 shares of common stock immediately prior to the consummation of this offering pursuant to a stockholder consent to be provided in connection with this offering by the holders of our preferred stock in accordance with our amended and restated certificate of incorporation; (ii) the conversion of convertible preferred stock warrants into common stock warrants immediately prior to completion of this offering and the related reclassification of our preferred stock warrant liabilities to additional paid-in capital; and (iii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering; and
- on a pro forma as adjusted basis to give further effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses payable by us.

	As of June 30, 2017		
	Actual	Pro Forma (1)	Pro Forma As Adjusted (1)
		(In thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 9,466	$ 9,466	
Working capital	824	824	
Total assets	18,150	18,150	
Debt, net of discount	16,760	16,760	
Preferred stock warrant liabilities	886	—	
Other long-term liabilities	512	512	
Convertible preferred stock	145,960	—	
Accumulated deficit	(156,827)	(156,827)	
Total stockholders' deficit	(153,534)	(6,688)	

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) our cash and cash equivalents, working capital, total assets and total stockholders' deficit by approximately $ million, assuming that the number of shares of our common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount and estimated offering expenses payable by us. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) the amount of our cash and cash equivalents, working capital, total assets and total stockholders' deficit by approximately $ million, assuming an initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses payable by us.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could have a material adverse effect on our business, results of operations, financial condition and prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Related to Our Limited Commercial History, Financial Condition and Capital Requirements

We have limited commercial history and we have incurred significant losses since our inception. We anticipate that we will continue to incur losses for the foreseeable future, which, together with our limited operating history, makes it difficult to assess our future viability.

We have a limited commercial history and have focused primarily on research and development, product design and engineering, establishing supply and manufacturing relationships, seeking regulatory clearances and approvals to market the ARTAS Robotic Hair Restoration System, or the ARTAS System, and selling and marketing. We have incurred losses in each year since our inception in 2002. Our net loss for the years ended December 31, 2015 and 2016 was $23.0 million and $21.8 million, respectively, and our net loss for the six months ended June 30, 2016 and 2017 was $11.0 million and $10.2 million, respectively. As of June 30, 2017, we had an accumulated deficit of $156.8 million. We will continue to incur significant expenses for the foreseeable future as we expand our sales and marketing, research and development, and clinical and regulatory activities. We may never generate sufficient revenues to achieve or sustain profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability. Furthermore, because of our limited operating history and because the market for aesthetic products is rapidly evolving, we have limited insight into the trends or competitive products that may emerge and affect our business. Before investing, you should consider an investment in our common stock in light of the risks, uncertainties, and difficulties frequently encountered by early-stage medical technology companies in rapidly evolving markets such as ours. We may not be able to successfully address any or all of these risks, and the failure to adequately do so could cause our business, results of operations, and financial condition to suffer.

We may not be able to correctly estimate or control our future operating expenses, which could lead to cash shortfalls.

Our operating expenses may fluctuate significantly in the future as a result of a variety of factors, many of which are outside of our control. These factors include:

- the time, resources and expense required to develop and conduct clinical trials and seek additional regulatory clearances and approvals for the robotic implantation functionality which is in clinical development, and for any other products or indications we may develop;
- the costs of preparing, filing, prosecuting, defending, and enforcing patent claims and other patent related costs, including litigation costs and the results of such litigation;
- the costs of manufacturing and maintaining sufficient inventories of our products to meet anticipated demand;
- the costs of enhancing the existing functionality and development of new functionalities for the ARTAS System;
- any product liability or other lawsuits related to our products and the costs associated with defending them or the results of such lawsuits;

- the cost of growing our ongoing commercialization and sales and marketing activities;
- the costs associated with conducting business and maintaining subsidiaries in foreign jurisdictions;
- the costs to attract and retain personnel with the skills required for effective operations; and
- the costs associated with being a public company.

Our budgeted expense levels are based in part on our expectations concerning future revenues from ARTAS System sales, servicing and procedure based fees. We may be unable to reduce our expenditures in a timely manner to compensate for any unexpected shortfalls in revenue. Accordingly, a significant shortfall in market acceptance or demand for the ARTAS System and procedures could have an immediate and material adverse impact on our business and financial condition.

It is difficult to forecast our future performance and our financial results may fluctuate unpredictably.

Our limited commercial history and the rapid evolution of the markets for medical technologies and aesthetic products make it difficult for us to predict our future performance. A number of factors, many of which are outside of our control, may contribute to fluctuations in our financial results, such as:

- physician demand for the ARTAS System and procedure usage may vary from quarter to quarter;
- the inability of physicians to obtain the necessary financing to purchase the ARTAS System;
- changes in the length of our sales process for the ARTAS System;
- performance of our international distributors;
- positive or negative media coverage of the ARTAS System, the procedures or products of our competitors, or our industry generally;
- our ability to maintain our current, or obtain further, regulatory clearances or approvals;
- delays in, or failure of, product and component deliveries by our third-party manufacturers or suppliers;
- seasonal or other variations in patient demand for aesthetic procedures;
- introduction of new aesthetic procedures or products that compete with the ARTAS System;
- changes in accounting rules that may cause restatement of our consolidated financial statements or have other adverse effects; and
- adverse changes in the economy that reduce patient demand for elective aesthetic procedures.

The long sales cycle, low unit volume for sales of the ARTAS System and the historic seasonality of our industry, each may contribute to substantial fluctuations in our operating results and stock price and make it difficult to compare our results of operations to prior periods and predict future financial results.

We sell a relatively small number of ARTAS Systems at a relatively high price, with each sale of an ARTAS System typically involving a significant amount of time. Because of the relatively small number of ARTAS Systems we expect to sell in any period, each sale of the ARTAS System could represent a significant percentage of our revenue for a particular period. Furthermore, due to the significant amount of time it can take to finalize the sale of an ARTAS System, it is likely that a sale could be recognized in a subsequent period which could have a material effect on our results from quarter to quarter and increase the volatility of quarterly results. In addition, our industry is characterized by seasonally lower demand during the third quarter of the calendar year, generally when both physicians and prospective patients take summer vacation. As a result of these factors, future fluctuations in quarterly results could cause our revenue and cash flows to be below analyst and investor expectations, which could cause decline in market price. Due to future fluctuations in revenue and costs, as well as other potential fluctuations, you should not rely upon our operating results in any particular period as an

indication of future performance. If we do not sell ARTAS Systems as anticipated, our operating results will vary significantly from our expectations. In addition, selling the ARTAS System requires significant marketing effort and expenditure in advance of the receipt of revenue and our efforts may not result in a sale.

Our recurring losses from operations and negative cash flows have raised substantial doubt regarding our ability to continue as a going concern.

Our recurring losses from operations and negative cash flows raise substantial doubt about our ability to continue as a going concern. As a result, our independent registered public accounting firm included an explanatory paragraph in its report on our consolidated financial statements as of, and for the year ended, December 31, 2016. Our ability to continue as a going concern will require us to obtain additional financing to fund our operations. The perception of our ability to continue as a going concern may make it more difficult for us to obtain financing for the continuation of our operations and could result in the loss of confidence by investors, suppliers and employees.

We will require substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our product development, commercialization and other operations or efforts.

Since our inception, we have invested a significant portion of our efforts and financial resources in research and development and sales and marketing activities. Research and development, clinical trials, product engineering, ongoing product upgrades and other enhancements such as software-updates for the ARTAS System, and seeking regulatory clearances and approvals to market future products, including the robotic implantation functionality which is in clinical development, will require substantial funds to complete. As of June 30, 2017, we had capital resources consisting of cash and cash equivalents of $9.5 million. We believe that we will continue to expend substantial resources for the foreseeable future in connection with the ongoing commercializing of the ARTAS System, increasing our sales and marketing efforts, and continuing research and development and product enhancements activities.

We believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will allow us to fund our operating plan for at least the next twelve months. However, our operating plans may change as a result of many factors unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings or other sources, such as strategic collaborations. Such financing may result in dilution to stockholders, imposition of burdensome debt covenants and repayment obligations, the licensing of rights to our technology or other restrictions that may affect our business. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to:

- delay or curtail our efforts to develop enhancements to the ARTAS System, including any clinical trials that may be required to market such enhancements;
- delay or curtail our plans to increase and expand our sales and marketing efforts; or
- delay or curtail our plans to enhance our customer support and marketing activities.

We are restricted by covenants in our term loan agreement with Oxford Finance LLC, or Oxford. These covenants restrict, among other things, our ability to incur additional debt without Oxford’s consent, which may limit our ability to obtain additional funds.

Risks Related to Our Business

We are dependent upon the success of the ARTAS System, which has a limited commercial history. If we are unsuccessful in developing the market for robotic hair restoration or the market acceptance for the ARTAS System fails to grow significantly, our business and future prospects will be harmed.

We commenced commercial sales of the ARTAS System for hair follicle dissection in the U.S. in 2011, and expect that the revenues we generate from both system sales and servicing as well as recurring procedure based fees will account for all of our revenues for the foreseeable future. Accordingly, our success depends on the acceptance among physicians and patients of the ARTAS System as the preferred system for performing hair restoration surgery. Acceptance of the ARTAS System by physicians is significantly dependent on our ability to convince physicians of the benefits of the ARTAS System to their practices and, accordingly, develop the market for robotic-assisted hair restoration surgery. Acceptance of the ARTAS procedure by patients is equally important as patient demand will influence physicians to offer the ARTAS procedure. Although we have received FDA clearance to market the ARTAS System for the harvesting of hair follicles for transplant in the U.S. and the ARTAS System is otherwise authorized for marketing in 61 international countries, the degree of market acceptance of the ARTAS System by physicians and patients is unproven. We believe that market acceptance of the ARTAS System will depend on many factors, including:

- the perceived advantages or disadvantages of the ARTAS System compared to other hair restoration products and treatments;
- the safety and efficacy of the ARTAS System relative to other hair restoration products and treatments;
- the price of the ARTAS System relative to other hair restoration products and treatments;
- our success in expanding our sales and marketing organization;
- the effectiveness of our marketing, advertising, and commercialization initiatives;
- our success in adding new functionalities to the ARTAS System and enhancing existing functions; and
- our ability to obtain regulatory clearance to market the ARTAS System for additional treatment indications in the U.S.

We cannot assure you that the ARTAS System will achieve broad market acceptance among physicians and patients. Because we expect to derive substantially all of our revenue for the foreseeable future from ARTAS System sales, servicing and procedure based fees, any failure of this product to satisfy physician or patient demand or to achieve meaningful market acceptance will harm our business and future prospects.

If there is not sufficient patient demand for ARTAS procedures, our financial results and future prospects will be harmed.

The ARTAS procedure is an elective aesthetic procedure, the cost of which must be borne by the patient, and is not covered by or reimbursable through government or private health insurance. The decision to undergo the ARTAS procedure is thus driven by patient demand, which may be influenced by a number of factors, such as:

- the success of our sales and marketing programs;
- the extent to which our physician customers recommend the ARTAS System to their patients;
- our success in attracting consumers who have not previously undergone hair restoration treatment;
- the extent to which the ARTAS procedure satisfies patient expectations;
- our ability to properly train our physician customers in the use of the ARTAS System so that their patients do not experience excessive discomfort during treatment or adverse side effects;
- the cost, safety, and effectiveness of the ARTAS System versus other aesthetic treatments;

- consumer sentiment about the benefits and risks of aesthetic procedures generally and the ARTAS System in particular;
- the success of any direct-to-consumer marketing efforts we may initiate; and
- general consumer confidence, which may be impacted by economic and political conditions outside of our control.

Our financial performance will be materially harmed in the event we cannot generate significant patient demand for procedures performed with the ARTAS System.

Our success depends in part upon patient satisfaction with the effectiveness of the ARTAS System.

In order to generate repeat and referral business, patients must be satisfied with the effectiveness of the ARTAS System. If the ARTAS System procedure is not done correctly, and or the patient suffers from complications and other adverse effects, the patient may not be satisfied with the benefits of the ARTAS System. Furthermore, if the transplanted hair follicles do not grow or survive the transplant, the patient will likely not view the procedure as having a satisfactory outcome. If patients are not satisfied with the aesthetic benefits of the ARTAS System, or feel that it is too expensive for the results obtained, our reputation and future sales will suffer.

Our success depends on growing physician adoption and use of the ARTAS System.

Our ability to increase the number of physicians willing to make a significant capital expenditure to purchase the ARTAS System, and make it a significant part of their practices, depends on the success of our sales and marketing programs. We must be able to demonstrate that the cost of the ARTAS System and the revenue that a physician can derive from performing ARTAS procedures are compelling when compared to the costs and revenues associated with alternative aesthetic treatments the physician can offer. In addition, we believe our marketing programs, including clinical and practice development support, will be critical to increasing utilization and awareness of the ARTAS System, but these programs require physician commitment and involvement to succeed. If we are unable to increase physician adoption and use of the ARTAS System, our financial performance will be adversely affected.

Our inability to effectively compete with competitive hair restoration treatments or procedures may prevent us from achieving significant market penetration or improving our operating results.

The medical technology and aesthetic product markets are highly competitive and dynamic, and are characterized by rapid and substantial technological development and product innovations. We designed the ARTAS System to assist physicians in performing follicular unit extraction surgery. Demand for the ARTAS System and ARTAS procedures could be limited by other products and technologies. Competition to address hair loss comes from various sources, including:

- therapeutic options including Rogaine, which is applied topically, and Propecia, which is ingested, both of which have been approved by the FDA;
- non-surgical options, such as wigs, hair-loss concealer sprays and similar products; and
- other surgical alternatives, including hair transplantation surgery using the strip surgery method or using hand-held devices.

Surgical alternatives to the ARTAS System may be able to compete more effectively than the ARTAS procedure in established practices with trained staff and workflows built around performing these surgical alternatives. Practices experienced in offering strip surgery or follicular unit extractions using hand-held devices may be reluctant to incorporate, or convert their practices to offer ARTAS procedures due the effort involved to make such changes.

Many options may be able to provide satisfactory results for male hair loss, generally at a lower cost to the patient than the ARTAS System. As a result, if patients choose these competitive alternatives, our results of operation could be adversely affected.

We also face competition from other aesthetic devices that physicians may consider adding to their practice in lieu of building a hair restoration practice, for instance CoolSculpting, which is utilized for cosmetic fat reduction. As a result, if physicians choose these competitive products over building a hair restoration practice with the ARTAS System, our results of operation could be adversely affected.

Some of our competitors have a broad range of product offerings, large direct sales forces, and long-term customer relationships with our target physicians, which could inhibit our market penetration efforts. Our potential physician customers also may need to recoup the cost of expensive products that they have already purchased from our competitors, and thus they may decide to delay purchasing, or not to purchase, the ARTAS System.

Many of our competitors are large, experienced companies that have substantially greater resources and brand recognition than we do. Competition could result in price-cutting, reduced profit margins, and limited market share, any of which would harm our business, financial condition, and results of operations.

For additional information regarding our competition, see the section of this prospectus captioned “Business—Competition.”

We may not be able to establish or strengthen our brand.

We believe that establishing and strengthening the Restoration Robotics and ARTAS brand is critical to achieving widespread acceptance of the ARTAS System, particularly because of the highly competitive nature of the market for aesthetic treatments and procedures to address male hair loss. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide physicians with a reliable product to assist them in performing hair restoration surgery. Given the established nature of our competitors, and our limited commercialization in the U.S., it is likely that our future marketing efforts will require us to incur significant additional expenses. These brand promotion activities may not yield increased sales and, even if they do, any sales increases may not offset the expenses we incur to promote our brand. If we fail to successfully promote and maintain our brand, or if we incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, the ARTAS System may not be accepted by physicians, which would adversely affect our business, results of operations and financial condition.

We have limited experience with our direct sales and marketing force and any failure to build and manage our direct sales and marketing force effectively could have a material adverse effect on our business.

We rely on a direct sales force to sell the ARTAS System in the U.S. and certain markets outside the U.S. In order to meet our anticipated sales objectives, we expect to grow our direct sales and marketing organization significantly over the next several years and intend to opportunistically build a direct sales and marketing force in certain international markets where we do not have a direct sales force. There are significant risks involved in building and managing our sales and marketing organization, including risks related to our ability to:

- hire qualified individuals as needed;
- generate sufficient leads within our target physician group for our sales force;
- provide adequate training for the effective sale and marketing of the ARTAS System;
- retain and motivate our direct sales and marketing professionals; and
- effectively oversee geographically dispersed sales and marketing teams.

Our failure to adequately address these risks could have a material adverse effect on our ability to increase sales and use of the ARTAS System, which would cause our revenues to be lower than expected and harm our results of operations.

To market and sell the ARTAS System in certain markets outside of the U.S., we depend on third-party distributors.

We depend on third-party distributors to sell, market, and service the ARTAS Systems in certain markets outside of the U.S. and to train our physician customers in such markets. Furthermore, we may need to engage additional third-party distributors to expand into new markets outside of the U.S. where we do not have a direct sales force. We are subject to a number of risks associated with our dependence on these third-parties, including:

- the lack of day-to-day control over the activities of third-party distributors;
- third-party distributors may not commit the necessary resources to market, sell, train, support and service our systems to the level of our expectations;
- third-party distributors may emphasize the sale of third-party products over our products;
- third-party distributors may not be as selective as we would be in choosing physicians to purchase the ARTAS System or as effective in training physicians in marketing and patient selection;
- third-party distributors may violate applicable laws and regulations which may expose us to potential liability or limit our ability to sell products in certain markets
- third-party distributors may terminate their arrangements with us on limited, or no, notice or may change the terms of these arrangements in a manner unfavorable to us; and
- disagreements with our distributors that could require or result in costly and time-consuming litigation or arbitration which we could be required to conduct in jurisdictions with which we are not familiar.

If we fail to establish and maintain satisfactory relationships with our third-party distributors, our revenues and market share may not grow as anticipated, and we could be subject to unexpected costs which would harm our results of operations and financial condition.

To successfully market and sell the ARTAS System in markets outside of the U.S., we must address many international business risks with which we have limited experience.

Sales in markets outside of the U.S. accounted for approximately 57% of our revenue for the year ended December 31, 2016 and 57% of our revenue for the six months ended June 30, 2017. We believe that a significant percentage of our business will continue to come from sales in markets outside of the U.S. through increased penetration in countries where we market and sell the ARTAS System, and with expansion into new international markets. However, international sales are subject to a number of risks, including:

- difficulties in staffing and managing our international operations;
- increased competition as a result of more products and procedures receiving regulatory approval or otherwise free to market in international markets;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- reduced or varied protection for intellectual property rights in some countries;
- export restrictions, trade regulations, and foreign tax laws;
- fluctuations in currency exchange rates;
- foreign certification and regulatory clearance or approval requirements;
- difficulties in developing effective marketing campaigns in unfamiliar foreign countries;

- customs clearance and shipping delays;
- political, social, and economic instability abroad, terrorist attacks, and security concerns in general;
- preference for locally produced products;
- potentially adverse tax consequences, including the complexities of foreign value-added tax systems, tax inefficiencies related to our corporate structure, and restrictions on the repatriation of earnings;
- the burdens of complying with a wide variety of foreign laws and different legal standards; and
- increased financial accounting and reporting burdens and complexities.

If one or more of these risks were realized, our results of operations and financial condition could be adversely affected.

While traditional hair transplantation surgery has been available for many years, the ARTAS System has only been commercially available since 2011. As a result, we have a limited track record compared to traditional hair transplantation surgery and the safety and efficacy of the ARTAS System is not yet supported by long-term clinical data, which could limit sales, and the ARTAS System could prove to be less safe or effective than initially thought.

The ARTAS System that we market in the U.S. is regulated as a medical device by the U.S. Food and Drug Administration, or the FDA, and has received premarket clearance under Section 510(k) of the U.S. Federal Food, Drug and Cosmetic Act, or FDCA. In the 510(k) clearance process, before a device may be marketed, the FDA must determine that a proposed device is "substantially equivalent" to a legally-marketed "predicate" device, which includes a device that has been previously cleared through the 510(k) process, a device that was legally marketed prior to May 28, 1976 (preamendments device), a device that was originally on the U.S. market pursuant to an approved premarket approval, or PMA, application and later downclassified, or a 510(k)-exempt device. This process is typically shorter and generally requires the submission of less supporting documentation than the FDA's PMA process and does not always require long-term clinical studies.

Hair transplantation surgery has been a treatment option for hair restoration for many years, while we only began commercializing the ARTAS System in 2011. Consequently, we lack the breadth of published long-term clinical data supporting the safety and efficacy of the ARTAS System and the benefits it offers that might have been generated in connection with other hair restoration techniques. As a result, physicians may be slow to adopt the ARTAS System, we may not have comparative data that our competitors have or are generating, and we may be subject to greater regulatory and product liability risks. Furthermore, future patient studies or clinical experience may indicate that treatment with the ARTAS System does not improve patient outcomes compared to other hair restoration techniques. Such results would slow the adoption of the ARTAS System by physicians, would significantly reduce our ability to achieve expected sales and could prevent us from achieving and maintaining profitability.

We have limited complication or patient success rate data with respect to treatment using the ARTAS System. If future patient studies or clinical testing do not support our belief that our system offers a more advantageous treatment for hair restoration, market acceptance of the ARTAS System could fail to increase or could decrease and our business could be harmed. Moreover, if future results and experience indicate that our implant products cause unexpected or serious complications or other unforeseen negative effects, we could be subject to mandatory product recalls, suspension or withdrawal of FDA or other governmental clearance or approval or, CE Certificates of Conformity, significant legal liability or harm to our business reputation. Furthermore, if patients that receive traditional hair transplantation surgery, such as strip surgery, were to experience unexpected or serious complications or other unforeseen effects, the market for the ARTAS System may be adversely affected, even if such effects are not applicable to the ARTAS System.

If we choose to, or are required to, conduct additional studies, such studies or experience could, slow the market adoption of the ARTAS System by physicians, significantly reduce our ability to achieve expected revenues and prevent us from becoming profitable.

We rely on a single third-party manufacturer for the manufacturing of the ARTAS System.

Evolve Manufacturing Technologies, Inc., or Evolve, assembles the ARTAS System, and produces reusable procedure kits, disposable procedure kits, upgrade kits and spare kits used with the ARTAS System. If the operations of Evolve are interrupted or if it is unable or unwilling to meet our delivery requirements due to capacity limitations or other constraints, we may be limited in our ability to fulfill new customer orders, to provide kits required for use with existing ARTAS Systems and to repair equipment at current customer sites. Any change to another contract manufacturer would likely entail significant delay, require us to devote substantial time and resources, and could involve a period in which our products could not be produced in a timely or consistently high-quality manner, any of which could harm our reputation and results of operations.

We have two master agreements with Evolve for the supply of the ARTAS System and consumable products, including reusable procedure kits, disposable procedure kits, upgrade kits and spare kits used with the ARTAS System, pursuant to both of which we make purchases on a purchase order basis. The terms of these master agreements are substantially similar. The master agreement for the sale of ARTAS Systems was effective beginning on April 1, 2016 and the master agreement for the sale of kits used with the ARTAS System was effective beginning on March 1, 2016. Both agreements are effective for an initial term of two years and will continue to automatically renew for additional twelve month periods, subject to either party's right to terminate the agreement upon 180 days advance notice during the initial term if our quarterly forecasted demand falls below 75% of our historical forecasted demand for the same period in the previous year or upon 120 days' advance notice after the initial term. We have an agreement with Evolve for the pricing of certain components at certain quantities, which requires a minimum purchase from us. Otherwise, without this agreement, Evolve is not required and may not be able or willing, to meet our future requirements at current prices, or at all. We recently amended this agreement to extend the maturity date until August 2018.

Additionally, while we do have agreements with some of our component suppliers, many of our component suppliers contract directly with Evolve and we have limited control over the components they supply or the timeliness by which they supply them. Evolve may be unable to acquire components at the quantities and prices at which we need them.

In addition, our reliance on Evolve involves a number of other risks, including, among other things, that:

- our products may not be manufactured in accordance with agreed upon specifications or in compliance with regulatory requirements, or its manufacturing facilities may not be able to maintain compliance with regulatory requirements, which could negatively affect the safety or efficacy of our products, cause delays in shipments of our products, or require us to recall products previously delivered to customers;
- we may not be able to timely respond to unanticipated changes in customer orders, and if orders do not match forecasts, we may have excess or inadequate inventory of materials and components;
- we may be subject to price fluctuations when a supply contract is renegotiated or if our existing contract is not renewed;
- Evolve may wish to discontinue manufacturing and supplying products to us for risk management reasons; and
- Evolve may encounter financial or other hardships unrelated to our demand for products, which could inhibit its ability to fulfill our orders and meet our requirements.

If any of these risks materialize, it could significantly increase our costs, our ability to generate net sales would be impaired, market acceptance of our products could be adversely affected and customers may instead purchase

or use our competitors' products, which could have a materially adverse effect on our business, financial condition and results of operations.

Furthermore, if we are required to change the manufacturer of a critical component of the ARTAS System, we will be required to verify that the new manufacturer maintains facilities, procedures and operations that comply with our quality and applicable regulatory requirements, which could further impede our ability to manufacture the ARTAS System in a timely manner. Transitioning to a new supplier could be time-consuming and expensive, may result in interruptions in our operations and product delivery, could affect the performance specifications of the ARTAS System or could require that we modify the design of those systems. If the change in manufacturer results in a significant change to any product, a new 510(k) clearance from the FDA or similar international regulatory authorization may be necessary before we implement the change, which could cause substantial delays. The occurrence of any of these events could harm our ability to meet the demand for our products in a timely or cost-effective manner.

We cannot assure you that we will be able to secure alternative equipment and materials and utilize such equipment and materials without experiencing interruptions in our workflow. If we should encounter delays or difficulties in securing, reconfiguring or revalidating the equipment and components we require for the ARTAS System, our reputation, business, financial condition and results of operations could be negatively impacted.

If Evolve is unable to manufacture the ARTAS System in high-quality commercial quantities successfully and consistently to meet demand, our growth will be limited.

To manufacture our ARTAS System in the quantities that we believe will be required to meet anticipated market demand, Evolve will need to increase manufacturing capacity, which will involve significant challenges. In addition, the development of commercial-scale manufacturing capabilities will require us and Evolve to invest substantial additional funds and hire and retain the technical personnel who have the necessary manufacturing experience. Neither we nor our third-party manufacturer may successfully complete any required increase to existing manufacturing processes in a timely manner, or at all.

If Evolve is unable to produce the ARTAS System, reusable procedure kits, disposable procedure kits, upgrade kits and spare kits in sufficient quantities to meet anticipated customer demand, our revenues, business, and financial prospects would be harmed. The limited experience Evolve has in producing larger quantities of the ARTAS System and kits may also result in quality issues, and possibly result in product recalls. Manufacturing delays related to quality control could harm our reputation, and decrease our revenues. Any recall could be expensive and generate negative publicity, which could impair our ability to market the ARTAS System and procedures and further affect our results of operations.

Evolve's manufacturing operations are dependent upon third-party suppliers and, in some cases, sole suppliers, for the majority of our components, subassemblies and materials, making us vulnerable to supply shortages and price fluctuations, which could harm our business.

Evolve relies on several sole source suppliers, including Stäubli Corporation, FLIR Integrated Imaging Solutions Inc. and Preproduction Plastics Inc., for certain components of the ARTAS System, reusable procedure kits, disposable procedure kits, upgrade kits, and spare kits. These sole suppliers, and any of our other suppliers, may be unwilling or unable to supply components of these systems to Evolve reliably and at the levels we anticipate or are required by the market. For us to be successful, our third-party manufacturer and its suppliers must be able to provide products and components in substantial quantities, in compliance with regulatory requirements, in accordance with agreed upon specifications, at acceptable costs and on a timely basis. An interruption in our commercial operations could occur if we or Evolve encounter delays or difficulties in securing these components, and if we cannot then obtain an acceptable substitute. If we are required to transition to new third-party suppliers for certain components of the ARTAS System, we believe that there are only a few such suppliers that are capable of supplying the necessary components. A supply interruption, price fluctuation or an increase in demand

beyond our current suppliers' capabilities could harm Evolve's ability to manufacture the ARTAS System until new sources of supply are identified and qualified. In addition, the use of components or materials furnished by these alternative suppliers could require us to alter our operations.

Our reliance on these suppliers subjects us to a number of risks that could harm our reputation, business, and financial condition, including, among other things:

- interruption of supply resulting from modifications to or discontinuation of a supplier's operations;
- delays in product shipments resulting from uncorrected defects, reliability issues, or a supplier's variation in a component;
- a lack of long-term supply arrangements for key components with our suppliers;
- inability to obtain adequate supply in a timely manner, or to obtain adequate supply on commercially reasonable terms;
- difficulty and cost associated with locating and qualifying alternative suppliers for our components in a timely manner;
- production delays related to the evaluation and testing of products from alternative suppliers, and corresponding regulatory qualifications;
- delay in delivery due to our suppliers prioritizing other customer orders over ours;
- damage to our reputation caused by defective components produced by our suppliers;
- increased cost of our warranty program due to product repair or replacement based upon defects in components produced by our suppliers; and
- fluctuation in delivery by our suppliers due to changes in demand from us or their other customers.

Where practicable, we are seeking, or intending to seek, second-source manufacturers for certain of our components. However, we cannot provide assurance that we will be successful in establishing second-source manufacturers or that the second-source manufacturers will be able to satisfy commercial demand for the ARTAS System.

If any of these risks materialize, costs could significantly increase and our ability to meet demand for our products could be impacted. If we are unable to satisfy commercial demand for the ARTAS System in a timely manner, our ability to generate revenue would be impaired and market acceptance of our products could be adversely affected.

We forecast sales to determine requirements for components and materials used in the ARTAS System, reusable procedure kits, disposable procedure kits, upgrade kits and spare kits and if our forecasts are incorrect, we may experience delays in shipments or increased inventory costs.

We keep limited finished products on hand. To manage our operations, we forecast anticipated product orders and material requirements to predict our inventory needs and enter into purchase orders on the basis of these requirements. Several components of the ARTAS System require significant order lead time. Our limited historical commercial experience and anticipated growth may not provide us with enough data to consistently and accurately predict future demand. If our business expands and our demand for components and materials increases beyond our estimates, our manufacturers and suppliers may be unable to meet our demand. In addition, if we underestimate our component and material requirements, we may have inadequate inventory, which could interrupt, delay, or prevent delivery of the ARTAS System and related products to our customers. In contrast, if we overestimate our requirements, we may have excess inventory, which would increase use of our working capital. Any of these occurrences would negatively affect our financial condition and the level of satisfaction our physician customers have with our business.

Even though the ARTAS System is marketed to physicians, there exists a potential for misuse by the operator of the ARTAS System by physicians, non-physicians or individuals who are not sufficiently trained, which could harm our reputation and our business.

We and our independent distributors market and sell the ARTAS System to physicians. Under state law in the U.S., our physician customers can generally allow nurse practitioners, technicians, and other non-physicians to perform the ARTAS procedures under their direct supervision. Similarly, in markets outside of the U.S., physicians can allow non-physicians to perform the ARTAS procedures under their supervision. Although we and our distributors provide training on the use of the ARTAS System, we do not supervise the procedures performed with the ARTAS System, nor can we be assured that direct physician supervision of procedures occurs according to our recommendations. The potential misuse of the ARTAS System by physicians and non-physicians may result in adverse treatment outcomes, which could harm our reputation and expose us to costly product liability litigation.

We and our distributors offer product training sessions, but neither we nor our distributors require purchasers or operators of our products to attend training sessions. The lack of required training for operators of our product and the use of our products by non-physicians may result in product misuse and adverse treatment outcomes, which could harm our reputation and expose us to costly product liability litigation.

Product liability suits could be brought against us for defective design, labeling, material, or workmanship, or misuse of the ARTAS System, and could result in expensive and time-consuming litigation, payment of substantial damages, an increase in our insurance rates and substantial harm to our reputation.

If the ARTAS System is defectively designed, manufactured, or labeled, contains defective components, or is misused, we may become subject to substantial and costly litigation by our physician customers or their patients. Misuse of the ARTAS System or failure to adhere to operating guidelines can cause skin damage and underlying tissue damage and, if our operating guidelines are found to be inadequate, we may be subject to liability. Furthermore, if a patient is injured in an unexpected manner or suffers unanticipated adverse events after undergoing the ARTAS procedure, even if the procedure was performed in accordance with our operating guidelines, we may be subject to product liability claims. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for the ARTAS System or any future products;
- damage to our reputation;
- withdrawal of clinical trial participants;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to physician customers, patients or clinical trial participants;
- regulatory investigations, product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue; and
- the inability to commercialize any future products.

Our inability to obtain and maintain sufficient product liability insurance at an acceptable cost and scope of coverage to protect against potential product liability claims could inhibit commercialization of the ARTAS System. We carry product liability insurance in the amount of $2.0 million in the aggregate. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our

insurance coverage. Our insurance policies also have various exclusions and deductibles, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient funds to pay such amounts. Moreover, in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses.

Our ability to market the ARTAS System in the U.S. is limited to hair follicle dissection in males that have black or brown straight hair, and if we want to expand our marketing claims, we will need to obtain additional FDA clearances or approvals, which may not be granted.

We have FDA clearance to market the ARTAS System in the U.S. for dissecting hair follicles only from the scalp in men diagnosed with androgenic alopecia, or AGA, also referred to as male pattern baldness, who have black or brown straight hair. This clearance restricts our ability to market or advertise the ARTAS System treatment for women or men who do not have black or brown straight hair, which could limit physician and patient adoption of the ARTAS System. Furthermore, we have not received FDA clearance for the robotic implantation functionality which is in clinical development. Developing and promoting new treatment indications and protocols for the ARTAS System, as well as receiving regulatory approval for the commercialization of the robotic implantation functionality which is in clinical development, are elements of our growth strategy, but we cannot predict when or if we will receive the clearances required to so implement those elements. In addition, we may be required to conduct additional clinical trials or studies to support our applications, which may be time-consuming and expensive, and may produce results that do not result in FDA clearances. In the event that we do not obtain additional FDA clearances, our ability to promote the ARTAS System in the U.S. may be limited. Because we anticipate that sales in the U.S. will continue to be a significant portion of our business for the foreseeable future, ongoing restrictions on our ability to market the ARTAS System in the U.S. could harm our business and limit our revenue growth.

The clinical trial process required to obtain regulatory clearances or approvals is lengthy and expensive with uncertain outcomes, and could result in delays in new product introductions.

In order to obtain 510(k) clearance for the ARTAS System, we were required to conduct a clinical trial, and we expect to conduct clinical trials in support of marketing authorization for future products and product enhancements. Conducting clinical trials is a complex and expensive process, can take many years, and outcomes are inherently uncertain. We may suffer significant setbacks in clinical trials, even after earlier clinical trials showed promising results, and failure can occur at any time during the clinical trial process. Any of our products may malfunction or may produce undesirable adverse effects that could cause us or regulatory authorities to interrupt, delay or halt clinical trials. We, the FDA, or another regulatory authority may suspend or terminate clinical trials at any time to avoid exposing trial participants to unacceptable health risks.

Successful results of pre-clinical studies are not necessarily indicative of future clinical trial results, and predecessor clinical trial results may not be replicated in subsequent clinical trials. Additionally, the FDA may disagree with our interpretation of the data from our pre-clinical studies and clinical trials, or may find the clinical trial design, conduct or results inadequate to prove safety or efficacy, and may require us to pursue additional pre-clinical studies or clinical trials, which could further delay the clearance or approval of our products. The data we collect from our pre-clinical studies and clinical trials may not be sufficient to support FDA clearance or approval, and if we are unable to demonstrate the safety and efficacy of our future products in our clinical trials, we will be unable to obtain regulatory clearance or approval to market our products.

In addition, we may estimate and publicly announce the anticipated timing of the accomplishment of various clinical, regulatory and other product development goals, which are often referred to as milestones. These milestones could include the obtainment of the right to affix the CE Mark in the European Union; the submission to the FDA of an investigational device exemption, or IDE, application to commence a pivotal clinical trial for a new product; the enrollment of patients in clinical trials; the release of data from clinical trials; and other clinical and regulatory events. The actual timing of these milestones could vary dramatically compared to our estimates,

in some cases for reasons beyond our control. We cannot assure you that we will meet our projected milestones and if we do not meet these milestones as publicly announced, the commercialization of our products may be delayed and, as a result, our stock price may decline.

Delays in the commencement or completion of clinical testing could significantly affect our product development costs. We do not know whether planned clinical trials will begin on time, need to be redesigned, enroll an adequate number of patients in a timely manner or be completed on schedule, if at all. The commencement and completion of clinical trials can be delayed or terminated for a number of reasons, including delays or failures related to:

- the FDA or comparable foreign regulatory authorities disagreeing as to the design or implementation of our clinical studies;
- obtaining regulatory approval to commence a clinical trial;
- reaching agreement on acceptable terms with prospective clinical research organizations, or CROs, and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- manufacturing sufficient quantities of a product for use in clinical trials;
- obtaining institutional review board, or IRB, or ethics committees approval to conduct a clinical trial at each prospective site;
- recruiting and enrolling patients and maintaining their participation in clinical trials;
- having clinical sites observe trial protocol or continue to participate in a trial;
- addressing any patient safety concerns that arise during the course of a clinical trial;
- addressing any conflicts with new or existing laws or regulations; and
- adding a sufficient number of clinical trial sites.

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

We could also encounter delays if the FDA concluded that our financial relationships with our principal investigators resulted in a perceived or actual conflict of interest that may have affected the interpretation of a study, the integrity of the data generated at the applicable clinical trial site or the utility of the clinical trial itself. Principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive cash compensation and/or stock options in connection with such services. If these relationships and any related compensation to or ownership interest by the clinical investigator carrying out the study result in perceived or actual conflicts of interest, or the FDA concludes that the financial relationship may have affected interpretation of the study, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of our marketing application by the FDA. Any such delay or rejection could prevent us from commercializing any of our products in development.

Furthermore, clinical trials may also be delayed as a result of ambiguous or negative interim results. In addition, a clinical trial may be suspended or terminated by us, the FDA, the IRB overseeing the clinical trial at issue, the Data Safety Monitoring Board for such trial, any of our clinical trial sites with respect to that site, or other regulatory authorities due to a number of factors, including:

- failure to conduct the clinical trial in accordance with applicable regulatory requirements or our clinical protocols;
- inspection of the clinical trial operations or trial sites by the FDA or other regulatory authorities resulting in the imposition of a clinical hold;
- inability of a clinical investigator or clinical trial site to continue to participate in the clinical trial;
- unforeseen safety issues or adverse side effects;
- failure to demonstrate a benefit from using the product; and
- lack of adequate funding to continue the clinical trial.

Additionally, changes in regulatory requirements and guidance may occur and we may need to amend clinical trial protocols to reflect these changes. Amendments may require us to resubmit our clinical trial protocols to IRBs for reexamination, which may impact the costs, timing or successful completion of a clinical trial. If we experience delays in completion of, or if we terminate, any of our clinical trials, the commercial prospects for our products may be harmed and our ability to generate product revenues from these products will be delayed or not realized at all. In addition, any delays in completing our clinical trials will increase our costs, slow down our product development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may significantly harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of a clinical trial may also ultimately lead to the denial of regulatory approval of the subject product.

Our business could be adversely affected if we are unable to extend the cleared uses of the ARTAS System or successfully pursue the development, regulatory clearance or approval and commercialization of future products.

Our only product is the ARTAS System for hair follicle dissection, which has been cleared for use in the U.S. only for dissecting hair follicles from the scalp in men diagnosed with AGA who have black or brown straight hair and recipient site making in which hair follicles are transplanted. The robotic implantation functionality which is in clinical development has not been cleared or approved for commercial marketing in the U.S. Our business could be adversely affected if we are unable to extend the cleared uses of the ARTAS System or successfully pursue the development, regulatory clearance or approval and commercialization of future products. In the future, we may also become dependent on other products that we may develop or acquire. The clinical and commercial success of our products will depend on a number of factors, including the following:

- the ability to raise any additional required capital on acceptable terms, or at all;
- timely completion of our nonclinical studies and clinical trials, which may be significantly slower or cost more than we anticipate and will depend substantially upon the performance of third-party contractors;
- whether we are required by the FDA or similar foreign regulatory agencies to conduct additional clinical trials or other studies beyond those planned to support the clearance or approval and commercialization of any future indications or products;
- our ability to demonstrate to the satisfaction of the FDA and similar foreign regulatory authorities the safety, efficacy and acceptable risk to benefit profile of any future indications or products;
- the prevalence, duration and severity of potential side effects or other safety issues experienced with our future approved products, if any;

- the timely receipt of necessary marketing approvals or clearances from the FDA and foreign regulatory authorities;
- achieving and maintaining, and, where applicable, ensuring that our third-party contractors achieve and maintain, compliance with our contractual obligations and with all regulatory requirements applicable to any future products or additional approved indications, if any;
- acceptance by physicians and patients of the benefits, safety and efficacy of any future products, if approved or cleared, including relative to alternative and competing treatments;
- our ability to establish and enforce intellectual property rights in and to our products or any future indications or products; and
- our ability to avoid third-party patent interference, intellectual property challenges or intellectual property infringement claims.

Even if regulatory approvals or clearances are obtained, we may never be able to successfully commercialize any future indications or products. Accordingly, we cannot provide assurances that we will be able to generate sufficient revenue through the sale of any future products to continue our business.

Our loan agreement contains restrictions that limit our flexibility in operating our business.

In May 2015, we entered into a term loan agreement with Oxford. We borrowed $20 million under the loan agreement with Oxford. Our loan agreement with Oxford also contains various covenants that limit our ability to engage in specified types of transactions. Subject to limited exceptions, these covenants limit our ability, without Oxford's consent, to, among other things:

- sell, lease, transfer, exclusively license or dispose of our assets;
- create, incur, assume or permit to exist additional indebtedness or liens;
- make restricted payments, including paying dividends on, repurchasing or making distributions with respect to our capital stock;
- pay any cash dividend or make any other cash distribution or payment in respect of our capital stock in excess of $250,000 in aggregate per calendar year;
- make specified investments (including loans and advances);
- make changes to certain key personnel including our President and Chief Executive Officer;
- merge, consolidate or liquidate; and
- enter into certain transactions with our affiliates.

The covenants in our loan agreement with Oxford may limit our ability to take certain actions and, in the event that we breach one or more covenants, our lender may choose to declare an event of default and require that we immediately repay all amounts outstanding, terminate the commitment to extend further credit and foreclose on the collateral granted to it to collateralize such indebtedness.

We will need to increase the size of our organization, and we may experience difficulties in managing growth.

As of August 1, 2017, we had 91 employees, with 33 employees in sales and marketing, 17 employees in customer support, 24 employees in research and development, including clinical, regulatory and certain quality control functions, five employees in manufacturing operations and 12 employees in general management and administration. We will need to continue to expand our sales, marketing, managerial, operational, finance and administrative resources for the ongoing commercialization of the ARTAS System, and continue our development activities of any future products.

Our existing management, personnel, systems and facilities may not be adequate to support our future growth. Our need to effectively execute our growth strategy requires that we:

- identify, recruit, retain, incentivize and integrate additional employees, including sales personnel;
- manage our internal development and operational efforts effectively while carrying out our contractual obligations to third parties; and
- continue to improve our operational, financial and management controls, reports systems and procedures.

If we fail to attract and retain senior management and key personnel, we may be unable to successfully grow our business.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical and other personnel. We are highly dependent upon our senior management, particularly our President and Chief Executive Officer, our management team and other key personnel. The loss of services of any of these individuals could delay or prevent enhancement of the ARTAS System, the expansion of the ARTAS System to new indications, or the development of any future products. Although we have entered into employment agreements with our senior management team, these agreements do not provide for a fixed term of service.

Competition for qualified personnel in the medical device field is intense due to the limited number of individuals who possess the skills and experience required by our industry. We will need to hire additional personnel and we may not be able to attract and retain quality personnel on acceptable terms, or at all. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output.

Because we have opted to take advantage of the JOBS Act provision which allows us to delay implementing new accounting standards, our consolidated financial statements may not be directly comparable to other public companies.

Pursuant to the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. Because we have elected to take advantage of this provision of the JOBS Act, our consolidated financial statements and the reported results of operations contained therein may not be directly comparable to other public companies.

We will incur significant costs as a result of operating as a public company, and our management will devote substantial time to new compliance initiatives. We may fail to comply with the rules that apply to public companies, including Section 404 of the Sarbanes-Oxley Act of 2002, which could result in sanctions or other penalties that would harm our business.

We will incur significant legal, accounting and other expenses as a public company, including costs resulting from public company reporting obligations under the Securities Exchange Act of 1934, as amended, and regulations regarding corporate governance practices. The listing requirements of The NASDAQ Global Market and the rules of the Securities and Exchange Commission, or SEC, require that we satisfy certain corporate governance requirements relating to director independence, filing annual and interim reports, stockholder meetings, approvals and voting, soliciting proxies, conflicts of interest and a code of conduct. Our management and other personnel will need to devote a substantial amount of time to ensure that we comply with all of these

requirements. Moreover, the reporting requirements, rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. Any changes we make to comply with these obligations may not be sufficient to allow us to satisfy our obligations as a public company on a timely basis, or at all. These reporting requirements, rules and regulations, coupled with the increase in potential litigation exposure associated with being a public company, could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or board committees or to serve as executive officers, or to obtain certain types of insurance, including directors' and officers' insurance, on acceptable terms.

After this offering, we will be subject to Section 404 of The Sarbanes-Oxley Act of 2002, or Section 404, and the related rules of the SEC, which generally require our management and independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting. Beginning with the second annual report that we will be required to file with the SEC, Section 404 requires an annual management assessment of the effectiveness of our internal control over financial reporting. However, for so long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404. Once we are no longer an emerging growth company or, if prior to such date, we opt to no longer take advantage of the applicable exemption, our independent registered public accounting firm will be engaged to provide an attestation report on the effectiveness of our internal control over financial reporting. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

To date, we have never conducted a review of our internal control for the purpose of providing the reports required by these rules. During the course of our review and testing, we may identify deficiencies and be unable to remediate them before we must provide the required reports. Furthermore, if we have a material weakness in our internal controls over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated. We or our independent registered public accounting firm may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting, which could harm our operating results, cause investors to lose confidence in our reported financial information and cause the market price of our stock to decline. In addition, as a public company we will be required to file accurate and timely quarterly and annual reports with the SEC under the Securities Exchange Act of 1934, as amended. Any failure to report our financial results on an accurate and timely basis could result in sanctions, lawsuits, delisting of our shares from The NASDAQ Global Market or other adverse consequences that would materially harm to our business and cause the market price of our common stock to decline.

Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. Furthermore, the market for aesthetic medical procedures may be particularly vulnerable to unfavorable economic conditions. In particular, the ARTAS procedures will not receive coverage and reimbursement and, as a result, demand for this product will be tied to discretionary spending levels of our targeted patient population. The recent global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, such as the recent global financial crisis, could result in a variety of risks to our business, including weakened demand for the ARTAS System, ARTAS procedures or any future products, if approved, and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our manufacturers or suppliers,

possibly resulting in supply disruption, or cause our customers to delay making payments for our services. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the economic climate and financial market conditions could adversely impact our business.

We or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our corporate headquarters and other facilities are located in San Jose, California, which in the past has experienced both severe earthquakes and floods. We do not carry earthquake or flood insurance. Earthquakes or other natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects.

If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our ARTAS enterprise system, enterprise financial systems and records, manufacturing resource planning and enterprise quality systems, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake or flood insurance, could have a material adverse effect on our business.

Furthermore, integral parties in our supply chain are similarly vulnerable to natural disasters or other sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our business.

Significant disruptions of information technology systems or breaches of data security could materially adversely affect our business, results of operations and financial condition.

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information. It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. We have established physical, electronic, and organizational measures to safeguard and secure our systems to prevent a data compromise, and rely on commercially available systems, software, tools, and monitoring to provide security for our information technology systems and the processing, transmission and storage of digital information. We have also outsourced elements of our information technology infrastructure, and as a result a number of third-party vendors may or could have access to our confidential information. Our internal information technology systems and infrastructure, and those of our current and any future collaborators, contractors and consultants and other third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. In addition, the prevalent use of mobile devices that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information or other intellectual property. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information technology systems, our efforts to address these problems may not be successful,

and these problems could result in unexpected interruptions, delays, cessation of service and other harm to our business and our competitive position. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. Moreover, if a computer security breach affects our systems or results in the unauthorized release of personally identifiable information, our reputation could be materially damaged. In addition, such a breach may require notification to governmental agencies, the media or individuals pursuant to various federal and state privacy and security laws, if applicable, including the Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Clinical Health Act of 2009, or HITECH, and its implementing rules and regulations, as well as regulations promulgated by the Federal Trade Commission and state breach notification laws. We would also be exposed to a risk of loss or litigation and potential liability, which could materially adversely affect our business, results of operations and financial condition.

Our employees and independent contractors, including consultants, manufacturers, distributors, commercial collaborators, service providers and other vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have an adverse effect on our results of operations.

We are exposed to the risk that our employees and independent contractors, including consultants, manufacturers, distributors, commercial collaborators, service providers and other vendors may engage in misconduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or other unauthorized activities that violate the laws and regulations of the FDA and other similar regulatory bodies, including those laws that require the reporting of true, complete and accurate information to such regulatory bodies; manufacturing standards; U.S. federal and state healthcare fraud and abuse, data privacy laws and other similar non-U.S. laws; or laws that require the true, complete and accurate reporting of financial information or data. Activities subject to these laws also involve the improper use or misrepresentation of information obtained in the course of clinical trials, the creation of fraudulent data in our nonclinical studies or clinical trials, or illegal misappropriation of product, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other third-parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and financial results, including, without limitation, the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgements, individual imprisonment, other sanctions, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Risks Related to Intellectual Property

We may in the future become involved in lawsuits to defend ourselves against intellectual property disputes, which could be expensive and time consuming, and ultimately unsuccessful, and could result in the diversion of significant resources, and hinder our ability to commercialize our existing or future products.

Our success depends in part on not infringing the patents or violating the other proprietary rights of others. Intellectual property disputes can be costly to defend and may cause our business, operating results and financial condition to suffer. Significant litigation regarding patent rights occurs in the medical industry. Whether merited or not, it is possible that U.S. and foreign patents and pending patent applications controlled by third parties may be alleged to cover our products. We may also face allegations that our employees have misappropriated the intellectual property rights of their former employers or other third parties. Our competitors in both the U.S. and abroad, many of which have substantially greater resources and have made substantial investments in patent

portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit, or otherwise interfere with our ability to make, use, sell, and/or export our products. Our competitors may have one or more patents for which they can threaten and/or initiate patent infringement actions against us and/or any of our third-party suppliers. Our ability to defend ourselves and/or our third-party suppliers may be limited by our financial and human resources, the availability of reasonable defenses, and the ultimate acceptance of our defenses by the courts or juries. Furthermore, if such patents are successfully asserted against us, this may result in an adverse impact on our business, including injunctions, damages, and/or attorneys' fees. From time to time and in the ordinary course of business, we may develop noninfringement and/or invalidity positions with respect to third-party patents, which may or not be ultimately adjudicated as successful by a judge or jury if such patents were asserted against us.

We may receive in the future, particularly as a public company, communications from patent holders, including non-practicing entities, alleging infringement of patents or other intellectual property rights or misappropriation of trade secrets, or offering licenses to such intellectual property. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. At any given time, we may be involved as either a plaintiff or a defendant in a number of patent infringement actions, the outcomes of which may not be known for prolonged periods of time.

The large number of patents, the rapid rate of new patent applications and issuances, the complexities of the technologies involved and the uncertainty of litigation significantly increase the risks related to any patent litigation. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop selling, making, using, or exporting products that use the disputed intellectual property;
- obtain a license from the intellectual property owner to continue selling, making, exporting, or using products, which license may require substantial royalty payments and may not be available on reasonable terms, or at all;
- incur significant legal expenses;
- pay substantial damages or royalties to the party whose intellectual property rights we may be found to be infringing, potentially including treble damages if the court finds that the infringement was willful;
- if a license is available from a third-party, we may have to pay substantial royalties, upfront fees or grant cross-licenses to intellectual property rights for our products and services;
- pay the attorney fees and costs of litigation to the party whose intellectual property rights we may be found to be infringing;
- find non-infringing substitute products, which could be costly and create significant delay due to the need for FDA regulatory clearance;
- find alternative supplies for infringing products or processes, which could be costly and create significant delay due to the need for FDA regulatory clearance; and/or
- redesign those products or processes that infringe any third-party intellectual property, which could be costly, disruptive, and/or infeasible.

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business with respect to intellectual property. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Finally, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

If any of the foregoing occurs, we may have to withdraw existing products from the market or may be unable to commercialize one or more of our products, all of which could have a material adverse effect on our business, results of operations and financial condition. Any litigation or claim against us, even those without merit, may cause us to incur substantial costs, and could place a significant strain on our financial resources, divert the attention of management from our core business and harm our reputation. Furthermore, as the number of participants in the robotic hair restoration surgery market grows, the possibility of intellectual property infringement claims against us increases.

In addition, we may indemnify our customers, suppliers and international distributors against claims relating to the infringement of the intellectual property rights of third parties relating to our products, methods, and/or manufacturing processes. Third parties may assert infringement claims against our customers, suppliers, or distributors. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, suppliers or distributors, regardless of the merits of these claims. If any of these claims succeed, we may be forced to pay damages on behalf of our customers, suppliers, or distributors or may be required to obtain licenses for the products they use. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using our products, or our suppliers may be forced to stop providing us with products.

Similarly, interference or derivation proceedings provoked by third parties or brought by the United Stated Patent and Trademark Office, or USPTO, or any foreign patent authority may be necessary to determine the priority of inventions or other matters of inventorship with respect to our patents or patent applications. We may also become involved in other proceedings, such as re-examination or opposition proceedings, before the USPTO or its foreign counterparts relating to our intellectual property or the intellectual property rights of others. An unfavorable outcome in any such proceedings could require us to cease using the related technology or to attempt to license rights to it from the prevailing party, or could cause us to lose valuable intellectual property rights. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms, if any license is offered at all. Litigation or other proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may also become involved in disputes with others regarding the ownership of intellectual property rights. For example, we jointly develop intellectual property with certain parties, and disagreements may therefore arise as to the ownership of the intellectual property developed pursuant to these relationships. If we are unable to resolve these disputes, we could lose valuable intellectual property rights.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our existing and future products.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. On September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art, may affect patent litigation, and switched the U.S. patent system from a “first-to-invent” system to a “first-to-file” system. Under a “first-to-file” system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to the patent on an invention regardless of whether another inventor had made the invention earlier. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, in particular, the first-to-file provisions, only became effective on March 16, 2013. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. The Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

In addition, patent reform legislation may pass in the future that could lead to additional uncertainties and increased costs surrounding the prosecution, enforcement and defense of our patents and applications. Furthermore, the U.S.

Supreme Court and the U.S. Court of Appeals for the Federal Circuit have made, and will likely continue to make, changes in how the patent laws of the U.S. are interpreted. For example, the U.S. Supreme Court has ruled on several patent cases in recent years, such as *Association for Molecular Pathology v. Myriad Genetics, Inc.* (Myriad I), *Mayo Collaborative Services v. Prometheus Laboratories, Inc.,* and *Alice Corporation Pty. Ltd. v. CLS Bank International,* either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Similarly, foreign courts have made, and will likely continue to make, changes in how the patent laws in their respective jurisdictions are interpreted. We cannot predict future changes in the interpretation of patent laws or changes to patent laws that might be enacted into law by U.S. and foreign legislative bodies. Those changes may materially affect our patents or patent applications and our ability to obtain additional patent protection in the future.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. In addition, periodic maintenance fees on issued patents often must be paid to the USPTO and foreign patent agencies over the lifetime of the patent. While an unintentional lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our products or procedures, we may not be able to stop a competitor from marketing products that are the same as or similar to our own, which would have a material adverse effect on our business.

We may not be able to adequately protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on our products in all countries throughout the world would be prohibitively expensive. The requirements for patentability may differ in certain countries, particularly developing countries, and the breadth of patent claims allowed can be inconsistent. In addition, the laws of some foreign countries may not protect our intellectual property rights to the same extent as laws in the U.S. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the U.S. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, furthermore, may export otherwise infringing products to territories in which we have patent protection that may not be sufficient to terminate infringing activities.

We do not have patent rights in certain foreign countries in which a market may exist. Moreover, in foreign jurisdictions where we do have patent rights, proceedings to enforce such rights could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, and our patent applications at risk of not issuing. Additionally, such proceedings could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Thus, we may not be able to stop a competitor from marketing and selling in foreign countries products that are the same as or similar to our products, and our competitive position in the international market would be harmed.

We depend on certain technologies that are licensed to us. We do not control these technologies and any loss of our rights to them could prevent us from selling our products.

We are dependent on licenses from HSC Development LLC and James A. Harris, M.D. for some of our key technologies. We do not own the patents that underlie these licenses. Our rights to use the technology we license

are subject to the negotiation of, continuation of and compliance with the terms of those licenses. In some cases, we do not control the prosecution, maintenance, or filing of the patents to which we hold licenses, or the enforcement of these patents against third parties. These patents and patent applications are not written by us or our attorneys, and we did not have control over the drafting and prosecution. Our licensors might not have given the same attention to the drafting and prosecution of these patents and applications as we would have if we had been the owners of the patents and applications and had control over the drafting and prosecution. We cannot be certain that drafting and/or prosecution of the licensed patents and patent applications by the licensors have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents and other intellectual property rights.

Our intellectual property agreements with third parties may be subject to disagreements over contract interpretation, which could narrow the scope of our rights to the relevant intellectual property or technology or increase our financial or other obligations to our licensors.

Certain provisions in our intellectual property agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could affect the scope of our rights to the relevant intellectual property or technology, or affect financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact conceives or develops intellectual property that we regard as our own. Our assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our competitors or are in breach of non-competition or non-solicitation agreements with our competitors.

We could in the future be subject to claims that we or our employees have inadvertently or otherwise used or disclosed alleged trade secrets or other proprietary information of former employers or competitors. Although we have procedures in place that seek to prevent our employees and consultants from using the intellectual property, proprietary information, know-how or trade secrets of others in their work for us, we may in the future be subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement, or that we or these individuals have, inadvertently or otherwise, used or disclosed the alleged trade secrets or other proprietary information of a former employer or competitor. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. If our defense to those claims fails, in addition to paying monetary damages, a court could prohibit us from using technologies or functionalities that are essential to our products, if such technologies or functionalities are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. An inability to incorporate technologies or functionalities that are important or essential to our products would have a material adverse effect on our business, and may prevent us from selling our products or from practicing our processes. In addition, we may lose valuable intellectual property rights or personnel. Moreover, any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our products, which could have an adverse effect on our business, results of operations and financial condition.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

We hold various trademarks for our products and services. Many of these trademarks are registered with the USPTO and corresponding government agencies in numerous other countries, and we hold trademark applications for these marks in a number of foreign countries, although the laws of many countries may not protect our trademark rights to the same extent as the laws of the U.S. Actions taken by us to establish and protect our trademarks might not prevent imitation of our products or services, infringement of our trademark rights by unauthorized parties or other challenges to our ownership or validity of our trademarks. If any of these events occur, we may not be able to protect and enforce our rights in these trademarks, which we need in order to build name recognition with potential partners or customers in our markets of interest. In addition, unauthorized third-parties may have registered trademarks similar and identical to our trademarks in foreign jurisdictions or may in the future file for registration of such trademarks. If they succeed in registering or developing common law rights in such trademarks, and if we were not successful in challenging such third-party rights, we may not be able to use such trademarks to market our products and services in those countries. If we are unable to register our trademarks, enforce our trademarks, or bar a third-party from registering or using a trademark, our ability to establish name recognition based on our trademarks and compete effectively in our markets of interest may be adversely affected.

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

In addition to patent and trademark protection, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect our trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our consultants and vendors, or our former or current employees. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Despite these efforts, however, any of these parties may breach the agreements and disclose our trade secrets and other unpatented or unregistered proprietary information, and once disclosed, we are likely to lose trade secret protection. Monitoring unauthorized uses and disclosures of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property will be effective. In addition, we may not be able to obtain adequate remedies for any such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the U.S. are less willing or unwilling to enforce trade secret protection.

Furthermore, our competitors may independently develop knowledge, methods and know-how similar, equivalent, or superior to our proprietary technology. Competitors could purchase our products and attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology, or develop their own competitive technologies that fall outside of our intellectual property rights. In addition, our key employees, consultants, suppliers or other individuals with access to our proprietary technology and know-how may incorporate that technology and know-how into projects and inventions developed independently or with third parties. As a result, disputes may arise regarding the ownership of the proprietary rights to such technology or know-how, and any such dispute may not be resolved in our favor. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us and our competitive position could be adversely affected. If our intellectual property is not adequately protected so as to protect our market against competitors' products and methods, our competitive position could be adversely affected, as could our business.

Risks Related to Government Regulation

The ARTAS System and our operations are subject to extensive government regulation and oversight both in the U.S. and abroad, and our failure to comply with applicable requirements could harm our business.

The ARTAS System and related products and services are regulated as medical devices subject to extensive regulation in the U.S. and elsewhere, including by the FDA and its foreign counterparts. The FDA and foreign regulatory agencies regulate, among other things, with respect to medical devices:

- design, development and manufacturing;
- testing, labeling, content and language of instructions for use and storage;
- clinical trials;
- product safety;
- marketing, sales and distribution;
- premarket clearance and approval;
- record keeping procedures;
- advertising and promotion;
- recalls and field safety corrective actions;
- post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury;
- post-market approval studies; and
- product import and export.

The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales.

In the U.S., before we can market a new medical device, or a new use of, new claim for or significant modification to an existing product, we must first receive either clearance under Section 510(k) of the FDCA or approval of a PMA application from the FDA, unless an exemption applies. In the 510(k) clearance process, before a device may be marketed, the FDA must determine that a proposed device is "substantially equivalent" to a legally-marketed "predicate" device, which includes a device that has been previously cleared through the 510(k) process, a device that was legally marketed prior to May 28, 1976 (preamendments device), a device that was originally on the U.S. market pursuant to an approved premarket approval, or PMA, application and later downclassified, or a 510(k)-exempt device. To be "substantially equivalent," the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data are sometimes required to support substantial equivalence. In the PMA process, the FDA must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including, but not limited to, technical, pre-clinical, clinical trial, manufacturing and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices.

Modifications to products that are approved through a PMA application generally require FDA approval. Similarly, certain modifications made to products cleared through a 510(k) may require a new 510(k) clearance. Both the PMA approval and the 510(k) clearance process can be expensive, lengthy and uncertain. The FDA's 510(k) clearance process usually takes from three to 12 months, but can last longer. The process of obtaining a PMA is much more costly and uncertain than the 510(k) clearance process and generally takes from one to three

years, or even longer, from the time the application is filed with the FDA. In addition, a PMA generally requires, and the 510(k) clearance process sometimes requires, the performance of one or more clinical trials. Despite the time, effort and cost, we cannot assure you that any particular device will be approved or cleared by the FDA. Any delay or failure to obtain necessary regulatory approvals could harm our business.

In the U.S., we have obtained 510(k) premarket clearance from the FDA to market the ARTAS System for harvesting hair follicles from the scalp in men diagnosed with AGA who have black or brown straight hair. An element of our strategy is to continue to add new functionalities and enhance existing functionalities to the ARTAS System. We expect that certain modifications we may make to the ARTAS System may require new 510(k) clearance; however, future modifications may be subject to the substantially more costly, time-consuming and uncertain PMA process. If the FDA requires us to go through a lengthier, more rigorous examination for future products or modifications to existing products than we had expected, product introductions or modifications could be delayed or canceled, which could cause our sales to decline.

The FDA can delay, limit or deny clearance or approval of a device for many reasons, including:

- we may not be able to demonstrate to the FDA's satisfaction that the product or modification is substantially equivalent to the proposed predicate device or safe and effective for its intended use;
- the data from our pre-clinical studies and clinical trials may be insufficient to support clearance or approval, where required; and
- the manufacturing process or facilities we use may not meet applicable requirements.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our products. For example, in December 2016, the 21st Century Cures Act, or Cures Act, was signed into law. The Cures Act, among other things, is intended to modernize the regulation of medical devices and spur innovation, but its ultimate implementation remains unclear. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may fail to obtain any marketing clearances or approvals, lose any marketing clearance or approval that we may have obtained and we may not achieve or sustain profitability.

We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the U.S. or abroad. For example, certain policies of the Trump administration may impact our business and industry. Namely, the Trump administration has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, the FDA's ability to engage in routine regulatory and oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. Notably, on January 30, 2017, President Trump issued an Executive Order, applicable to all executive agencies including the FDA, requiring that for each notice of proposed rulemaking or final regulation to be issued in fiscal year 2017, the agency must identify at least two existing regulations to be repealed, unless prohibited by law. These requirements are referred to as the "two-for-one" provisions. This Executive Order includes a budget neutrality provision that requires the total incremental cost of all new regulations in the 2017 fiscal year, including repealed regulations, to be no greater than zero, except in limited circumstances. For fiscal years 2018 and beyond, the Executive Order requires agencies to identify regulations to offset any incremental cost of a new regulation and approximate the total costs or savings associated with each new regulation or repealed regulation. In interim guidance issued by the Office of Information and Regulatory Affairs within OMB on February 2, 2017, the administration indicates that the "two-for-one" provisions may apply not only to agency regulations, but also to significant agency guidance documents. In addition, on February 24, 2017, President Trump issued an executive order directing each affected agency to designate an agency official as a "Regulatory Reform Officer" and establish a "Regulatory Reform Task Force" to implement the two-for-one provisions and other previously issued executive orders relating to the review of federal regulations, however it is difficult to predict how these requirements will be

implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose constraints on FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

Even after we have obtained the proper regulatory clearance or approval to market a product, we have ongoing responsibilities under FDA regulations. The failure to comply with applicable regulations could jeopardize our ability to sell the ARTAS System and result in enforcement actions such as:

- warning letters;
- fines;
- injunctions;
- civil penalties;
- termination of distribution;
- recalls or seizures of products;
- delays in the introduction of products into the market;
- total or partial suspension of production;
- refusal to grant future clearances or approvals;
- withdrawals or suspensions of current clearances or approvals, resulting in prohibitions on sales of our product or products; and
- in the most serious cases, criminal penalties.

Any of these sanctions could result in higher than anticipated costs or lower than anticipated sales and harm our reputation, business, financial condition and results of operations.

We are subject to extensive governmental regulation in foreign jurisdictions, such as Europe, and our failure to comply with applicable requirements could cause our business to suffer.

We must maintain regulatory approval in foreign jurisdictions in which we plan to market and sell the ARTAS System.

In the European Economic Area or EEA, manufacturers of medical devices need to comply with the Essential Requirements laid down in Annex II to the EU Medical Devices Directive (Council Directive 93/42/EEC). Compliance with these requirements is a prerequisite to be able to affix the CE mark to medical devices, without which they cannot be marketed or sold in the EEA. To demonstrate compliance with the Essential Requirements and obtain the right to affix the CE Mark, manufacturers of medical devices must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. Except for low risk medical devices (Class I with no measuring function and which are not sterile), where the manufacturer can issue an EC Declaration of Conformity based on a self-assessment of the conformity of its products with the Essential Requirements, a conformity assessment procedure requires the intervention of a Notified Body, which is an organization designated by a competent authority of an EEA country to conduct conformity assessments. Depending on the relevant conformity assessment procedure, the Notified Body would audit and examine the Technical File and the quality system for the manufacture, design and final inspection of our devices. The Notified Body issues a CE Certificate of Conformity following successful completion of a conformity assessment procedure conducted in relation to the medical device and its manufacturer and their conformity with the Essential Requirements. This Certificate entitles the manufacturer to affix the CE mark to its medical devices after having prepared and signed a related EC Declaration of Conformity.

As a general rule, demonstration of conformity of medical devices and their manufacturers with the Essential Requirements must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use and that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device (e.g., product labeling and instructions for use) are supported by suitable evidence. This assessment must be based on clinical data, which can be obtained from (1) clinical studies conducted on the devices being assessed, (2) scientific literature from similar devices whose equivalence with the assessed device can be demonstrated or (3) both clinical studies and scientific literature. With respect to active implantable medical devices or Class III devices, the manufacturer must conduct clinical studies to obtain the required clinical data, unless reliance on existing clinical data from equivalent devices can be justified. The conduct of clinical studies in the EEA is governed by detailed regulatory obligations. These may include the requirement of prior authorization by the competent authorities of the country in which the study takes place and the requirement to obtain a positive opinion from a competent Ethics Committee. This process can be expensive and time-consuming.

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

The Medical Devices Regulation will however only become applicable three years after publication. Once applicable, the new regulations will among other things:

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

These modifications may have an impact on the way we conduct our business in the EEA.

Modifications to the ARTAS System and any future products that receive 510(k) clearance may require new 510(k) clearances or PMA approvals, and if we make such modifications without seeking new clearances or approvals, the FDA may require us to cease marketing or recall the modified products until clearances or approvals are obtained.

The ARTAS System has received 510(k) clearance from the FDA. Any modification to a 510(k)-cleared device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design or manufacture, requires a new 510(k) clearance or, possibly, approval of a PMA. The FDA requires every manufacturer to make this determination in the first instance, but the FDA may review any manufacturer's

decision. The FDA may not agree with our decisions regarding whether new clearances or approvals are necessary. We have made modifications to the ARTAS System in the past and have determined based on our review of the applicable FDA regulations and guidance that in certain instances new 510(k) clearances or PMA approvals were not required. We may make similar modifications or add additional functionalities in the future that we believe do not require a new 510(k) clearance or approval of a PMA. The FDA has issued a guidance document intended to assist manufacturers in determining whether modifications to cleared devices require the submission of a new 510(k), and such guidance has come under scrutiny in recent years, the practical impact of which is unclear. If the FDA disagrees with our determination and requires us to submit new 510(k) notifications or PMA applications for modifications to our previously cleared products for which we have concluded that new clearances or approvals are unnecessary, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval, which could require us to redesign our products, conduct clinical trials to support any modifications, and pay significant regulatory fines or penalties. In addition, the FDA may not approve or clear our products for the indications that are necessary or desirable for successful commercialization or could require clinical trials to support any modifications. Any delay or failure in obtaining required clearances or approvals would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would harm our future growth. Any of these actions would harm our operating results.

We are subject to restrictions on the indications for which we are permitted to market our products, and any violation of those restrictions, or marketing of the ARTAS System for off-label uses, could subject us to regulatory enforcement action.

The FDA's 510(k) clearance for the ARTAS System specifies the cleared indication for use of the product is dissecting hair follicles from the scalp in men diagnosed with AGA who have black or brown straight hair. The ARTAS System is intended to assist physicians in identifying and extracting hair follicular units from the scalp during hair transplantation.

We train our marketing and direct sales force to not promote the ARTAS System for uses outside of the FDA-cleared indications for use, known as "off-label uses." We cannot, however, prevent a physician from using the ARTAS System off-label when, in the physician's independent professional medical judgment, he or she deems it appropriate. There may be increased risk of injury to patients if physicians attempt to use the ARTAS System off-label. Furthermore, the use of the ARTAS System for indications other than those cleared by the FDA or approved by any foreign regulatory body may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and patients.

If the FDA or any foreign regulatory body determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including, among other things, the issuance or imposition of an untitled letter, a warning letter, injunction, seizure, refusal to issue new 510(k)s or PMAs, withdrawal of existing 510(k)s or PMAs, refusal to grant export approvals, and civil fines or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action under other regulatory authority, such as false claims laws, if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs and the curtailment of our operations.

The ARTAS System may cause or contribute to adverse medical events that we are required to report to the FDA, and if we fail to do so, we would be subject to sanctions that could harm our reputation, business, financial condition and results of operations. The discovery of serious safety issues with the ARTAS System, or a recall of the ARTAS System either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

We are subject to the FDA's medical device reporting regulations and similar foreign regulations. The FDA's medical device reporting regulations require us to report to the FDA when we receive or become aware of

information that reasonably suggests that the ARTAS System may have caused or contributed to a death or serious injury or malfunctioned in a way that, if the malfunction were to recur, it could cause or contribute to a death or serious injury. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events of which we become aware within the prescribed timeframe. We may also fail to recognize that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of the ARTAS System. If we fail to comply with our reporting obligations, the FDA could take action, including warning letters, untitled letters, administrative actions, criminal prosecution, imposition of civil monetary penalties, revocation of our device clearance, seizure of our products or delay in clearance of future products.

The FDA and foreign regulatory bodies have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall must be based on a finding that there is reasonable probability that the device could cause serious injury or death. We may also choose to voluntarily recall a product if any material deficiency is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing defects, labeling or design deficiencies, packaging defects or other deficiencies or failures to comply with applicable regulations. We cannot assure you that product defects or other errors will not occur in the future. Recalls involving the ARTAS System could be particularly harmful to our business, financial condition and results of operations because it is our only product.

Companies are required to maintain certain records of recalls and corrections, even if they are not reportable to the FDA. We may initiate voluntary withdrawals or corrections for the ARTAS System in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, it could require us to report those actions as recalls and we may be subject to enforcement action. A future recall announcement could harm our reputation with customers, potentially lead to product liability claims against us and negatively affect our sales.

If we or our distributors do not obtain and maintain international regulatory registrations or approvals for the ARTAS System, our ability to market and sell the ARTAS System outside of the U.S. will be diminished.

Sale of the ARTAS System outside the U.S. are subject to foreign regulatory requirements that vary widely from country to country. In addition, the FDA regulates exports of medical devices from the U.S. While the regulations of some countries may not impose barriers to marketing and selling the ARTAS System or only require notification, others require that we or our distributors obtain the approval of a specified regulatory body. Complying with foreign regulatory requirements, including obtaining registrations or approvals, can be expensive and time-consuming, and we cannot be certain that we or our distributors will receive regulatory approvals in each country in which we plan to market the ARTAS System or that we will be able to do so on a timely basis. The time required to obtain registrations or approvals, if required by other countries, may be longer than that required for FDA clearance, and requirements for such registrations, clearances, or approvals may significantly differ from FDA requirements. If we modify the ARTAS System, we or our distributors may need to apply for additional regulatory approvals or other authorizations before we are permitted to sell the modified product. In addition, we may not continue to meet the quality and safety standards required to maintain the authorizations that we or our distributors have received. If we or our distributors are unable to maintain our authorizations in a particular country, we will no longer be able to sell the applicable product in that country, which could harm our business.

Regulatory clearance or approval by the FDA does not ensure clearance or approval by regulatory authorities in other countries, and clearance or approval by one or more foreign regulatory authorities does not ensure clearance or approval by regulatory authorities in other foreign countries or by the FDA. However, a failure or delay in obtaining regulatory clearance or approval in one country may have a negative effect on the regulatory process in others.

We must manufacture our products in accordance with federal and state regulations, and we could be forced to recall our installed systems or terminate production if we fail to comply with these regulations.

The methods used in, and the facilities used for, the manufacture of the ARTAS System and related products must comply with the FDA's Quality System Regulation, or QSR, which is a complex regulatory scheme that covers the procedures and documentation of the design, testing, production, process controls, quality assurance, labeling, packaging, handling, storage, distribution, installation, servicing and shipping of medical devices. Furthermore, we are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality and applicable regulatory requirements. The FDA enforces the QSR through periodic announced or unannounced inspections of medical device manufacturing facilities, which may include the facilities of subcontractors. The ARTAS System is also subject to similar state regulations and various laws and regulations of foreign countries governing manufacturing.

We cannot guarantee that we or any subcontractors will take the necessary steps to comply with applicable regulations, which could cause delays in the delivery of the ARTAS System. In addition, failure to comply with applicable FDA requirements or later discovery of previously unknown problems with the ARTAS System or manufacturing processes could result in, among other things:

- warning letters or untitled letters;
- fines, injunctions or civil penalties;
- suspension or withdrawal of approvals or clearances;
- seizures or recalls of our products;
- total or partial suspension of production or distribution;
- administrative or judicially imposed sanctions;
- the FDA's refusal to grant pending or future clearances or approvals for our products;
- clinical holds;
- refusal to permit the import or export of our products; and
- criminal prosecution to us or our employees.

Any of these actions could significantly and negatively impact supply of our products. If any of these events occurs, our reputation could be harmed, we could be exposed to product liability claims and we could lose customers and suffer reduced revenue and increased costs.

We may be subject to various federal and state laws pertaining to healthcare fraud and abuse, and any violations by us of such laws could result in fines or other penalties.

While procedures utilizing the ARTAS System are not currently covered or reimbursed by any third-party payor, our commercial, research and other financial relationships with healthcare providers and others may be subject to various federal and state laws intended to prevent healthcare fraud and abuse. Such laws include the U.S. federal Anti-Kickback Statute and similar laws that apply to state healthcare programs, private payors and self-pay patients; the U.S. federal civil and criminal false claims laws, such as the civil False Claims Act, and civil monetary penalties laws; state and federal data privacy and security laws and regulations; state and federal physician payment transparency laws; and state and federal consumer protection and unfair competition laws. Further, these laws may impact any sales, marketing and education programs we currently have or may develop in the future and the manner in which we implement any of those programs. Penalties for violations of these laws can include exclusion from federal healthcare programs and substantial civil and criminal penalties.

Recently enacted and future legislation may increase the difficulty and cost for us to sell our products.

In the U.S. and some non-U.S. jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could, among

other things, restrict or regulate post-approval activities and affect our ability to profitably sell our products. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively the Affordable Care Act, was enacted. The Affordable Care Act, imposed, among other things, an annual excise tax of 2.3% on any entity that manufactures or imports medical devices offered for sale in the U.S., which, due to subsequent legislative amendments, has been suspended from January 1, 2016 to December 31, 2017, and, absent further legislative action, will be reinstated starting January 1, 2018. It is uncertain the extent to which any challenges, amendments and attempts to repeal and replace the Affordable Care Act in the future may impact our business or financial condition. We expect that the Affordable Care Act, as well as other healthcare reform measures that may be adopted in the future, may potentially increase our costs to sell our product and decrease our profitability.

Risks Related to Our Common Stock and This Offering

Our stock price may be volatile and you may not be able to resell shares of our common stock at or above the price you paid.

The market price of our common stock following this offering could be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. These factors include those discussed in this "Risk Factors" section of this prospectus and others such as:

- the continued growth in demand for the ARTAS System and ARTAS procedures;
- our commercialization, marketing and manufacturing prospects;
- the continuing productivity and effectiveness of our commercial infrastructure and salesforce;
- our financial performance;
- our intentions and our ability to establish collaborations and/or partnerships;
- the timing or likelihood of regulatory filings and approvals for the ARTAS System for expanded indications and functionality;
- our commercialization, marketing and manufacturing capabilities;
- our expectations regarding the potential market size and the size of the patient populations for the ARTAS System;
- the effective pricing of the ARTAS System, services and procedures;
- the implementation of our business model and strategic plans for our business and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering the ARTAS System, along with any product enhancements;
- estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital;
- our use of proceeds from this offering;
- our financial performance; and
- developments and projections relating to our competitors and our industry, including competing therapies and procedures.

In addition, the stock markets in general, and the markets for medical device and aesthetic stocks in particular, have experienced extreme volatility that may have been unrelated to the operating performance of the issuer. These broad market fluctuations may adversely affect the market price or liquidity of our common stock. In the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the issuer. If any of our stockholders were to bring such a lawsuit against us, we could incur substantial costs defending the lawsuit and the attention of our management would be diverted from the operation of our business.

An active, liquid and orderly market for our common stock may not develop, and you may not be able to resell your common stock at or above the public offering price.

Prior to this offering, there has been no public market for shares of our common stock, and an active public market for our shares may not develop or be sustained after this offering. We and the representative of the underwriters will determine the initial public offering price of our common stock through negotiation. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell our shares following this offering. In addition, an active trading market may not develop following the consummation of this offering or, if it is developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire other businesses, applications, or technologies using our shares as consideration.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have and may never obtain research coverage by securities and industry analysts. If no or few securities or industry analysts commence coverage of us, the market price for our stock would be negatively impacted. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

We are an "emerging growth company" and as a result of the reduced disclosure and governance requirements applicable to emerging growth companies, our common stock may be less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation, stockholder approval of any golden parachute payments not previously approved and delayed adoption of new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

The initial public offering price of our common stock is substantially higher than the pro forma net tangible book value per share of our common stock before giving effect to this offering. Accordingly, if you purchase our

common stock in this offering, you will incur immediate substantial dilution of approximately $ per share, based on an assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover of this prospectus, and our pro forma net tangible book value as of June 30, 2017. In addition, following this offering, purchasers in this offering will have contributed approximately % of the total gross consideration paid by stockholders to us to purchase shares of our common stock, through June 30, 2017, but will own only approximately % of the shares of common stock outstanding immediately after this offering. Furthermore, if the underwriters exercise their over-allotment option, or outstanding options and warrants are exercised, you could experience further dilution. For a further description of the dilution that you will experience immediately after this offering, see the section titled "Dilution."

If we sell shares of our common stock in future financings, stockholders may experience immediate dilution and, as a result, our stock price may decline.

We may from time to time issue additional shares of common stock at a discount from the current market price of our common stock. As a result, our stockholders would experience immediate dilution upon the purchase of any shares of our common stock sold at such discount. In addition, as opportunities present themselves, we may enter into financing or similar arrangements in the future, including the issuance of debt securities, preferred stock or common stock. If we issue common stock or securities convertible into common stock, our common stockholders would experience additional dilution and, as a result, our stock price may decline.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Prior to this offering as of August 1, 2017, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates beneficially owned approximately 61% of our voting stock and, upon the closing of this offering, that same group will hold approximately % of our outstanding voting stock (assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options). Therefore, even after this offering these stockholders will have the ability to influence us through this ownership position. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

Sales of a substantial number of shares of our common stock in the public market could cause our stock price to decline.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after the lock-up and other legal restrictions on resale discussed in this prospectus lapse, the market price of our common stock could decline. Based upon the number of shares outstanding as of May 31, 2017, upon the closing of this offering, we will have outstanding a total of shares of common stock, assuming no exercise of the underwriters' over-allotment option. Of these shares, approximately shares of our common stock, plus any shares sold upon exercise of the underwriters' over-allotment option, will be freely tradable, without restriction, in the public market immediately following this offering.

The lock-up agreements pertaining to this offering will expire 180 days from the date of this prospectus. After the lock-up agreements expire, as of August 1, 2017, up to an additional shares of common stock will be eligible for sale in the public market, of which shares are held by directors, executive officers and other affiliates and will be subject to Rule 144 under the Securities Act. National Securities Corporation may, however, in its sole discretion, permit our officers, directors and other stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements, subject to certain requirements.

In addition, as of August 1, 2017, shares of common stock that are either subject to outstanding options, reserved for future issuance under our equity incentive plans or subject to outstanding warrants will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements and Rule 144 and Rule 701 under the Securities Act. If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

After this offering, the holders of approximately 214.2 million shares of our common stock, or approximately % of our total outstanding common stock as of May 31, 2017, will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to vesting schedules and to the lock-up agreements described above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates. Any sales of securities by these stockholders could have a material adverse effect on the market price of our common stock.

We have broad discretion to determine how to use the funds raised in this offering, and may use them in ways that may not enhance our operating results or the price of our common stock.

Our management will have broad discretion over the use of proceeds from this offering, and we could spend the proceeds from this offering in ways our stockholders may not agree with or that do not yield a favorable return, if at all. We intend to use substantially all of the net proceeds of this offering to fund the continued commercialization of the ARTAS System, fund planned research and product development activities and general corporate purposes. In addition, we will use cash on hand and may use the net proceeds from this offering to make regular payments on our loan with Oxford. However, our use of these proceeds may differ substantially from our current plans. If we do not invest or apply the proceeds of this offering in ways that improve our operating results, we may fail to achieve expected financial results, which could cause our stock price to decline.

Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change," generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards, or NOLs, and other pre-change tax attributes (such as research and development tax credits) to offset its post-change income or taxes may be limited. We may have experienced ownership changes in the past and may experience ownership changes in the future as a result of this offering and/or subsequent shifts in our stock ownership (some of which shifts are outside our control). As a result, if we earn net taxable income, our ability to use our pre-change NOLs to offset such taxable income could be subject to limitations. Similar provisions of state tax law may also apply. As a result, even if we attain profitability, we may be unable to use a material portion of our NOLs and other tax attributes.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable and may lead to entrenchment of management.

Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect immediately prior to the consummation of this offering will contain provisions that could delay or prevent changes in control or changes in our management without the consent of our board of directors. These provisions will include the following:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board of directors to alter our bylaws without obtaining stockholder approval;
- the required approval of at least 66 2/3% of the shares entitled to vote at an election of directors to adopt, amend or repeal our bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairman of the board of directors, the chief executive officer, the president or the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

In addition, these provisions would apply even if we were to receive an offer that some stockholders may consider beneficial.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the transaction. For a description of our capital stock, see the section titled "Description of Capital Stock."

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws to be effective immediately prior to the completion of this offering and our indemnification agreements that we have entered into with our directors and officers provide that:

- we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;

- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- we will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification;
- the rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and
- we may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents.

Our certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation will provide that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation or our bylaws, any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

We do not intend to pay dividends on our common stock, and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We do not intend to pay any cash dividends on our common stock for the foreseeable future. We intend to invest our future earnings, if any, to fund our growth. Furthermore, pursuant to the loan and the security agreement between us and Oxford, we are not permitted to pay cash dividends in excess of $250,000 in aggregate per fiscal year without its prior written consent. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future. Since we do not intend to pay dividends, your ability to receive a return on your investment will depend on any future appreciation in the market value of our common stock. There is no guarantee that our common stock will appreciate or even maintain the price at which our holders have purchased it.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would," and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the continued growth in demand for our ARTAS Robotic System, or ARTAS, for use in harvesting hair follicles for transplant;
- our commercialization, marketing and manufacturing capabilities, plans and prospects;
- the continuing productivity and effectiveness of our commercial infrastructure and salesforce;
- our financial performance;
- our intentions and our ability to establish collaborations and/or partnerships;
- the timing or likelihood of regulatory filings and approvals for ARTAS for use in recipient site making or transplanting of hair follicles, and expanding the approved use of ARTAS for use in dissecting hair follicles to include women and individuals without straight brown or black hair;
- our expectations regarding the potential market size and the size of the patient populations for ARTAS;
- the effective pricing of ARTAS;
- the implementation of our business model and strategic plans for our business and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering ARTAS, along with any product enhancements;
- estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital;
- our use of proceeds from this offering;
- our financial performance;
- developments and projections relating to our competitors and our industry, including competing therapies and procedures; and
- other risks and uncertainties, including those listed under the caption "Risk Factors."

These forward-looking statements are based on management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management's beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this prospectus. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this prospectus.

INDUSTRY AND MARKET DATA

This prospectus contains estimates, projections and other information concerning our industry, our business, and the markets for the ARTAS System, products and services, including data regarding market research, estimates and forecasts prepared by our management. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of common stock in this offering will be approximately $ million, or approximately $ million if the underwriters exercise their over-allotment option in full, at an assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discount and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discount and estimated offering expenses payable by us, by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discount and estimated offering expenses payable by us, by approximately $ million, assuming the assumed initial public offering price stays the same. This pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing. We do not expect that a change in the offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

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

- approximately $ million to $ million to fund the continued commercialization of the ARTAS System, specifically expanding our U.S. and international sales and distribution infrastructure, expanding our planned physician and consumer marketing initiatives, and obtaining additional regulatory approvals;
- approximately $ million to $ million to complete the research and development of the robotic implantation functionality currently in clinical development;
- approximately $ million to $ million for other planned research and product development activities, other than in connection with the robotic implantation functionality, including improving and enhancing the ARTAS System and Procedure with additional developments; and
- the remainder, if any, for working capital and general corporate purposes.

However, due to the uncertainties inherent in the development and commercialization of our products, it is difficult to estimate with certainty the exact amounts of the net proceeds from this offering that may be used for the above purposes. As such, our management will retain broad discretion over the use of the net proceeds from this offering. The amounts and timing of our expenditures will depend upon numerous factors, including: (i) the success of our commercialization efforts for the ARTAS System, (ii) the amount of revenue we are able to receive from the ARTAS System sales, servicing and procedure based fees and (iii) our ability to receive regulatory approval for new product features or new approved uses. We will use our existing cash and, potentially a portion of the proceeds of this offering, to make scheduled payments of principal and interest of approximately $0.7 million a month until July 1, 2019 at which time the final scheduled payment is $1.3 million on our outstanding loan with Oxford Finance LLC, or Oxford. Our loan with Oxford accrues interest at prime plus 8.5% per annum and matures July 1, 2019. For additional information related to our outstanding loan, including the interest rate and maturity, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commitments.”

We believe that our existing cash and cash equivalents, together with the net proceeds from this offering, will be sufficient to fund our planned operations for the 12 months following the date of this offering. For additional information regarding our potential capital requirements, see “Even if this offering is successful, we will require

substantial additional financing to achieve our goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our product development, other operations or commercialization efforts" under the heading "Risk Factors."

Pending the use of the proceeds from this offering, we intend to invest the net proceeds in interest-bearing, investment-grade securities, certificates of deposit or government securities.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Furthermore, pursuant to the loan and security agreement between us and Oxford, we are not permitted to pay cash dividends in excess of $250,000 in aggregate per fiscal year without its prior written consent. Subject to the foregoing, any future determination related to dividend policy will be made at the discretion of our board of directors.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2017:

- on an actual basis;
- on a pro forma basis to give effect to: (i) the conversion of all shares of our outstanding preferred stock at June 30, 2017 into an aggregate of 226,717,977 shares of common stock immediately prior to the consummation of this offering pursuant to a stockholder consent to be provided in connection with this offering by the holders of our preferred stock in accordance with our amended and restated certificate of incorporation; (ii) the conversion of convertible preferred stock warrants into common stock warrants immediately prior to completion of this offering and the related reclassification of our preferred stock warrant liabilities to additional paid-in capital; and (iii) the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering; and
- on a pro forma as adjusted basis to give further effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discount and estimated offering expenses payable by us.

You should read this information together with our consolidated financial statements and related notes appearing elsewhere in this prospectus and the information set forth under the headings "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	June 30, 2017		
	Actual	Pro Forma	Pro Forma, as Adjusted
	(In thousands, except share and per share data)		
Cash and cash-equivalents	$ 9,466	$ 9,466	$
Debt, net of discount	$ 16,760	$ 16,760	$
Preferred stock warrant liabilities	$ 886	$ —	$
Preferred stock, par value $0.0001 per share: 236,154,444 shares authorized, 226,717,977 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	$ 145,960	$ —	$
Stockholders' (deficit) equity:			
Preferred stock, par value of $0.0001 per share: no shares authorized, issued or outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted			
Common stock, $0.0001 par value per share: 350,490,000 shares authorized, 16,201,905 shares issued and outstanding, actual; 350,490,000 shares authorized, 242,919,882 shares issued and outstanding, pro forma and shares issued and outstanding, pro forma as adjusted	2	24	
Additional paid-in capital	3,325	150,149	
Accumulated other comprehensive income (loss)	(34)	(34)	
Accumulated deficit	(156,827)	(156,827)	
Total stockholders' (deficit) equity	(153,534)	(6,688)	
Total capitalization	$ (7,574)	$ (6,688)	$

The outstanding share information in the table above excludes the following:

- 19,398,976 shares of common stock issuable upon the exercise of outstanding stock options as of June 30, 2017 having a weighted-average exercise price of $0.18 per share;
- 3,851,412 shares of common stock issuable upon exercise of outstanding warrants;
- 2,795,080 shares of common stock reserved for issuance pursuant to future awards under our 2015 Equity Incentive Plan, as amended, as of June 30, 2017, which will become available for issuance under our 2017 Equity Incentive Award Plan after consummation of this offering;
- shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- shares of common stock reserved for issuance pursuant to future awards under our Employee Stock Purchase Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering.

DILUTION

If you invest in our common stock in this offering, your interest will be immediately diluted to the extent of the difference between the initial public offering price per share of our common stock in this offering and the net tangible book value per share of our common stock after this offering. As of June 30, 2017, we had a historical net tangible book value (deficit) of $(154.3) million, or $(9.52) per share of common stock. Our net tangible book value (deficit) represents total tangible assets less total liabilities and convertible preferred stock divided by the number of shares of common stock outstanding on June 30, 2017. Our pro forma net tangible book value (deficit) as of June 30, 2017, before giving effect to this offering, was $(7.5) million, or $(0.03) per share of our common stock. Pro forma net tangible book value (deficit), before the issuance and sale of shares in this offering, gives effect to:

- the conversion of all shares of our outstanding preferred stock at June 30, 2017 into an aggregate of 226,717,977 shares of common stock immediately prior to the consummation of this offering pursuant to a stockholder consent to be provided in connection with this offering by the holders of our preferred stock in accordance with our amended and restated certificate of incorporation;
- the conversion of convertible preferred stock warrants into common stock warrants immediately prior to completion of this offering and the related reclassification of our preferred stock warrant liabilities to additional paid-in capital; and
- the filing and effectiveness of our amended and restated certificate of incorporation, which will occur immediately prior to the consummation of this offering.

After giving effect to the sale of shares of common stock in this offering at an assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discount and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value (deficit) as of June 30, 2017 would have been approximately $ million, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value (deficit) of $ per share to existing stockholders and an immediate dilution of $ per share to new investors. The following table illustrates this per share dilution:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of June 30, 2017	$(9.52)	
Pro forma increase in net tangible book value (deficit) per share	$ 9.49	
Pro forma net tangible book value (deficit) per share as of June 30, 2017	$ (0.03)	
Increase in pro forma net tangible book value (deficit) per share attributable to new investors		
Pro forma as adjusted net tangible book value (deficit) per share after this offering		
Dilution per share to new investors participating in this offering		

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus) would increase (decrease) our pro forma as adjusted net tangible book value (deficit) as of June 30, 2017 after this offering by approximately $ million, or approximately $ per share, and would decrease (increase) dilution to investors in this offering by approximately $ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discount and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) our pro forma as adjusted net tangible book value (deficit) as of June 30, 2017 after this offering by approximately $ million, or approximately $ per share, and would decrease (increase) dilution to investors in this offering by approximately $ per share, assuming the assumed initial public offering price per share remains the same, after deducting the estimated underwriting discount and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value after this offering would increase to approximately $ per share, and there would be an immediate dilution of approximately $ per share to new investors.

To the extent that outstanding options or warrants with an exercise price per share that is less than the pro forma as adjusted net tangible book value per share are exercised, new investors will experience further dilution. If all of our outstanding options and warrants described above were exercised, our net tangible book value as of June 30, 2017, before giving effect to the issuance and sale of shares in this offering, would have been approximately $(154.3) million, or approximately $(3.91) per share, and our pro forma as adjusted net tangible book value as of June 30, 2017 after this offering would have been approximately $, or approximately $ per share, causing dilution to new investors of approximately $ per share.

In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

The following table shows, as of June 30, 2017, on a pro forma as adjusted basis, after giving effect to the pro forma adjustments described above, the number of shares of common stock purchased from us, the total consideration paid to us and the average price paid per share by existing stockholders and by new investors purchasing common stock in this offering at an assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover page of this prospectus), before deducting the estimated underwriting discount and estimated offering expenses payable by us (in thousands, except share and per share amounts and percentages):

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders(1)		%	$	%	$
Investors participating in this offering					
Total(2)		100%	$	100%	$

(1) To the extent all of our outstanding options and warrants described above were exercised, for the existing shareholders, the number of shares purchased and the percent in the above table would be and , respectively, the total consideration amount and percent in the above table would be and , respectively, and the average price per share would be $.

(2) To the extent all of our outstanding options and warrants described above were exercised, for the existing shareholders, the number of shares purchased and the percent in the above table would be and , respectively, the total consideration amount and percent in the above table would be and , respectively, and the average price per share would be $.

The tables and discussion above are based on (i) 16,201,905 shares of common stock outstanding as of June 30, 2017, (ii) 242,919,882 shares of common stock outstanding on a pro forma basis as of June 30, 2017 and (iii) shares of common stock outstanding on a pro forma as adjusted basis as of June 30, 2017 after giving effect to this offering and exclude, as of that date, the following:

- 19,398,976 shares of common stock issuable upon the exercise of outstanding stock options having a weighted-average exercise price of $0.18 per share;
- 3,851,412 shares of common stock issuable upon exercise of outstanding warrants;
- 2,795,080 shares of common stock reserved for issuance pursuant to future awards under our 2015 Equity Incentive Plan, as amended, which will become available for issuance under our 2017 Equity Incentive Award Plan after consummation of this offering;
- shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- shares of common stock reserved for issuance pursuant to future awards under our Employee Stock Purchase Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering.

SELECTED CONSOLIDATED FINANCIAL DATA

We derived the selected consolidated statements of operations data for the years ended December 31, 2015 and 2016 and the consolidated balance sheet data as of December 31, 2015 and 2016 from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statements of operations data for the six months ended June 30, 2016 and 2017 and the selected consolidated balance sheet data as of June 30, 2017 have been derived from our unaudited interim consolidated financial statements and related notes included elsewhere in this prospectus. Our unaudited interim consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary for a fair presentation of our consolidated financial position and consolidated results of operations for these periods. Our historical results are not necessarily indicative of the results that may be expected in the future, and our interim results should not necessarily be considered indicative of results that may be expected for the full year or any other period. You should read the following selected consolidated financial data together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands, except shares and per share data)			
Consolidated Statements of Operations Data:				
Revenue, Net	$ 17,230	$ 15,600	$ 6,746	$ 11,264
Cost of Revenue	12,513	10,431	4,863	6,578
Gross Profit	4,717	5,169	1,883	4,686
Operating Expenses:				
Research and Development	7,399	7,474	3,554	3,841
Sales and Marketing	14,587	12,483	6,196	7,304
General and Administrative	3,256	4,144	1,853	2,410
Total Operating Expenses	25,242	24,101	11,603	13,555
Loss from Operations	(20,525)	(18,932)	(9,720)	(8,869)
Other Income (Expense), Net:				
Interest Expense	(2,892)	(2,483)	(1,249)	(1,115)
Other Income (Expense), Net	446	(431)	(16)	(174)
Total Other Income (Expense)	(2,446)	(2,914)	(1,265)	(1,289)
Net Loss before Provision for Income Taxes	(22,971)	(21,846)	(10,985)	(10,158)
Provision for Income Taxes	—	—	—	24
Net loss attributable to common stockholders	$ (22,971)	$ (21,846)	$ (10,985)	$ (10,182)
Net loss per share attributable to common stockholders, basic and diluted (1)	$ (1.49)	$ (1.35)	$ (0.68)	$ (0.63)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted (1)	15,415,495	16,129,638	16,117,602	16,192,034
Pro forma net loss per share attributable to common stockholders, basic and diluted (2)		$ (0.10)		$ (0.04)
Weighted-average shares used in computing pro forma net loss attributable to common stockholders, basic and diluted (2)		214,534,913		230,516,101

(1) Basic and diluted net loss per share attributable to common stockholders is computed based on the weighted-average number of shares of common stock outstanding during each period. For additional information, see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

(2) Pro forma basic and diluted net loss per share attributable to common stockholders and pro forma weighted-average number of shares used in computing pro forma basic and diluted net loss per share attributable to common stockholders reflect (i) the conversion of all shares of our outstanding preferred stock at June 30, 2017 into an aggregate of 226,717,977 shares of common stock immediately prior to the consummation of this offering pursuant to a stockholder consent to be provided in connection with this offering by the holders of our preferred stock in accordance with our amended and restated certificate of incorporation and (ii) the conversion of the convertible preferred stock warrants into common stock warrants as though the conversions had occurred at the beginning of the period. For additional information, see Note 2 to our consolidated financial statements included elsewhere in this prospectus.

	As of December 31,		As of June 30, 2017
	2015	2016	
	(In thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 17,127	$ 11,906	$ 9,466
Working capital	20,429	4,889	824
Total assets	26,477	19,498	18,150
Debt, net of discount	19,713	20,450	16,760
Preferred stock warrant liabilities	347	693	886
Other long-term liabilities	—	563	512
Convertible preferred stock	123,662	135,735	145,960
Accumulated deficit	(124,799)	(146,645)	(156,827)
Total stockholders' deficit	(122,205)	(143,544)	(153,534)

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

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes to those statements included elsewhere in this prospectus. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and elsewhere in this prospectus.

Overview

We are a medical technology company developing and commercializing a robotic device, the ARTAS System, that assists physicians in performing many of the repetitive tasks that are a part of a follicular unit extraction, or FUE surgery, a type of hair restoration procedure. We believe the ARTAS System is the first and only physician assisted robotic system that can identify and dissect hair follicular units directly from the scalp and create recipient implant sites. In addition to the ARTAS System, we also offer the ARTAS Hair Studio application, an interactive three-dimensional patient consultation tool that enables a physician to create a simulated hair transplant model for use in patient consultations. We received clearance from the U.S. Food and Drug Administration, or FDA, in April 2011 to market the ARTAS System in the U.S., and we have sold the ARTAS System into 29 other countries. As of June 30, 2017, we have sold 89 ARTAS Systems in the U.S. and 144 internationally. As of June 30, 2017, the ARTAS System and ARTAS Hair Studio application are protected by over 70 patents in the U.S. and over 100 international patents.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the U.S. (U.S. GAAP). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the assumptions and estimates have the greatest potential impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates. For further information on all of our significant accounting policies, see the notes to our consolidated financial statements.

Revenue Recognition

We generate revenue from sales of robotic systems and related harvest procedures, and related support and maintenance. We derive revenue primarily from two sources: (i) product revenue, which includes robotic systems sales, installation, software, harvest procedure key and disposable kits; and (ii) support and maintenance revenue, which includes support, training, and service contracts.

Revenue is recognized when all of the following criteria are met: (l) persuasive evidence of an arrangement exists; (2) the product or service has been delivered; (3) the sales price is fixed or determinable; and (4) collection is reasonably assured.

We define each of the four criteria above as follows:

- ***Persuasive Evidence of Arrangement Exists.*** We use purchase orders pursuant to the terms and conditions of a master agreement with a distributor to support the evidence of an arrangement with distributors and use purchase agreements as evidence of arrangement with direct customers.

- ***Delivery has Occurred.*** Provided that all other revenue recognition criteria have been met, for direct sales we typically recognize systems revenue upon customer acceptance, or upon shipment for systems sold to distributors and there are no further obligations and no rights of return. Harvest procedure revenue is recognized upon shipment of disposable kits and delivery of the key authorizing the ARTAS System procedure. Support and maintenance revenue is recognized over time as the services are delivered.
- ***The Sales Price is Fixed or Determinable.*** We assess whether the fee is fixed or determinable based on the payment terms associated with the transaction. If the terms are extended beyond our normal payment terms, we will recognize revenue as the payments become due. Payments from distributors are not contingent on the distributors' receiving payment from the end-users.
- ***Collection is Reasonably Assured.*** We assess probability of collection on an individual basis based on a number of factors, including the credit-worthiness of the customer and past transaction history with the customer. We generally obtain a significant cash deposit from customers prior to shipment.

We record revenues net of sales tax and shipping and handling costs.

Multiple Element Arrangements

The ARTAS System includes a robotic system containing software components that function together to provide the essential functionality of the product. Therefore, our hardware products, which include the core software, are considered non-software deliverables and are not subject to industry-specific software revenue recognition guidance.

Our typical multiple element arrangement includes the robotic system (including the essential software), key authorizing the procedure, installation (for direct sales to end-users), product training and service contracts. We consider each of these deliverables to be separate units of accounting based on whether the delivered items have stand-alone value. We have determined that each unit of accounting has stand-alone value because they are sold separately by us or, for hardware products, because the customers can resell them to others on a stand-alone basis.

For the arrangements with multiple deliverables, we allocate the associated fee to each element based upon the relative selling price of such element. When applying the relative selling price method, we determine the selling price for each element using vendor-specific objective evidence, or VSOE, of selling price, if it exists, or if not, third-party evidence, or TPE, of selling price, if it exists. If neither VSOE nor TPE of selling price exist for an element, we use our best estimated selling price, or BESP, for that element. The revenue allocated to each element is then recognized when the basic revenue recognition criteria are met for that element.

We are not able to establish a selling price of our deliverables using VSOE or to determine TPE for our products and services. TPE is determined based on competitor prices for similar deliverables when sold separately. Generally, our go-to-market strategy differs from that of our peers and our offerings contain a significant level of differentiation such that the comparable pricing of products with similar functionality cannot be obtained.

When we are unable to establish the selling price of our deliverables using VSOE or TPE, we utilize BESP in our allocation of arrangement consideration. The objective of BESP is to determine the price at which we would transact a sale if the product or service were sold on a stand-alone basis. We determine BESP for a product or service by considering multiple factors including, but not limited to, industry and market conditions, competitive landscape, standard pricing practices and internal cost models. We perform an annual review of market conditions by region, pricing practices including discounting, and the type of customer, such as distributors versus direct sales. Additionally, we consider historical transactions, including transactions whereby the deliverable was sold on a stand-alone basis.

Deferred revenue consists of billings or payments received in advance of revenue recognition and primarily relate to support and maintenance. Deferred revenue that will be recognized during the twelve-month period following the balance sheet date is recorded as current deferred revenue and the remaining portion is recorded as noncurrent.

Inventory

Inventory is stated at the lower of cost or market and cost is determined using the first-in, first-out method. Costs include material, labor and overhead. We regularly evaluate how realizable our inventory may be. Inventory which is obsolete or in excess of forecasted sales or usage is written down to its estimated net realizable value based on assumptions about future demand and market conditions. Inventory write-downs are charged to cost of revenue and a new cost basis for the inventory is established.

We may be exposed to a number of economic and industry factors that could result in portions of our inventory becoming either obsolete or in excess of our forecasted sales or usage which include, but are not limited to, technological changes in our markets, our ability to meet changing customer requirements, competitive pressures on products and prices, and reliability and replacement of and the availability of key components from our suppliers. Assumptions used in determining our estimates of future demand may prove to be incorrect, which may result in inventory which is obsolete or in excess of forecasted sales or usage and require a future adjustment to its estimated net realizable value. Although considerable effort is made to ensure the accuracy of our forecasts of future demand, any significant unanticipated changes in demand or expected usage could have a significant negative impact on the value of our inventory and our operating results.

Stock-Based Compensation

We measure and recognize compensation expense for all share-based payment awards, including stock options, using a fair-value based method. We estimate the fair value of share-based payment awards on the date of grant using a Black-Scholes-Merton option-pricing model. Stock-based compensation is recognized on a straight-line basis over the requisite service period based on awards ultimately expected to vest. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Stock-based awards granted to non-employees are accounted for at fair value. The associated expense is recognized over the period the services are performed by non-employees. The fair value of stock-based awards granted to non-employees was nominal for the periods presented.

Common Stock Valuations

Given the absence of a public trading market of our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately Held Company Equity Securities Issued as Compensation, our board of directors exercised reasonable judgment and considered numerous and subjective factors to determine the best estimate of fair value of our common stock, including, but not limited to:

- rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- actual operating and financial performance;
- current business conditions and financial projections;
- likelihood of achieving a liquidity event, such as an initial public offering or a sale of our business;
- the lack of marketability of our common stock, and the illiquidity of stock-based awards involving securities in a private company;
- market multiples of comparable publicly traded companies;

- stage of development;
- industry information such as market size and growth; and
- U.S. and global capital and macroeconomic conditions.

In determining the fair value of our common stock, we estimated the enterprise value of our business using the market approach and the income approach. Under the market approach, a group of guideline publicly traded companies with similar financial and operating characteristics as us were selected and valuation multiples based on these guideline public companies' financial information and market data were calculated. Based on the observed valuation multiples, an appropriate multiple was selected to apply to our historical and forecasted revenue results. Under the income approach, forecasted cash flows were discounted to the present value at a risk-adjusted discount rate. We determined discrete free cash flows over several years based on forecast financial information provided by our management and a terminal value for the residual period beyond the discrete forecast, which are discounted at our estimated weighted average cost of capital to estimate our enterprise value. The estimated enterprise value was then allocated to the common stock using the Option Pricing Method, or OPM. We applied a discount for lack of marketability to account for a lack of access to an active public market.

Following this offering, it will not be necessary to determine the fair value of our common stock using these valuation approaches as shares of our common stock will be traded in the public market.

Warranty

We provide a one-year warranty on the ARTAS System and accrue for the estimated future costs of repair or replacement upon customer acceptance or shipment. The warranty expense is recorded to cost of goods sold and is based upon historical information for the cost to repair or replace the system. Warranty estimates are more subjective for products that have limited historical information. In the periods presented herein, there have been no material deviations in the estimated warranty expenses as compared to the actual warranty expenses incurred.

Preferred Stock Warrant Liabilities

We account for freestanding warrants to purchase shares of convertible preferred stock that are contingently redeemable as liabilities in the consolidated balance sheets at their estimated fair value because these warrants may obligate us to redeem them at some point in the future. At the end of each reporting period, changes in the estimated fair value of the warrants to purchase shares of convertible preferred stock are recorded as other income (expense), net in the consolidated statements of operations. We will continue to adjust the convertible preferred stock warrant liability to the estimated fair value of the warrants until the earlier of the exercise or expiration of the warrants or at such time as the warrants become convertible into warrants to purchase common stock, which will occur in connection with this offering.

The convertible preferred stock warrants are remeasured to fair value using an option pricing method, or OPM, or probability weighed expected return method, or PWERM, that incorporates the use of OPM, to allocate the estimated value of our company. The OPM treats classes of stock as call options on our enterprise value which takes into consideration differences in the right of various securities including rights to dividends, liquidation preferences, and conversion rights. The OPM prices the call option using the Black-Scholes model. The PWERM relies on a forward-looking analysis to predict the possible future value of a company by weighing discrete future outcomes.

The inputs used in calculating the estimated fair value of our convertible preferred stock warrants at each reporting period include the fair value of the underlying stock, expected term, risk-free interest rate, and volatility and represent our best estimate, however, inherent uncertainties are involved. As a result, if factors or assumptions change, the estimated fair value of the convertible preferred stock warrants could be materially different. The estimated expected volatility was derived from historical volatilities of several unrelated publicly

listed peer companies over a period approximately equal to the remaining term of the warrants. When making the selections of our industry peer companies to be used in the volatility calculation, we consider the size and operational and economic similarities our principle business operations. The estimated expected term represents either the lesser of (i) the remaining contractual term of the warrants or (ii) the remaining term under probable scenarios used to determine the fair value of the underlying stock. The risk-free interest rate was based on the U.S. Treasury yield for a term consistent with the estimated expected term.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the tax and financial reporting bases of our assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in future years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced through the establishment of a valuation allowance, if, based upon available evidence, it is determined that it is more likely than not that the deferred tax assets will not be realized. Due to our historical operating performance and our recorded cumulative net losses in prior fiscal periods, our net deferred tax assets have been fully offset by a valuation allowance.

We recognize the effect of income tax positions only if those positions are more likely than not of being sustained on examination based on the technical merit of the position. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on examination, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement.

We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments. We recognize interest charges and penalties related to unrecognized tax benefits as a component of the tax provision.

Factors Affecting our Results of Operations

We believe there are several important factors that have impacted, and that we expect will impact, our results of operations.

Adoption of the ARTAS System

The growth of our business depends on our ability to gain broader acceptance of the ARTAS System and the ARTAS procedure by successfully marketing and distributing the ARTAS System and the ARTAS procedure. If we are unable to successfully commercialize our ARTAS System and the ARTAS procedure, we may not be able to generate sufficient revenue to achieve or sustain profitability. In the near term, we expect we will continue to operate at a loss and we anticipate we will finance our operations principally through offerings of our capital stock and by incurring debt. If we are unable to raise adequate additional capital, we will be unable to maintain our commercialization efforts and our revenues could decline.

Significant Investment in our Sales and Marketing

As a result of declining ARTAS System unit sales in the U.S. and other regions in the second half of 2015 and early 2016, we introduced a new leadership team, made certain strategic changes to and investments in our U.S. sales and global marketing organizations, which included terminating certain personnel and hiring new personnel and realigning our reporting and leadership structure in the sales organization. For example, we increased the size of our U.S. sales force by hiring sales professionals with extensive experience selling to physicians in the aesthetic market. Beginning with the fourth quarter of 2016, ARTAS System sales increased in the U.S. We also

strategically revised our branding and consolidated our regional marketing teams to standardize our messaging and focus of our marketing spending with an aim to be more efficient and cost-effective. As a result, we have seen a reduction in and improved efficiency of our marketing spending.

While we have increased revenues in 2017 as a result of increased unit sales, these sales initiatives have also increased our sales and marketing expenses. Furthermore, we anticipate as we continue to advance the commercialization of the ARTAS System, our sales and marketing expenses will continue to increase in the near term.

Procedure Based Fee Growth

We derive our revenues from the sale and service of ARTAS Systems and procedure based fees, as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
	(in thousands)			
Systems	$10,594	$ 7,193	$ 2,652	$ 6,448
Procedure based	5,766	6,927	3,496	3,834
Service related fees	870	1,480	598	982
	$17,230	$15,600	$ 6,746	$11,264

- System revenue declined from 2015 to 2016 as a result of a decline in the number of ARTAS Systems sold, and increased in the first six months of 2017 compared to the first six months of 2016 as a result of an increased in the number of ARTAS Systems sold. Unit sales of the ARTAS System have increased recently as a result of the leadership and sales and marketing changes implemented in the second half of 2016.
- In contrast to the decline in revenues for ARTAS System unit sales, procedure based fees increased from 2015 to 2016, and for the first six months of 2017 compared to the first six months of 2016, as our installed base of ARTAS Systems increased. We expect procedure based fees to continue to increase as our installed base grows worldwide.
- Service-related fees increased from 2015 to 2016, and for the first six months of 2017 compared to the first six months of 2016, as our post-warranty installed base of ARTAS Systems increased. We expect service-related fees to grow as our post-warranty installed base grows worldwide.

As our installed base of ARTAS Systems increases, we expect a greater portion of our revenue will be comprised of revenues generated from procedure based fees.

Growth in Revenue from Markets Outside the U.S.

Since launching the ARTAS System in 2011, we have obtained clearance to sell our products in a total of 61 countries. In June 2012, we obtained our CE mark to sell our product into the European Economic Area, or EEA. We have sold into 30 countries and sell directly into the U.S., Korea, Hong Kong, Singapore, Spain, Poland, Benelux and Scandinavia, and through distributors in the other countries. Most recently, we obtained clearance to sell in China in September 2016.

A significant portion of our revenues come from markets outside of the U.S. We believe that this trend will continue as a result of increased penetration in the countries where we sell the ARTAS System, as well as expansion into new international markets. The percentages of our revenues by region are as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
U.S.	48%	43%	41%	42%
Europe and Middle East	17%	20%	17%	28%
Asia Pacific	17%	23%	26%	21%
Rest of World	18%	14%	16%	9%
Total	100%	100%	100%	100%

The ARTAS System unit sales declined from 2015 to 2016 as a result of decreased unit sales in the U.S. and the Rest of World region, partially offset by increased units in the Europe and Middle East and Asia Pacific region as well as increased procedure-based fees throughout the Rest of World region. The ARTAS System unit sales increased in the first six months of 2017 compared to the first six months of 2016 in the U.S., Europe and Middle East and Asia Pacific regions, partially offset by decreased unit sales in the Rest of the World region.

We expect our operating expenses to increase as a result of increased sales and marketing activity to promote penetration in markets outside the U.S. where we already sell the ARTAS System and geographic expansion into new markets.

Need for Additional Capital

Our independent registered public accounting firm included an explanatory paragraph in its report on our consolidated financial statements as of and for the year ended December 31, 2016, raising substantial doubt about our ability to continue as a going concern. See “Liquidity and Capital Resources” and Note 1 to Notes to Consolidated Financial Statements for additional information describing the circumstances that led to the inclusion of this explanatory paragraph.

We have financed our operations primarily through private placements of our equity securities and debt related financing arrangements. We have never been profitable and have incurred net losses in each year since the commencement of our operations. Our net losses were $23.0 million and $21.8 million for the years ended December 31, 2015 and 2016, respectively, and $10.2 million for the six months ended June 30, 2017. As of June 30, 2017, we had an accumulated deficit of $156.8 million.

As of June 30, 2017, we had capital resources consisting of cash and cash equivalents of $9.5 million. We believe that we will continue to expend substantial resources for the foreseeable future in connection with the ongoing commercializing of the ARTAS System, increasing our sales and marketing efforts, and continuing research and development and product enhancements activities. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will allow us to fund our operating plan for at least the next twelve months. However, our operating plans may change as a result of many factors unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings or other sources, such as strategic collaborations. Such financing may result in dilution to stockholders, imposition of burdensome debt covenants and repayment obligations, the licensing of rights to our technology, or other restrictions that may affect our business. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Factors Affecting Comparability

We anticipate that our quarterly results of operations may fluctuate for the foreseeable future due to several factors, including the performance of our direct sales force and international distributors and unanticipated interruptions and expenses related to our operations. In addition, due to the long lead time to finalize ARTAS System unit sales with our physician customers, and the significant impact each unit sale has on a period's revenues due to the price of each unit, our quarterly revenues may not be comparable from one period to another.

Furthermore, our industry is characterized by seasonally lower demand during the third calendar quarter of the year, when both physicians and prospective patients take summer vacations. A detailed discussion of these and other factors that impact our business is provided in the "Risk Factors" section in this prospectus.

Components of Results of Operations

Revenue, Net

We generate revenues from the sale and service of ARTAS Systems and procedure based fees. For procedure based fees, our physician customers in the U.S. generally pay in advance on a per follicle-basis for the follicles to be harvested, and on a per procedure basis for Site Making. Outside of the U.S., physician customers pay in advance, generally on a per procedure basis for both follicle extraction and Site Making. Our revenue has historically been net of discounts. In the six month period ended June 30, 2017 there were *de minimis* discounts. In the year ended December 31, 2016, the discounts amounted to $0.2 million. During the second quarter of 2017, we released an additional system upgrade for which we recorded $0.5 million in revenue during the six months ended June 30, 2017.

Cost of Revenue

Cost of revenue primarily consists of product, fulfillment, and customer service costs. Product costs include the cost of systems, disposable and reusable kits, and personnel-related costs, including salaries and benefits, bonuses, and stock-based compensation related to management of our contract manufacturer, and allocated shared costs (including rent and information technology). Fulfillment costs primarily consist of costs incurred in the shipping and handling of inventory, including shipping costs to our customers, and personnel-related costs, including salaries and benefits, bonuses, and stock-based compensation related to receiving, inspecting, warehousing, and preparing systems and kits for shipment. Customer service costs primarily consists of personnel-related costs, including salaries and benefits, bonuses, and stock-based compensation associated with service contracts, travel costs, and allocated shared costs (including rent and information technology). Cost of revenue also includes depreciation of property and equipment associated with cost of revenue activities.

Research and Development

Research and development expenses primarily consist of personnel-related costs, including salaries and benefits, bonuses, and stock-based compensation for our research and development employees, consulting services, clinical studies, supplies, allocated shared costs (including rent and information technology), and depreciation of equipment associated with research and development activities.

Sales and Marketing

Our sales and marketing expenses primarily consist of personnel-related costs, including salaries and benefits, bonuses, sales commissions, travel expenses, and stock-based compensation for our sales and marketing employees, consulting services, advertising, direct marketing, tradeshow, and promotional expenses, allocated shared costs (including rent and information technology), and depreciation of property and equipment associated with sales and marketing activities.

General and Administrative

General and administrative expenses primarily consist of personnel-related costs, including salaries and benefits, bonuses, travel expenses, and stock-based compensation for our executive, finance, legal, human resources, information technology and other administrative employees. In addition, general and administrative expenses include fees for third party professional services, including consulting, legal and accounting services, and other corporate expenses, and allocated shared costs (including rent and information technology), and depreciation of property and equipment associated with general and administrative activities.

Interest Expense

Interest expense consists of interest related to borrowings under our debt obligations.

Other Income (Expense), Net

Other income (expense), net primarily consists of income and expense related to the change in fair value of convertible preferred stock warrant liabilities.

Provision for Income Taxes

Provision for income taxes primarily consists of state and foreign income taxes. Due to cumulative losses, we maintain a valuation allowance against our deferred tax assets. We consider all available evidence, both positive and negative, in assessing the extent to which a valuation allowance should be applied against our deferred tax assets.

Results of Operations

Six Months Ended June 30, 2016 and June 30, 2017

	Six Months Ended June 30,		Change	
	2016	2017	$	%
	(dollars in thousands)			
Revenue, Net	$ 6,746	$ 11,264	$4,518	67%
Cost of Revenue	4,863	6,578	1,715	35
Gross Profit	1,883	4,686	2,803	149
Gross Margin	28%	42%		
Operating Expenses:				
Research and Development	3,554	3,841	287	8
Sales and Marketing	6,196	7,304	1,108	18
General and Administrative	1,853	2,410	557	30
Total Operating Expenses	11,603	13,555	1,952	17
Loss from Operations	(9,720)	(8,869)	851	(9)
Other Income (Expense), Net:				
Interest Expense	(1,249)	(1,115)	134	(11)
Other Income (Expense), Net	(16)	(174)	(158)	988
Total Other Income (Expense)	(1,265)	(1,289)	(24)	2
Net Loss before Provision for Income Taxes	(10,985)	(10,158)	827	(8)
Provision for Income Taxes	—	24	24	—
Net Loss	$(10,985)	$(10,182)	$ 803	(7)%

Revenue, Net. Revenue increased $4.5 million, or 67%, to $11.2 million for the six months ended June 30, 2017, compared to $6.7 million for the six months ended June 30, 2016. System revenue increased $3.7 million, or 137%, to $6.4 million for the six months ended June 30, 2017, compared to $2.7 million for the six months ended June 30, 2016. The increase was primarily attributable to increased unit sales, as we sold 27 ARTAS systems during the six months ended June 30, 2017, compared to 12 ARTAS systems during the six months ended June 30, 2016 as a result of increased sales and marketing activities. The average sales price of the ARTAS System for the six months ended June 30, 2017 was substantially the same as the average sales price for the six months ended June 30, 2016, however, during the second quarter of 2017 we recorded $0.5 million in revenue related to an additional system upgrade. Procedure based fees increased $0.3 million, or 10%, to $3.8 million for the six months ended June 30, 2017, compared to $3.5 million for the six months ended June 30, 2016, primarily as a result of an increased number of ARTAS procedures due to a larger installed base. Service-related fees increased $0.4 million, or 64%, to $1.0 million for the six months ended June 30, 2017, compared to $0.6 million for the six months ended June 30, 2016, primarily due to the increase in post-warranty maintenance contracts sold as a result of the larger installed base.

Cost of Revenue. Cost of revenue increased $1.7 million to $6.6 million for the six months ended June 30, 2017, compared to $4.9 million for the six months ended June 30, 2016, primarily as a result of the increase in the number of ARTAS Systems sold during the six months. Gross margin increased to 42% for the six months ended June 30, 2017, compared to 28% for the comparable period of 2016. The increase in gross margin was the result of reduced procedure kit costs and a decrease in customer support spending as we improved our service cost efficiency.

Research and Development. Research and development expense increased $0.3 million to $3.8 for the six months ended June 30, 2017, compared to $3.5 million for the six months ended June 30, 2016. The increase resulted primarily from work related to improvements to the ARTAS System harvesting and site making capabilities, as well as the development of the robotic implantation capability for our ARTAS System. We have regularly introduced new innovations and updates to the ARTAS System, and we intend to continue this innovation and expect to invest in research and development on an ongoing basis.

Sales and Marketing. Sales and marketing expenses increased $1.1 million to $7.3 million for the six months ended June 30, 2017, compared to $6.2 million for the six months ended June 30, 2016. The increase was primarily due to an increase in spending on advertising and other marketing activities.

General and Administrative. General and administrative expenses increased $0.5 million to $2.4 million for the six months ended June 30, 2017, compared to $1.9 million for the six months ended June 30, 2016. The increase was primarily the result of an increase in professional service costs, consisting of accounting, consulting, legal and other professional fees incurred in connection with our preparation to become a public company.

Interest Expense. Interest expense was $1.1 million for the six months ended June 30, 2017 and $1.2 million for the six months ended June 30, 2016 relating to our outstanding long-term debt obligations. Interest expense was consistent between the periods as there were no significant fluctuations in our outstanding long-term debt obligations and related interest rates.

Other Income (Expense), Net. Other income (expense), net increased by $0.2 million to $0.2 million of expense for the six months ended June 30, 2017. The increase was attributable to the change in the fair value of our convertible preferred stock warrant liability of $0.2 million for the six months ended June 30, 2017, compared to no change in fair value for the six months ended June 30, 2016. The change in the fair value of our convertible preferred stock warrant liability was primarily due to an increase in the fair value of the underlying convertible preferred stock.

Years Ended December 31, 2015 and December 31, 2016

	Year Ended December 31,		Change	
	2015	2016	$	%
	(dollars in thousands)			
Revenue, Net	$ 17,230	$ 15,600	$(1,630)	(9)%
Cost of Revenue	12,513	10,431	(2,082)	(17)
Gross Profit	4,717	5,169	452	10
Gross Margin	27%	33%		
Operating Expenses:				
Research and Development	7,399	7,474	75	1
Sales and Marketing	14,587	12,483	(2,104)	(14)
General and Administrative	3,256	4,144	888	27
Total Operating Expenses	25,242	24,101	(1,141)	(5)
Loss from Operations	(20,525)	(18,932)	1,593	(8)
Other Income (Expense), Net:				
Interest Expense	(2,892)	(2,483)	409	(14)
Other Income (Expense), Net	446	(431)	(877)	(197)
Total Other Income (Expense)	(2,446)	(2,914)	(468)	19
Net Loss before Provision for Income taxes	(22,971)	(21,846)	1,125	(5)
Provision for Income Taxes	—	—	—	—
Net Loss	$(22,971)	$(21,846)	$ 1,125	(5)%

Revenue, Net. Revenue decreased $1.6 million, or 9%, to $15.6 million in 2016, compared to $17.2 million in 2015. System revenue decreased $3.4 million, or 32%, to $7.2 million in 2016, compared to $10.6 million in 2015. The decrease was primarily attributable to decreased unit sales as we sold 32 ARTAS systems in 2016, compared to 46 ARTAS systems in 2015 as a result of our implementation of certain strategic changes in our U.S. sales force in 2016, including terminating certain personnel and hiring new personnel, and realigning our reporting and leadership structure in the sales organization, which disrupted some sales activities during this period. The average sales price of the ARTAS System for 2016 decreased slightly compared to the average sales price during 2015 due to changes in the mix of geographical regions where systems were sold. Procedure based fees increased $1.1 million, or 19%, to $6.9 million in 2016, compared to $5.8 million in 2015, primarily as a result of a higher number of ARTAS procedures due to a larger installed base. Service related fees increased $0.6 million, or 67%, to $1.5 million in 2016, compared to $0.9 million in 2015, primarily due to the increase in post-warranty maintenance contracts sold as a result of the larger installed base.

Cost of Revenue. Cost of revenue decreased $2.1 million to $10.4 million in 2016, compared to $12.5 million in 2015, primarily as a result of the decrease in the number of ARTAS Systems sold during the year. Gross margin increased to 33% in 2016, compared to 27% in 2015. The increase in gross margin was primarily due to increase in service-related fees from maintenance contracts as a result of the larger installed base while related customer support costs spending remained relatively flat. Similarly, there was an increase in procedure based fees, which did not result in significant incremental costs due to reduction in costs of disposable kits.

Research and Development. Research and development expenses increased $0.1 million to $7.5 million in 2016, compared to $7.4 million in 2015. The increase was related to salaries, benefits and consulting expenses related to on-going R&D activity.

Sales and Marketing. Sales and marketing expenses decreased $2.1 million to $12.5 million in 2016, compared to $14.6 million in 2015. The reduction was primarily due to lower personnel-related costs due to reduced headcount which resulted in a decrease of $1.3 million, as well as a reduction in spending on advertising and

other marketing activities, as a result of our ongoing effort to be more efficient and cost effective in connection with marketing spending which resulted in a decrease of $0.8 million.

General and Administrative. General and administrative expenses increased $0.9 million to $4.1 million in 2016, compared to $3.2 million in 2015. The increase was primarily attributable to $0.5 million in severance expenses related to the departure of our former CEO, and $0.4 million of increased personnel-related costs.

Interest Expense. Interest expense decreased $0.4 million to $2.5 million in 2016, compared to $2.9 million in 2015. The decrease was mainly due to incurring $0.7 million of interest expense related to the early termination of our loans with Comerica Bank and Triple Point Capital in May 2015, with no similar expense recorded during 2016. The increase was offset primarily by higher interest expense related to our loan agreement with Oxford Finance LLC, or Oxford, due to a higher interest rate and outstanding balance when compared to our loans with Comerica Bank and Triple Point Capital.

Other Income (Expense), Net. Other income (expense), net decreased $0.9 million to $0.4 million of expense in 2016, compared to $0.5 million of income in 2015. The decrease was mainly due to the change in fair value of our convertible preferred stock warrant liability, resulting in expense of $0.3 million in 2016 compared to income of $0.6 million in 2015.

Liquidity and Capital Resources

To date, we have incurred significant net losses and negative cash flows from operations. Our net loss was $23.0 million and $21.8 million for the years ended December 31, 2015 and 2016, respectively, and $10.2 million for the six months ended June 30, 2017. As of June 30, 2017, we had an accumulated deficit of $156.8 million. These factors raise substantial doubt about our ability to continue as a going concern. At December 31, 2016 and June 30, 2017, we had cash and cash equivalents of $11.9 million and $9.5 million, respectively.

In May 2015, we entered into a loan and security agreement with Oxford pursuant to which we borrowed $20 million. The loan will mature in July 2019. The loan with Oxford accrues interest at prime plus 8.5% per annum. Prior to January 1, 2017, only accrued interest on the borrowed amounts was due and payable on a monthly basis, with any outstanding accrued but unpaid interest being payable on the date we borrowed any additional amounts pursuant to the loan agreement if such funding date was not a regular interest payment date. Following January 1, 2017, the outstanding principal amounts on the borrowed amounts, plus accrued and unpaid interest, was due and payable in equal monthly amounts pursuant to a repayment schedule that has us making 30 equal monthly payments such that all amounts outstanding are repaid on or by July 1, 2019. Our obligations under the loan with Oxford are secured by all of our current and future assets, excluding any of our intellectual property. The outstanding principal balance on the Oxford loan was $21.3 million at December 31, 2016 and $17.3 million as of June 30, 2017. The loan agreement with Oxford contains various covenants. As of June 30, 2017, we were in compliance with all required covenants.

We have financed our operations principally through private placements of our capital stock, secured debt financing, and payments from customers. We anticipate that the proceeds from this offering, together with our existing cash and cash equivalents and cash generated from sales of our products will last through 12 months from the date of this offering. To the extent that we need additional capital to continue to fund our operations, we intend to obtain such capital through the sale of additional shares of capital stock or related securities. We are also considering refinancing our current debt, for which we pay principal and interest payments monthly, and this refinancing may provide additional cash. We may be unable to raise additional funds or refinance our debt on favorable terms, or at all. Our failure to raise additional capital or refinance our debt would have a negative impact on our financial condition and our ability to execute our business plan. Such conditions raise substantial doubt about our ability to continue as a going concern. See Note 1 of the consolidated financial statements.

We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with the ongoing commercialization of the ARTAS System, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the scope and timing of our investment in our commercial infrastructure and sales force;
- the costs of commercialization activities including product sales, marketing, manufacturing and distribution;
- the degree and rate of market acceptance of the ARTAS System and the ARTAS procedure;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- our need to implement additional infrastructure and internal systems;
- the research and development activities we intend to undertake in order to expand the approved indications of use for the ARTAS System;
- the emergence of competing technologies or other adverse market developments;
- any product liability or other lawsuits related to our products;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company; and
- the costs associated with maintaining subsidiaries in foreign jurisdictions.

Cash flows

Six Months Ended June 30, 2016 and June 30, 2017

	Six Months Ended June 30,	
	2016	2017
	(dollars in thousands)	
Cash used in operating activities	$(8,691)	$(8,482)
Cash used in investing activities	(289)	(143)
Cash provided by financing activities	27	6,234

Operating Activities

For the six months ended June 30, 2017, cash used in operating activities of $8.5 million was attributable to a net loss of $10.2 million, partially offset by $1.0 million in non-cash charges and a net change in operating assets and liabilities of $0.7 million. The non-cash charges consisted primarily of amortization of debt issuance costs of $0.3 million, depreciation and amortization of $0.3 million, $0.2 million related to a change in fair value of preferred stock warrants, and stock-based compensation of $0.2 million. The net change in operating assets and liabilities was primarily attributable to a decrease in inventory of $0.6 million due to the sale of inventory in excess of purchases and an overall increase of $1.1 million in accounts payable and accrued and other liabilities due to growth in operations and the timing of receipt and payment of vendor invoices, partially offset by an increase of $0.9 million in accounts receivable and an increase of $0.2 million in prepaid expenses and other assets.

For the six months ended June 30, 2016, cash used in operating activities of $8.7 million was attributable to a net loss of $11.0 million, partially offset by a net change in operating assets and liabilities of $1.4 million and $0.9 million in non-cash charges. The non-cash charges consisted primarily of depreciation and amortization of

$0.4 million and amortization of debt issuance costs of $0.4 million. The net change in operating assets and liabilities of $1.4 million was due to a $1.4 million decrease in inventory due to the sale of inventory in excess of purchases and a $0.5 million decrease in accounts receivable due to stronger collections from customers, partially offset by an overall decrease of $0.7 million in accounts payable and accrued and other liabilities due to the timing of receipt and payment of vendor invoices.

Investing Activities

Cash used in investing activities related to the purchase of tooling and equipment and decreased by $0.1 million for the six months ended June 30, 2017, compared to the six months ended June 30, 2016.

Financing Activities

Cash provided by financing activities increased by $6.2 million for the six months ended June 30, 2017, compared to the six months ended June 30, 2016. The increase was due to the receipt of $10.2 million in net proceeds from the issuance of our Series C convertible preferred stock, partially offset by $4 million in principal payments made reducing our debt from Oxford.

Years Ended December 31, 2015 and December 31, 2016

	Year Ended December 31,	
	2015	2016
	(dollars in thousands)	
Cash used in operating activities	$(24,118)	$(16,164)
Cash used in investing activities	(536)	(1,171)
Cash provided by financing activities	8,887	12,114

Operating Activities

In 2016, cash used in operating activities of $16.2 million was attributable to a net loss of $21.8 million, partially offset by $2.2 million in non-cash charges and a net change in net operating assets and liabilities of $3.4 million. The non-cash charges consisted primarily of depreciation and amortization of $0.7 million, amortization of debt issuance costs of $0.7 million, stock-based compensation of $0.5 million, and change in fair value of preferred stock warrants of $0.3 million. The net change in operating assets and liabilities of $3.4 million was primarily attributable to a $2.9 million decrease in inventory due to the sale of inventory in excess of purchases, an overall increase of $1.2 million in accounts payable and accrued and other liabilities due to growth in operations and the timing of receipt and payment of vendor invoices, and a decrease of $0.3 million in prepaid expenses and other assets, partially offset by a $1.0 million increase in accounts receivable due to an increase in our post-warranty ARTAS Care maintenance and support contracts sold.

In 2015, cash used in operating activities of $24.1 million was attributable to a net loss of $23.0 million and a decrease from net change in operating assets and liabilities of $3.0 million, partially offset by non-cash charges of $1.9 million. The non-cash charges consisted primarily of amortization of debt issuance costs of $1.2 million, depreciation and amortization of $0.9 million, and stock-based compensation of $0.4 million, partially offset by change in fair value of preferred stock warrants of $0.6 million. The net change in operating assets and liabilities of $3.0 million was primarily attributable to a $3.4 million increase in inventory due to the purchase of inventory in excess of sales and an overall decrease of $3.5 million in accounts payable and accrued and other liabilities due to the timing of receipt and payment of vendor invoices, partially offset by a $3.5 million decrease in accounts receivable due to stronger collections from customers and a decrease of $0.4 million in prepaid expense and other assets.

Investing Activities

Cash used in investing activities increased $0.7 million, with $1.2 million used in 2016 and $0.5 million used in 2015. The increase was primarily attributable to tenant improvements paid by the landlord of our headquarters facilities in San Jose, California.

Financing Activities

Cash provided by financing activities increased by $3.2 million, with $12.1 million in net proceeds in 2016 and $8.9 million in 2015. In 2016, we raised $12.1 million in proceeds from the issuance of Series C preferred stock net of issuance costs. In 2015, we paid off our loans from Comerica and Triplepoint Capital with a new loan from Oxford, providing $4.6 million in cash. We also raised a net $4.2 million in proceeds from the issuance of our Series C preferred stock.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements and do not have any holdings in variable interest entities.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2016:

	Payments Due by Period				
	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years	Total
	(dollars in thousands)				
Debt obligations, including interest(1)	$ 9,420	$ 14,108	$ —	$ —	$23,528
Operating leases	489	1,021	1,084	188	2,782
Total contractual obligations	$ 9,909	$ 15,129	$ 1,084	$ 188	$26,310

(1) Represents our loan with Oxford and our anticipated repayment schedule for the loan. Pursuant to our loan agreement with Oxford, the loan will mature July 1, 2019. The loan with Oxford accrues interest at prime plus 8.5% per annum. The outstanding principal balance on the Oxford loan was $21.3 million at December 31, 2016 and $17.3 million as of June 30, 2017, which includes a final payment of $1.3 million to Oxford on maturity of the loan.

The table above does not include purchase orders entered into in the normal course of operations. As of June 30, 2017, there have been no material changes to our contractual obligations from December 31, 2016.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily relate to interest rate and currency exchange rate fluctuations.

Interest Rate Risk

Our cash and cash equivalents are held in cash deposits and money market funds. Due to the short-term nature of these instruments, we do not believe that we have any material exposure to changes in the fair value of our investment portfolio as a result of changes in interest rates. Declines in interest rates, however, would reduce our future interest income.

We are exposed to interest rate risk related to our debt obligations which are subject to variable interest rates. As of June 30, 2017, a 100 basis point increase in interest rates on our debt subject to variable interest rate fluctuations would increase our interest expense $0.1 million annually.

Foreign Currency Risk

Our sales contracts are primarily denominated in U.S. dollars and, therefore, substantially all of our revenue is not subject to foreign currency risk. However, a strengthening of the U.S. Dollar could increase the real cost of our products to our customers outside of the U.S., which could adversely affect our financial condition and operating results. In addition, a portion of our operating expenses are incurred outside the U.S. and are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British Pound Sterling, Euro, Hong Kong Dollar, and South Korean Won. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our statement of operations. A 10% increase or decrease in current exchange rates would not have a material effect on our financial results. To date, foreign currency transaction gains and losses have not been material to our consolidated financial statements, and we have not engaged in any foreign currency hedging transactions.

Emerging Growth Company Status

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Recently Adopted Accounting Standards

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes* (Topic 740), or ASU 2015-17, which simplifies the presentation of deferred income taxes. ASU 2015-17 provides presentation requirements to classify deferred tax assets and liabilities as noncurrent in a classified statement of financial position. We early adopted this standard retrospectively to all periods effective January 1, 2014 which resulted in all deferred tax assets and liabilities being classified as noncurrent in the consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs (Subtopic 835-30),* or ASU 2015-03. ASU 2015-03 simplifies the presentation of debt issuance costs as a direct deduction from the carrying value of the debt liability rather than showing the debt issuance costs as an asset. We adopted this standard retrospectively to all periods effective January 1, 2016 which did not have a significant impact on our consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40)*, or ASU 2014-15. ASU 2014-15 requires us to evaluate our ability to continue as a going concern and to provide related footnote disclosure in certain circumstances. We adopted this standard effective January 1, 2016 and have included the relevant disclosures in our consolidated financial statements.

Recently Issued Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09*, Revenue from Contracts with Customers (Topic 606)*, as amended by ASU No. 2015-14, ASU No. 2016-08, ASU No. 2016-10, ASU No. 2016-12, and ASU No. 2016-20, collectively, ASU 2014-09. ASU 2014-09 establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers in an amount that reflects the expected consideration received in

exchange for those goods or services and also provides guidance on the recognition of costs related to obtaining and fulfilling customer contracts. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted. ASU 2014-09 may be adopted either retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application. Our final determination will depend on a number of factors, such as the significance of the impact of the new standard on our financial results, system readiness, and our ability to accumulate and analyze the information necessary to assess the impact on prior period financial statements, as necessary. We are in the initial stages of evaluating this standard and have not yet selected an adoption method, nor have we determined the effect of the standard on our consolidated financial statements and related disclosures. We expect to adopt this standard effective January 1, 2019.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, or ASU 2016-09. ASU 2016-09 simplifies the accounting and reporting of share-based payment transactions, including adjustments to how excess tax benefits and payments for tax withholdings should be classified and provides the election to eliminate the estimate for forfeitures. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for any entity in any interim or annual period for which financial statements have not been issued or made available for issuance. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, or ASU 2016-15. ASU 2016-15 identifies how certain cash receipts and cash payments are presented and classified in the Statement of Cash Flows. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. This standard should be applied retrospectively and early adoption is permitted, including adoption in an interim period. We are evaluating the impact that this standard will have on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, or ASU 2016-02, which requires lessees to record most leases on their balance sheets but recognize the expenses on their income statements in a manner similar to current practice. Under ASU 2016-02, a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption is permitted. We are evaluating the impact and materially that this standard will have on our consolidated financial statements.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory, Simplifying the Measurement of Inventory (Topic 330)*, or ASU 2015-11. Under ASU 2015-11, the measurement principle for inventory will change from lower of cost or market value to lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017. This standard should be applied prospectively and early adoption is permitted. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements.

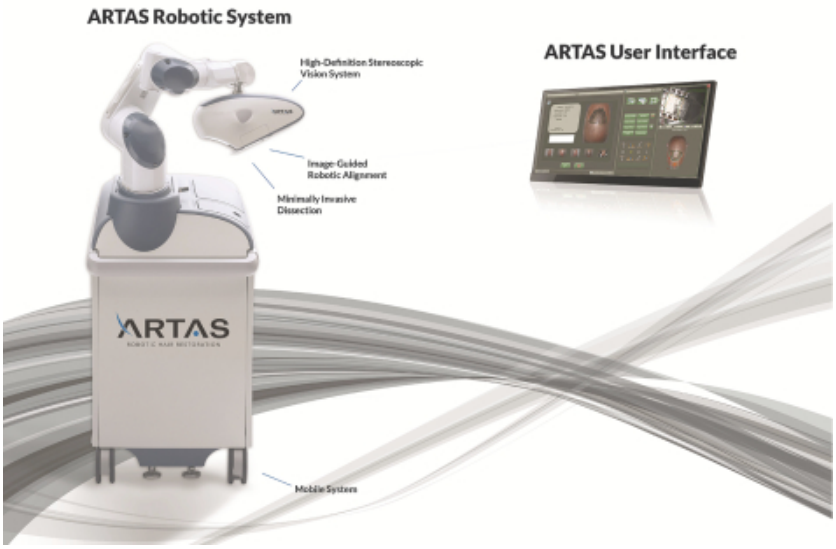
BUSINESS

Overview

We are a medical technology company developing and commercializing a robotic device, the ARTAS System, that assists physicians in performing many of the repetitive tasks that are a part of a follicular unit extraction surgery, a type of hair restoration procedure. We believe the ARTAS System is the first and only physician-assisted robotic system that can identify and dissect hair follicular units directly from the scalp and create recipient implant sites. The ARTAS System includes the ARTAS Hair Studio application, an interactive three-dimensional patient consultation tool that enables a physician to create a simulated hair transplant model for use in patient consultations. We received clearance from the U.S. Food and Drug Administration, or FDA, in April 2011 to market the ARTAS System in the U.S., and we have sold the ARTAS System into 29 other countries. As of June 30, 2017, we have sold 89 ARTAS Systems in the U.S. and 144 internationally. As of June 30, 2017, the ARTAS System and ARTAS Hair Studio application are protected by over 70 patents in the U.S. and over 100 international patents.

The ARTAS System is comprised of the patient chair, the cart, which includes the robotic arm, integrated vision system, artificial intelligence algorithms and a series of proprietary end effectors, which are the various devices at the end of the robotic arm, such as the automated needle and punch, that interact with the patient's scalp and hair follicles and perform various clinical functions.

The image below depicts the ARTAS System cart, including the robotic arm and the needle mechanism which houses the automated needle and punch used for follicle dissection and site making, and the ARTAS User Interface.



According to the data collected by the International Society of Hair Restoration Surgery, or ISHRS, the global market for hair restoration procedures was approximately $2.5 billion in 2014. We believe the global hair restoration market will continue to grow due to several factors, including:

- An aging population with disposable income and an increased acceptance of aesthetic procedures. According to data from the American Society for Aesthetic Plastic Surgery, or ASAPS, in 2016, Americans spent more than $15 billion on combined surgical and nonsurgical aesthetic procedures. Male aesthetic procedures have increased 325% since 1997.

- A market shift to less invasive hair restoration procedures such as follicular unit extraction, or FUE, which, according to ISHRS, have increased from less than 10% of hair restoration procedures performed in 2004 to about 49% in 2014.
- A greater number of physicians seeking patient direct pay procedures, such as hair restoration, due to increased government payor and private reimbursement restrictions.

This growing market has a significant potential patient population with approximately 35 million males in the United States suffering from androgenic alopecia, or AGA, also referred to as male pattern baldness. We have FDA clearance to market the ARTAS System in the U.S. for dissecting hair follicles from the scalp in men diagnosed with AGA who have black or brown straight hair. With this clearance we are able to market the ARTAS System treatment to a significant portion of this growing market.

Men suffering from AGA rely on a variety of non-surgical treatment options. One option is the use of prescription drugs such as Propecia, or over-the-counter topical treatments like Rogaine, that have limited efficacy. Propecia and similar drugs may also have side effects. Other options include cosmetic solutions such as wigs or spray-on applications which only mask the condition.

In lieu of these non-surgical options, many individuals opt for surgical procedures. Surgical procedures for hair restoration come in various forms. One common surgical treatment is often referred to as strip surgery or FUT, follicular unit transplantation. Strip surgery involves several steps including: the dissection of a large tissue strip from the patient's scalp; the manual removal of each hair follicle from the scalp strip; following dissection making incisions at the scalp site where the follicles are to be implanted; and implanting the extracted follicles into the prepared implant sites on the scalp. The strip surgery procedure is invasive, as the surgeon must make a linear incision at the back of the patient's scalp and remove a strip of the scalp approximately 8 inches long, one-half inch wide and one-half inch deep. Once the strip of tissue is removed, the physician sutures or staples the large wound closed. The procedure generally results in a long linear scar on the back of the patient's head.

In contrast, FUE is significantly less invasive than strip surgery. In this procedure, the physician or technician removes individual hair follicles from the patient's scalp without removing a strip of tissue. FUE can be performed with manual hand-held punches, automated hand-held devices or with the ARTAS System. Use of manual or automated hand-held devices requires significant time, and demands that complicated, repetitive and tedious tasks be performed by a trained technician or physician. We have developed the ARTAS System to provide robotic assistance for many of the tedious and repetitive tasks that are part of an FUE procedure.

The ARTAS procedure provides patients with a minimally invasive, less painful alternative to strip surgery. The ARTAS System has a faster recovery time and avoids the long linear scar at the back of the patient's head. The ARTAS Hair Studio application allows patients to visualize the expected post-procedure outcome through a three-dimensional model. We believe this patient-physician interaction can provide patients more confidence and make the patient more comfortable in undergoing the procedure. Due to these advantages, we believe the ARTAS System and the ARTAS Hair Studio application are appealing to potential patients considering a hair transplant or those that are using less effective treatments, such as prescription therapeutics or other non-surgical products.

In addition to the advantages afforded to patients, we believe the ARTAS System and the ARTAS Hair Studio application provide compelling benefits for physicians. The ARTAS System's image-guided robotic capabilities allow physicians to perform procedures with fewer staff than what might be required for a traditional strip surgery or a FUE procedure using hand-held devices. With the robotic assistance provided by the ARTAS System, we believe physicians and technicians will be able to perform the complicated, repetitive and tedious task of dissecting hair grafts with less fatigue and greater productivity than would be possible in a manual FUE procedure. In addition, we believe the ARTAS System, through its ergonomic and easy-to-use platform, in tandem with the high quality training we provide, can significantly shorten the learning curve for physicians and technicians.

We strategically market the ARTAS System to hair restoration surgeons, dermatologists, plastic surgeons and aesthetic physicians. We believe we are able to reach our target physician customers effectively through focused marketing efforts. These efforts include participation in trade shows, scientific meetings, educational symposiums, webinars and other activities. For physicians who purchase the ARTAS System, we provide comprehensive clinical training, practice-based marketing support, as well as patient leads. For example, we believe we help our physician customers increase the number of procedures performed by assigning a practice success manager, or PSM, to provide assistance in building the physician-customer's hair restoration practice. Support from a PSM includes the deployment of patient marketing materials, assisting with social media and digital marketing strategies, and other marketing and sales support.

We generate our revenues from the sales and service of ARTAS Systems and procedure based fees. Our total revenues were $15.6 million and $17.2 million for the years ended December 31, 2016 and 2015, respectively, and $11.3 million and $6.7 million for the six months ended June 30, 2017 and 2016, respectively. For the year ended December 31, 2016 and the six months ended June 30, 2017, ARTAS System sales comprised 46% and 57%, procedure based fees comprised 44% and 34%, and service-related fees comprised 9% and 9% of our revenues, respectively.

Hair Loss as a Medical Condition

Hair loss comes in several forms and affects nearly 70% of men and 40% of women. The most frequently encountered form of hair loss is AGA, otherwise known as male pattern baldness, or MPB, and female pattern hair loss, or FPHL.

Hair is composed of a protein called keratin that is produced in the hair follicles in the outer layer of the skin. As follicles produce new hair cells, old cells are pushed out through the surface of the skin at the rate of about six inches per year. Visible hair is therefore a string of dead keratin cells. Each hair follicle has its own life cycle that can be influenced by age, ethnicity, disease and a variety of other factors. The life cycle of hair is divided into three phases:

- Anagen: active hair growth phase, which can last between two and six years.
- Catagen: transitional hair growth phase, which can last between two and three weeks.
- Telogen: the resting phase, which can last between two and three months, after which the hair is shed.

AGA susceptibility is largely determined by genetics, though certain environmental factors may play a minor role. AGA is often induced by activation of androgen receptors in hair follicles by dihydrotesterone, or DHT.

DHT acts to inhibit and reduce the proper growth of hair in the follicles through a process called miniaturization. Miniaturization is caused by DHT attaching itself to receptor cells at the root of the genetically-susceptible hair follicle, which results in blocking the necessary nourishment for proper hair growth. The miniaturization process initially results in lighter, finer hairs and ultimately causes the follicle to shrink. As a result of this process, the growing, or anagen, phase is shortened and the resting, or telogen, stage is extended. Eventually, these hairs stop growing.

The density of the androgen receptors in hair follicles varies with location. Occipital hair follicles, or the hair follicles in the back of the head, have a low number of androgen receptors and have little or no response to DHT. As a result of this, the back of the head is generally the area from which hair follicles are harvested in a hair transplantation procedure, and consequently is commonly referred to as the permanent or donor area. Hair loss is typically restricted to the frontal-temporal area and the crown of the head, where the hair follicles are more sensitive to DHT.

AGA can have significant psychological effects, particularly among men with more extensive hair loss, younger men with early onset hair loss and single men. In a peer-reviewed study published in the *JAMA Facial Plastic Surgery*, Perception of Hair Transplant for Androgenetic Alopecia, which looked at the differences between men who were experiencing modest to extensive balding and men who had no balding, men who were balding reported feeling preoccupation, and moderate stress or distress, associated with their hair loss and maintained less body-image satisfaction. Furthermore, an additional randomized, controlled survey of 122 participants published in *JAMA Facial Plastic Surgery* indicated that men who underwent hair transplants were rated as appearing significantly more youthful, attractive, successful and approachable.

The Hair Loss Market

According to the census conducted by ISHRS, in 2010, more than $1.8 billion was spent globally on both non-surgical and surgical hair loss treatments. In general, the global market for aesthetic procedures marketed towards men is significant and growing. For example, according to ASAPS statistics, the number of aesthetic procedures performed on men in the U.S. increased 325% from 1997 to 2015, to approximately $1.3 billion. The patient market for hair loss is significant with approximately 35 million men suffering from AGA in the United States alone.

Hair Loss Treatment Options and Their Limitations

The treatments for hair loss can broadly be divided between non-surgical options and surgical procedures.

Non-Surgical Options

Non-surgical options for hair loss include prescription therapeutics and non-prescription remedies. In the U.S., the FDA has authorized two prescription therapeutics for hair loss: Rogaine which is applied topically, and Propecia which is ingested in pill form. Both Rogaine and Propecia have several drawbacks, including limited efficacy in some individuals and the need for strict patient compliance in order for the treatment to have meaningful effect. Both products require strict usage without breaks and often require a minimum of six months before meaningful effect is visible. Furthermore, while uncommon and not affecting all men, Propecia can cause multiple side-effects given its systemic administration, including impotence, swelling, dizziness and weakness. In addition to prescription therapeutics, non-surgical remedies for hair loss include wigs, hair pieces and spray-on applications, which also have significant drawbacks primarily due to an unnatural aesthetic look.

Surgical Procedures

Surgical procedures to address hair loss continue to evolve and become more popular. The first of these therapies, hair plugs, was developed in the late 1950s. A hair plug procedure involved harvesting groupings of

hair follicles that were between two millimeters and four millimeters in size, and transplanting these follicles to the recipient site. Due to the size of the transplanted hair follicle groups, or plugs, the transplants resulted in an unnatural look with the patient often having a “doll-hair” like appearance, the clumping or grouping of hair follicles in a visibly uniform pattern. Because of the poor aesthetic results of hair plugs, strip surgery and FUE became increasingly more popular.

Strip Surgery

In a FUT procedure, or strip surgery, the physician uses a sharp scalpel to surgically remove a large strip of the patient’s scalp, approximately eight inches in length, and one-half inch in width and depth, from the donor area. The subsequent wound is sutured or stapled closed. Following the surgical removal of the strip of the scalp from the patient’s head, the follicular unit grafts, the natural groupings of hair follicles in the scalp, are removed from the strip of scalp by technicians using microscopes and scalpel blades. Following the removal of the individual hair follicles, technicians implant the individual hair follicles into hundreds to thousands of incisions in the patient’s scalp prepared by the physician. By harvesting individual hair follicles, the incisions made for implantation can be significantly smaller than used for hair plugs, and thus, the placement of the follicles better mimics the way hair grows naturally for a more natural look.

Strip surgery results in a linear scar which may enlarge over time creating a poor aesthetic outcome in the donor area. As a result, strip surgery patients are generally unable to wear their hair short without revealing the scar. Furthermore, multiple strip surgeries can cause a significant stretching of the scalp which can exacerbate the appearance of this scar. There can also be complications from strip surgery, such as ongoing pain at the scar site and potential nerve damage.

The image below illustrates how a typical scar from a strip surgery procedure could look.

Follicular Unit Extraction Using Hand-Held Devices

In part as a solution to the significant scarring and other drawbacks of strip surgery, the FUE procedure was developed in the early 2000s. In an FUE procedure, rather than surgically removing a portion of the patient’s

scalp, each hair graft is individually dissected from the scalp for transplantation. Because a strip of the patient's scalp is not removed, a FUE procedure avoids a long linear scar and reduces the post-operative pain associated with strip surgery. Following the dissection of the individual hair follicles, the physician uses a hand-held device to remove the hair follicles. After harvesting, the individual hair follicles are implanted in the same way as in a strip surgery procedure.

Drawbacks of Strip Surgery and FUE Surgery Using Hand-Held Devices

While strip surgery and manual FUE procedures can provide significant, long-term results in restoring hair, there are several limitations associated with these procedures.

- *Technician training*. Strip surgery and manual FUE procedures require dexterity, demanding hand-eye coordination, and attention to detail by all members of the transplant team. Technicians must handle the delicate grafts carefully and place them into site incisions during implantation without damaging the grafts. For strip surgeries in particular, a technician must undergo significant training to dissect grafts under a microscope and it can take a significant period of time for a technician to become proficient.
- *Labor intensive*. Both strip surgery and manual FUE procedures require a large team of technicians to perform the procedure, generally requiring between four and eight technicians. The labor intensiveness and time consuming nature of these techniques limits the number of procedures physicians are able to perform.
- *Long learning curve*. Both strip surgery and manual FUE procedures require a major investment of time on the part of physicians and technicians to learn the technique. A physician must commit a substantial amount of time to learn the manual FUE harvesting technique and they often report that the technique is technically and ergonomically challenging. Initially, a physician may only be able to harvest a limited number of grafts per hour, which may ultimately affect the size of the hair transplant procedure the physician is able to perform. In addition, the follicles harvested by a physician using the FUE technique may not be of a high quality. Even physicians and technicians who are highly experienced may have results with high transection rates while performing a manual FUE procedure. For strip surgeries, there is a significant time investment made to train each technician to dissect grafts under a microscope, handle the delicate grafts with instrumentation and to place the grafts into the site incisions during implantation.
- *Surgical planning and recipient site making*. In making the recipient sites into which hair follicles are transplanted, the ability of the physician and the technician to visualize and avoid injuring existing hair is limited to what they can achieve with magnified lenses. As a result, this limited visualization may compromise the aesthetic outcome. Additionally, manual site making can present additional issues and complications, including cutting into and damaging existing healthy hair, difficulty in matching existing hair angles, successfully creating a random distribution pattern for implantation in order to create a more natural look, and creating sites with a consistent and optimal depth.
- *Lack of high quality visualization tools for the patient*. Generally, hair restoration physicians utilize before and after pictures of previous patients and grease pens to delineate the transplant area. These are typically the only available tools to assist the patient in understanding the aesthetic effect of the procedure and do not provide information to visualize the expected outcome illustrated on the actual patient.
- *Inconsistency in performance*. Both strip surgery and manual FUE procedures require either physicians or technicians to perform the repetitive and tedious tasks of dissecting grafts over a long period of time. In a strip surgery, the technicians are required to dissect the individual follicles from the harvested strip of the patient's scalp, whereas in a manual FUE procedure the physician and technicians are required to harvest each individual follicle directly from the patient's scalp. As a result of this lengthy and tedious process, the physician or technician may begin to fatigue and his or her ability to maintain the

concentration necessary to consistently extract high-quality grafts without causing follicle damage may diminish. In addition, graft dissection productivity may decline during the long procedure due to fatigue.

The ARTAS Solution

We believe the ARTAS System addresses many of the shortcomings of other hair restoration procedures. For example, the ARTAS System is capable of robotically assisting the clinician through many of the most challenging steps of the hair restoration process, including the dissecting of follicles, site planning and recipient site making. We believe, with this assistance, the ARTAS System can help shorten the often long learning curve for both physicians and technicians to become proficient in performing hair restoration procedures. In addition, we believe that by assisting the physician and technicians with many of the repetitive and tedious tasks associated with the hair restoration procedure, the ARTAS System can make hair restoration procedures less labor intensive and can reduce inconsistent results. Further, we believe the ARTAS System's Site Making functionality, which includes an enhanced imaging system and sophisticated algorithms, helps physicians avoid damaging existing follicles and enables them to create a more natural, aesthetically pleasing outcome for the patient. We also have a robotic implantation functionality in clinical development which, if cleared for marketing, will enable the ARTAS System to implant harvested hair follicles. Our platform also includes the ARTAS Hair Studio application which can simulate pre-procedure and post-procedure outcomes and can be utilized during the patient consultation and education process to better inform the patient on the expected end result of the procedure. While the cost to the patient for an ARTAS Procedure varies substantially based on the number of follicles harvested and implanted, such procedures will generally cost between $8,000 and $25,000.

The image below illustrates an example of possible results from an ARTAS Robotic Procedure based on an individual patient's outcome:

Individual patient outcomes will vary based on a multitude of factors, including, but not limited to, the patient's desired aesthetic outcome, the physician's skill and his/her performance during the procedure, the number of grafts implanted, the number of planned hair restoration procedures a patient anticipates undergoing and a patient's post-operative care of the scalp.

Advantages of the ARTAS Procedure

Patient Value. We believe the ARTAS System and the ARTAS Hair Studio application significantly improve the patient experience and outcome in hair transplantation procedures in the following ways:

- Through the ARTAS System, the dissection of grafts is performed in a manner that leaves only small pinpoint scars that heal faster and are less detectable than the larger post-operative linear scar that is produced from strip surgery. As a result, an ARTAS procedure can, in many cases, offer a shorter recovery time and can enable patients to resume their daily lifestyle faster than with strip surgery. In addition, the ARTAS procedure can permit patients to wear their hair short without a noticeable scar.
- The ARTAS Hair Studio application enables patients to interact with their physician to make educated decisions on graft numbers and implant placements to achieve their desired aesthetic outcome and to

view a simulation of their potential result. We believe this process and interaction give patients more confidence in undergoing a procedure since they have direct input into their treatment and can preview the expected outcome.

- The ARTAS Site Making functionality translates the physician-patient site design onto the patient's recipient area. The ARTAS System's enhanced imaging system and sophisticated algorithms enable the ARTAS System to rapidly create recipient sites at precise depths, replicate pre-existing hair angles, avoid damaging the healthy pre-existing hair and adjust the distribution of the recipient sites to optimally fill in the transplantation area. We believe these elements can contribute to a superior aesthetic outcome.

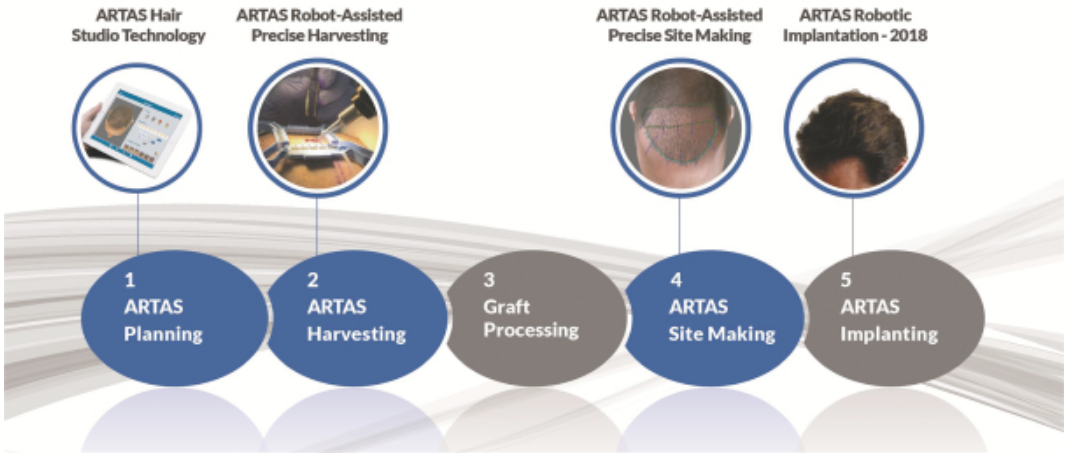
Physician Value. We believe the ARTAS System provides physicians compelling economic benefits and enables physicians to achieve consistent reproducible results. As a result, we believe the ARTAS procedure also offers an attractive addition to existing dermatology, plastic surgery or aesthetics practices that do not provide hair restoration procedures.

- Hair restoration procedures are generally paid for by the patient and do not involve the complexity of securing reimbursement from third-party payors.
- The ARTAS System's image-guided robotic capabilities allow physicians to perform hair restoration procedures with fewer staff required than a traditional strip surgery or a manual FUE procedure. Procedures can also be performed with less physician and technician fatigue.
- Because we provide high quality training for physicians and their clinical teams on the use of the ARTAS System and because the robotic system and its intelligent algorithms assist these teams in performing hair restoration procedures, we believe we can significantly shorten the learning curve necessary for hair transplantation procedures using the ARTAS System. This shorter learning curve can reduce barriers to entry for a new hair restoration practice. It can also ease the adoption of a new technology into existing practices.

Clinically-Established Results. Four peer-reviewed clinical publications have demonstrated the quality and consistency of grafts produced by the ARTAS System. One published study indicated average transection rates of hair follicles with the ARTAS System were as low as 6.6%, with a second study documenting average transection rates as low as 4.9% in a Korean population of patients. The third study documented that the ARTAS System can be programmed by the physician to select follicular units with larger groupings of hairs while skipping single hair grafts, which allows physicians to choose particular follicular units depending on the hair density they are trying to achieve, providing a clinical benefit as measured by the increase in hairs per harvest of 17% and as measured by the increase in hairs per graft of 11.4%. This study also demonstrates the ability of robotic follicular unit graft selection to increase the amount of hairs a physician can extract for each incision made in the donor area. The fourth study demonstrated that FUE cases larger than 2,500 grafts, or mega-sessions, are possible using the ARTAS System. These peer-reviewed publications demonstrate the reproducibility and consistency of dissection results from the ARTAS System in a diverse group of patients, even as the system is used by different clinicians. To our knowledge, there are no other peer-reviewed clinical publications that demonstrate the reproducibility of results utilizing other products in FUE or strip surgery procedures. We intend to encourage scientific research in the study of hair restoration to improve our technology solutions, enhance understanding of our industry and educate physicians on the capabilities of the ARTAS System.

The ARTAS System and Procedure

We believe the ARTAS System with the ARTAS Hair Studio application have improved multiple phases of the hair transplantation procedure, which include patient consultation, harvesting, recipient site making and implantation.



Patient Consultation

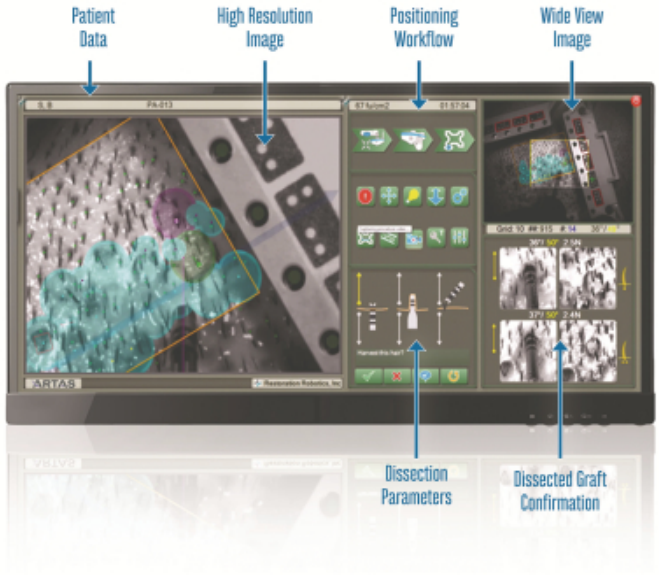
During the initial consultation process, potential patients want to understand their hair restoration procedure and visualize its aesthetic outcome. Traditionally, physicians have used pre-procedure and post-procedure pictures of previous patients to illustrate how a new patient's results might look, requiring a patient to use their imagination to visualize the potential results. Physicians may also use a grease pen to draw the areas directly on the patient's head to show where grafts could be implanted.

We introduced the ARTAS Hair Studio application in 2014 to make the consultation more informative, interactive and easy for physicians to utilize. The ARTAS Hair Studio application produces a three-dimensional rendering of the recipient area viewable on a tablet device. The physician can draw on the tablet to simulate alternative cosmetic outcomes. A patient can, in real-time, visualize the simulation and look at various outcomes based on the number of grafts to be implanted and placements of the graphs. Since hair transplantation prices charged by physicians often vary based on the number of grafts, this aids both the physician and patient in arriving at a site plan that balances outcome expectations and patient price sensitivities.

The following is an example of a ARTAS Hair Studio pre-procedure and post-procedure simulation:

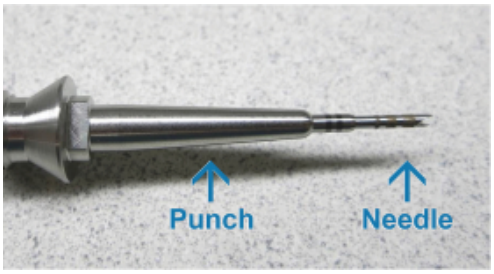
Harvesting

During the harvesting phase of the hair restoration procedure, the robotic arm and integrated vision system work in tandem to identify the optimal hair follicles to be used in the procedure. The ARTAS vision system uses proprietary algorithms to identify individual hair follicles, growth angle, density, thickness, length and follicle grouping and to determine which grafts to dissect and the optimal order in which they should be dissected. The algorithms recalculate 60 times per second, accommodating patient movement, to provide the physician with accurate up-to-date information during the course of the procedure. We believe these assessments directly correlate to the quality of the outcome and the state of the donor area. This is important as we believe it affects how the donor area will appear following the procedure, and the potential viability for subsequent harvesting for future transplantation procedures. The ARTAS System harvesting user interface provides the physician with enhanced control during the procedure. An example of the harvesting user interface appears as follows:



Following the vision system's identification of the optimal hair follicles for transplant, the ARTAS System dissects these follicles using a sharp needle to score the epidermis and a punch, coaxial with the needle, to separate the graft from the surrounding tissue. In the final step of the harvesting phase, the grafts are removed manually with forceps by the physician or the technician. The grafts are then cleaned, inspected and prepared for implantation.

During the procedure, the physician has the ability to customize the dissection incisions by choosing a needle and punch that will produce 0.8mm, 0.9mm or 1.0mm incisions. The image below illustrates a typical ARTAS System punch and needle:



The needle travels at approximately 2,500 mm to 3,000 mm per second when it contacts the skin. This provides targeted precision and a cleanly scored incision. The punch then spins at 3,000 rpm and loosens the grafts from the surrounding tissue. In a clinical setting, we have observed that the dissection cycle takes between one to two seconds per graft, depending on the length of the graft. In a clinical setting, the ARTAS System has been shown to move from graft to graft at a rate of approximately one to three seconds, thereby enabling the ARTAS System to dissect a graft every two to five seconds, or approximately 720 to over 1,800 grafts per hour. The ARTAS System enables the physicians to adjust dissection parameters to accommodate for different types of skin, and manipulate graft selection algorithms based on patient needs. The ARTAS System can be programmed to dissect as many grafts as appropriate thus maximizing the use of the donor area. It can also be programmed to dissect grafts with more than two hairs each, thereby increasing the hair yield or the number of hairs per graft.

During the harvesting phase of the hair transplantation procedure, the patient may be lightly sedated and the integrated vision system can track patient movement and pause if excessive movement is detected.

Recipient Site Making

Sites, or incisions, are created to receive the harvested grafts. This task is generally performed by the physician. Prior to the ARTAS System, site making was performed manually using a hand-held tool or needle to create hundreds to thousands of tiny incisions in the scalp. This is a critical step as it creates the hair pattern in which the harvested grafts will grow. From communications with physicians we have found that, typically, a physician can manually create approximately 1,500 sites per hour. Precision and consistency, however, can be affected by experience, hand-eye coordination and fatigue.

The ARTAS System Site Making functionality incorporates robotics to identify and avoid injuring healthy follicles in proximity of where sites are made. This prevents damaging existing healthy hair in the transplant area which we believe would result in patients with more hair than if the sites were made manually.

Robotic recipient Site Making, introduced in 2015, is performed by the physician, who develops the ARTAS System treatment plan, or map, identifying where to make the incisions on the patient. The treatment plan is prepared using three-dimension modeling software that takes one picture of the patient's recipient area and generates a three-dimensional map that is utilized by the ARTAS System. With entry angle accuracy, consistency and precise depth control, the ARTAS System creates the recipient sites using a small solid core needle or a blade at a rate of approximately 2,500 to 3,000 sites per hour, which is significantly faster than the approximately 1,500 sites per hour achieved manually.

Implantation

Following the site making phase of the hair transplantation procedure, the physician and/or technicians manually implant the grafts in the robotically created sites made by the ARTAS System. To help facilitate implantation, we

are developing a robotic implantation functionality. We believe this robotic implantation functionality, if approved, will help further shorten the learning curve, improve the consistency and reproducibility of results by protecting permanent hair and reducing inconsistencies associated with manual implantation, and could potentially reduce the amount of time each graft spends outside of the scalp and decrease the overall time required for implantation. During the clinical development of the robotic implantation functionality, we have explored several options for delivering this new functionality to existing ARTAS customers. While we have not determined how our current ARTAS System will be upgraded for this functionality, we are committed to providing our current customers a means to access the implantation functionality if and when it is approved.

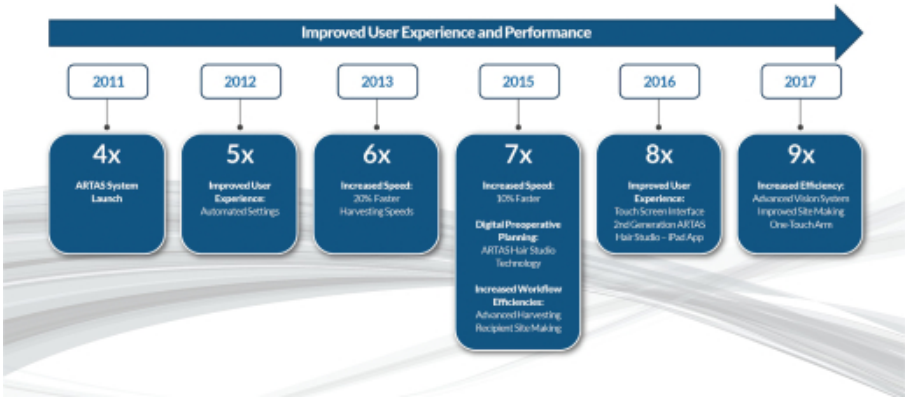
This robotic implantation functionality is currently in clinical development and is not approved for commercial use. Our ongoing clinical trial for the implantation functionality is a multi-center, double arm, blinded control study comparing the safety and efficacy of the ARTAS System and manual implantation. The primary endpoint for the clinical trial is determining that the robotic implantation is not inferior to the manual implantation as determined by hair follicle growth at six months and nine months. As of May 31, 2017, a total of 32 patients have been enrolled in the trial. We expect to report the results of our clinical trial by the end of 2017, and if we receive relevant regulatory approvals, we expect to be able to offer this enhancement to the ARTAS System in 2018.

ARTAS Kits for Harvesting and Site Making

The ARTAS System utilizes a set of disposable and reusable kits for Harvesting and Site Making. Each system comes with a set of reusable items. The disposable kits are included with the purchase of procedures.

The Development of the ARTAS System

Since we started selling the ARTAS System in 2011, we have introduced a number of new functionalities and enhancements designed to make the use of the ARTAS System more intuitive for clinicians and more comfortable for patients with the ultimate goal of improving clinical outcomes. These new functionalities and enhancements are illustrated in the chart below:



From 2011 to 2015, we released iterative improvements to the ARTAS System, bringing enhancements in both user experience and system performance. The ARTAS System 5x upgrade introduced automated settings to the ARTAS System as well as improved clinical workflows, while our 6x upgrade provided an increase in harvesting speeds of approximately 45%. In 2015, we introduced the ARTAS System Site Making functionality, and in 2017, we introduced our latest upgrade, which updates both the ARTAS System hardware and software with a number of improvements and new functionalities, including a smaller robotic mechanism for improved reach, 0.8mm needle capabilities, and a 20% improvement in speed, as well as white lights and color cameras to improve the clinician experience. We are in clinical development of our new implantation functionality and plan to continue to update and improve the ARTAS System in the near term.

Our Growth Strategy

Our goal is to expand the commercialization of the ARTAS System so that it becomes the standard of care for hair transplantation. The key elements of our strategy to achieve this goal are to:

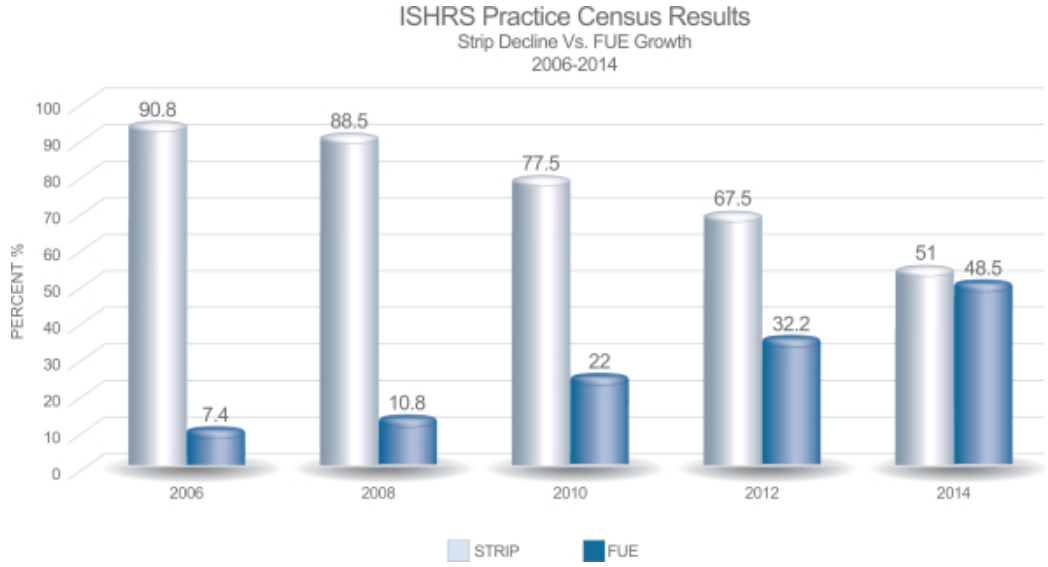
- *Broaden Our Physician Customer Base*. In addition to continuing to market the ARTAS System to traditional hair restoration practices, we are expanding our direct sales efforts to include other physician specialties, such as dermatology and plastic surgery. In both the traditional hair restoration practices and other customer bases, we will be selective in identifying those practitioners who have a track record of successful integration of new technologies and a strong desire to build a hair restoration practice around the ARTAS System.
- *Expand Our International Business*. According to ISHRS, the size of the international hair restoration market is larger than the U.S. market and in certain markets FUE is already believed to be the preferred method for hair restoration surgery. We are focused on increasing our market penetration overseas and building global brand recognition. In 2016, approximately 57% of our revenues were generated outside of the US. We intend to add distributors and sales support staff to increase sales and strengthen physician relationships in our international markets.
- *Continue to Innovate*. Since the introduction of the ARTAS System in 2011, we have regularly introduced new innovations and updates to the ARTAS System, and we intend to continue this innovation going forward. For example, we are developing a robotic implantation functionality to the ARTAS System which is in clinical development. We also intend to continue to refine our harvesting technology and user interface, while making ongoing investments in research and development driven by customer feedback and market demands. Furthermore, we may pursue expanding the cleared indications of use beyond men with a specific hair type so that the ARTAS System can be more broadly utilized.
- *Drive Increased Utilization*. In addition to revenues from system sales and servicing, we also generate revenue from procedure based fees. We will continue to work collaboratively with our physician customers to increase utilization by introducing new functionalities, technology and innovations. In addition, we believe we can increase procedure revenues by helping physicians build their practice through our marketing and training support. To achieve all of these goals, we intend to utilize our teams of clinical training managers, or CTMs, PSMs and field service engineers to work with and to support our physician customers in developing profitable ARTAS practices.

Factors Affecting our Growth

We believe there are a number of positive market factors that will help facilitate our growth.

- *Aging of the U.S. Population and Growing Emphasis on Retaining a Youthful Appearance*. The “baby boomer” demographic segment, defined by the U.S. Census as Americans born between 1946 and 1964, represented over 24% of the U.S. population in 2015. In addition, baby boomers control approximately $2.7 trillion in spending power and 40% of all discretionary spending. The “Gen Xers”, born between 1965 and 1980, control a further 33% of discretionary income, according the U.S. Bureau of Labor Statistics. The size, disposable income and desire to retain a youthful appearance of these aging segments have been key drivers in the growth of hair restoration procedures and product consumption.

- *Market Growth and Shift to Less Invasive Procedures*. We believe the emergence of FUE, a less invasive method for harvesting hair follicles, prompted a paradigm shift in the field of hair restoration. According to ISHRS estimates, FUE procedures constituted 48.5% of all hair restoration procedures in 2015, compared to only 7.4% of such procedures in 2006. During the same period, strip surgery fell to 51.0% of hair restoration procedures in 2015, compared to 90.8% of such procedures in 2006. The following chart illustrates this market shift.



We believe the emergence of the minimally invasive FUE procedure has prompted this growth in the hair transplantation market as many patients who may have been unwilling to consider strip surgery are now electing to have the FUE procedure done.

- *Emergence of Non-Traditional Practitioners*. We believe that the ARTAS System will increase the pool of physicians who are interested in performing hair restoration surgery by reducing barriers to entry in a field that previously required substantial training. We believe doctors who did not previously provide hair restoration procedures are showing a greater interest in the field, bringing with them new patients from their own patient populations and investing in creating greater consumer awareness. According to data collected by us in 2017, the ARTAS System is used by different types of practitioners, including doctors specializing in hair transplant surgery, dermatology, plastic surgery, cosmetic surgery, general surgery, family medicine and all other practitioners, each representing 18%, 22%, 23%, 10%, 4%, 2% and 21%,, respectively, of our customer base. According to separate data collected by us in 2015, dermatologists conduct an average of over 3.5 procedures per month, while plastic surgeons conduct an average of about 2.5 procedures per month and all other practitioners conduct about four procedures per month. According to the 2015 practice census published by ISHRS, in the United States in 2014, 59% of surveyed members devoted the majority of their practice to hair restoration surgery. We believe with our enabling technologies and certain prescribed training, dermatologists, plastic surgeons and cosmetic aesthetic surgeons who do not offer hair restoration procedures today will be enabled to do so if they choose.
- *Changing Practitioner Economics*. We believe government and private payor reimbursement restrictions worldwide have motivated many physicians to seek patient pay procedures, such as hair restoration surgeries, in order to grow their practices. We believe this trend will have a positive impact on demand for the ARTAS System.

Sales and Marketing

We generate revenues from the sale and service of ARTAS Systems and procedure based fees. Generally, our physician customers either purchase their procedures online or through distributors. In the U.S., customers pay in advance generally on a per hair follicle basis for the hair follicles to be harvested, and on a per procedure basis for Site Making. Outside of the US, physician customers pay in advance, generally on a per procedure basis for both hair follicle Harvesting and Site Making. Customers generally either purchase their ARTAS System directly or finance their purchase through third parties. We do not provide financing to our customers.

We sell the ARTAS System, provide service and generate procedure based fees through our direct sales force in the U.S. and in certain other countries internationally. We have also sold the ARTAS System in 30 countries, including the U.S., through 19 third-party distributors.

U.S. Sales

We sell the ARTAS System, provide service and generate procedure based revenue by helping our physician customers build their hair restoration practice, through a direct sales force in the U.S. which, as of May 31, 2017, included seven regional sales managers, or RSMs, seven CTMs and seven PSMs.

Regional Sales Managers

Our RSMs are responsible for coordinating and executing the direct sales of the ARTAS Systems. On average, our RSMs in the U.S. have more than eight years of experience selling aesthetic capital equipment. We target potential customers through marketing events and programs, and we leverage longstanding RSM relationships with dermatologists, plastic surgeons and cosmetic aesthetic surgeons.

Clinical Training Managers

Our CTMs provide high quality, comprehensive training and education to physicians on the use of the ARTAS System and on how to build their hair restoration practices. Our CTM team is comprised of seven highly-skilled professionals with an average of over 12 years of experience in training physician practices in hair restoration or other aesthetics procedures and surgery. We require this initial training to assist physicians and their staffs in performing the ARTAS procedure in accordance with the product's cleared instructions for use. Prior to the installation of the ARTAS System, the CTMs meet with the physician and their technicians to assess the level of training that will be required.

Our CTM training programs involve product and procedure training. During this initial training, we typically have one to three CTMs on site. We have found that a key to adoption and utilization of the ARTAS System is clinical confidence in the ARTAS System technology and procedure. We often conduct onsite physician training when we introduce innovations, such as the ARTAS Hair Studio application and our Site Making functionality.

Practice Success Managers

Our PSMs are responsible for helping our physician customers build awareness and market the ARTAS procedure and increase ARTAS brand-awareness. Our PSMs average over ten years of experience in developing hair restoration practices and aesthetics practices. They form strong relationships with our customers and consult on how to integrate the ARTAS System into their practices, while raising awareness of the procedure among potential patients. This process often begins before the ARTAS System is installed at the customer site. Our PSMs work closely with the team that will manage the ARTAS business at the practice level to establish goals and develop detailed strategies to achieve these goals. This includes extensive training and coaching with respect to the patient consultation process. We provide easily implemented marketing tools allowing practices to create individually tailored website content, direct mail advertisements, print ads for magazines and newspapers and

brochures. In addition, PSMs consult on methods to raise awareness of the ARTAS procedure through practice events, public relations, television, and radio advertising and other channels.

International Sales

We are developing selected markets outside the U.S. through a combination of direct selling and a network of distribution partners. As of August 1, 2017, we have three regional directors overseeing Asia, Europe, the Middle East, Africa and Latin America. These regional directors are responsible for coordinating direct sales, as well as the management of our distribution partners within these regions. There are four sales personnel directly selling in nine countries, as well as an international sales team of 14 employees supporting 21 independent distributors who market the ARTAS System in 29 countries. We require our distributors to provide technical service, clinical education, training and practice development.

In international markets, we utilize a variety of tools to market to physicians. We have three employees supporting marketing-related activities dedicated to international regions. We provide market support for our existing international ARTAS System owners that is substantially similar to the support we provide to owners in the U.S., either directly or indirectly through our distributors. We also market at major medical and scientific meetings, as well as tradeshows. Furthermore, we sponsor the ARTAS Symposia where physicians can view live ARTAS procedures and attend physician lectures and panel discussions led by key opinion leaders to learn how to develop successful ARTAS practices.

Competition

We compete directly in the surgical hair restoration market. We consider our direct competition to be strip surgeries and FUE procedures using hand-held devices. Among FUE procedures, we face specific competition from the manufacturers of hand-held devices, such as Neograft, which has been cleared by the FDA as a Class I device for use in hair transplantation procedures. We believe there are less than a dozen manufacturers of hand-held devices for FUE procedures. Neograft, similar to certain other hand-held FUE devices, consists of a hand-held sharp punch that is motorized to dissect and to use suction to remove grafts from the scalp.

We believe that the primary competitive factors in this market are:

- company and product brand recognition;
- effective marketing and education;
- sales force experience and access;
- product support and service;
- technological innovation, product enhancements and speed of innovation;
- pricing and revenue strategies;
- product reliability, safety and durability;
- ease of use;
- consistency, predictability and durability of aesthetic results;
- procedure costs to patients;
- dedicated practice development teams; and
- dedicated clinical training teams.

Many of our surgical device and equipment competitors have greater capital resources, sales and marketing operations and service infrastructures than we do, as well as longer commercial histories and more extensive relationships with physicians.

Strip surgery and some manual FUE procedures have a greater penetration into the hair restoration market. We face resistance from some established hair restoration practices in converting to ARTAS procedures due to workflow and staffing changes required, even though we believe that staffing requirements are reduced with the adoption of ARTAS procedures.

We face competition to recruit and retain qualified sales, training and other personnel.

We face competition for attention from our distributors as they may also sell other non-competing products.

Our indirect competition includes non-surgical treatments for hair loss, such as prescription therapeutics, including Propecia, and non-prescription remedies, such as wigs, hair pieces and spray-on applications. We also face competition from other aesthetic devices that physicians may consider adding to their practice in lieu of building a hair restoration practice.

Research and Development

Since we started selling the ARTAS System in 2011, we have introduced a number of new functionalities and enhancements designed to make the use of the ARTAS System more intuitive for clinicians and more comfortable for patients with the ultimate goal of improving clinical outcomes.

Our research and development efforts are focused on improvements which continue to refine our Harvesting and Site Making functions. We are also developing a robotic implantation functionality for the ARTAS System which is in clinical development. We also intend to continue to improve our user interface, while making ongoing investments in research and development driven by customer feedback and market demands. For the years ended December 31, 2015 and 2016 and the six months ended June 30, 2017, we incurred research and development expenses of $7.4 million, $7.5 million and $3.8 million, respectively.

As of August 1, 2017, we had a staff of 24 employees in research and development. We work closely with experts in the hair restoration community to supplement our internal research and development resources.

Intellectual Property

Patents and Proprietary Technology

We rely on a combination of patent, copyright, trademark and trade secret laws and confidentiality and invention assignment agreements to protect our intellectual property rights. As of June 30, 2017, we had 78 issued U.S. patents, primarily covering the ARTAS System and methods of use, the earliest of which expire in 2021, 22 pending U.S. patent applications, 101 issued foreign patents, some of which preserve an opportunity to pursue patent rights in multiple countries, and 37 pending foreign patent applications.

Our patents cover the ARTAS System's robotic mechanism, vision system, methods and algorithms of harvesting and making recipient sites, industrial designs and hardware. Our pending patent applications may not result in issued patents, and we cannot assure you that any current or subsequently issued patents will protect our intellectual property rights. Third parties may challenge certain patents issued to us as invalid, may independently develop similar or competing technologies or may design around any of our patents. We cannot be certain that any of the steps we have taken will prevent the misappropriation of our intellectual property, particularly in foreign countries where the laws may not protect our proprietary rights in these countries as fully as in the U.S.

There is no active patent litigation involving us and we have not received any notices of patent infringement.

As of June 30, 2017, we have 114 pending and registered trademark filings worldwide, some of which may apply to multiple countries, providing coverage in up to 52 countries.

License Agreement with HSC Development LLC and James A. Harris, MD

In July 2006, we entered into a license agreement, or the HSC license agreement, with HSC Development LLC, or HSC, and James A. Harris, M.D., as amended, pursuant to which we received an exclusive, worldwide license to develop, manufacture and commercialize products covered by any of the licensed patent rights or that incorporate the licensed technology in the field of performance of hair removal and implantation, including transplantation, procedures using a computer controlled system in which a needle or other device carried on a mechanized arm is oriented to a follicular unit for extraction of same, or to an implant site for implantation of a follicular unit, or some combination thereof. Under the HSC license agreement, we are developing the ARTAS System to be utilized as a robotic system to assist a physician in performing hair restoration procedures. In consideration for the license, we issued to HSC 25,000 shares of our common stock and paid HSC a one-time payment of $25,000. The license grant is perpetual, and the license agreement does not provide a right for HSC or Dr. Harris to terminate the HSC license agreement. The licensed patents cover, in general, a method and device for the extraction of follicular units from a donor area on a patient. The method includes scoring the outer skin layers with a sharp punch, and then inserting a blunt punch into the incision to separate the hair follicle from the surrounding tissue and fatty layer. The method and device significantly decrease the amount of follicular transection and increase the rate at which follicular units can be extracted. There are other embodiments not herein disclosed. The licensed patents will expire from 2025 through 2030.

Clinical Research

We believe that clinical research is a critical element in demonstrating to physicians the benefits of the ARTAS System and robotic hair transplantation in contrast to other approaches such as strip surgery and manual FUE. We believe that the ARTAS System is the only FUE device for which human clinical data has been submitted to the FDA as part of the 510(k) clearance process. The clinical trials we have conducted and are presently conducting include:

- In support of our existing 510(k) clearances, we conducted a multi-center, prospective, blinded clinical study under an investigational device exemption, or IDE, to compare the safety and effectiveness of the ARTAS System to the manual hair follicle harvesting method following a nine-month period of post procedural evaluation. A total of 36 patients were treated. There were no adverse events, serious adverse events or unanticipated adverse events. In comparing the implant results by hair follicle harvest method, the ARTAS System performed equivalently to the manual harvest method at nine months. Both the primary safety and primary efficacy endpoints were achieved.
- We are conducting another clinical study for robotic implantation of dissected hair grafts under an IDE. The clinical trial is a multi-center, blinded clinical study comparing the safety and effectiveness of the ARTAS System to manual implant of hair follicle. The primary endpoint of this trial is demonstration that the robotic implantation functionality is not inferior to manual implantation as determined by follicle growth at six months and nine months. A total of 32 patients have been enrolled in the trial. We expect to apply for 510(k) clearance in the third quarter of 2017 and expect to receive clearance for the use of the ARTAS System to implant harvested hair grafts by the end of 2017.

Manufacturing

The ARTAS System, reusable and disposable kits and upgrade kits are assembled exclusively for us by Evolve Corporation, or Evolve, a contract manufacturer based in Fremont, California. We have two master agreements with Evolve for the supply of the ARTAS System, and consumable products, including reusable and disposable procedure kits and upgrade kits used with the ARTAS System, pursuant to both of which we make purchases on a purchase order basis. The terms of these master agreements are substantially similar. The master agreement for the sale of ARTAS Systems was effective beginning on April 1, 2016 and the master agreement for the sale of kits used with the ARTAS System was effective beginning on March 1, 2016. Both agreements are effective for an initial term of two years and will continue to automatically renew for additional twelve month periods, subject

to either party's right to terminate the agreement upon 180 days advance notice during the initial term if our quarterly forecasted demand falls below 75% of our historical forecasted demand for the same period in the previous year or upon 120 days' advance notice after the initial term. We have an agreement with Evolve for the pricing of certain components at certain quantities, which requires a minimum purchase from us. Otherwise, without this agreement, Evolve is not required and may not be able or willing, to meet our future requirements at current prices, or at all. We recently amended this agreement to extend the maturity date until August 2018.

A significant majority of our sub-suppliers contract directly with Evolve, however, in order to ensure we have adequate supply of certain of our products, we have entered into agreements under which we provide purchase orders directly to and guarantee an annual minimum quantity of items we will purchase from Zenitram Manufacturing, Inc. and Vita Needle Company, which provide the punches and needle clips, and needles, respectively, for the ARTAS System.

The components that make up the ARTAS System are manufactured by many different providers, including major components manufactured by sole source suppliers, such as the robotic arm, which is manufactured by Stäubli Corporation, the cameras, which are manufactured by FLIR Integrated Imaging Solutions Inc. and the product casing, which is manufactured by Preproduction Plastics Inc. Each of the ARTAS Systems undergoes testing at multiple interim stages during the manufacturing process, and is tested during one last time prior to delivery.

Given that we utilize one partner to assemble the ARTAS System and the reusable and disposable kits, and source manufacturing of its component parts, we do not believe we could replace Evolve without incurring any material delay or other significant effects on production. We may also have difficulty maintaining sufficient production requirements in the event that Evolve's relationship with any of Evolve's sole source suppliers or manufacturers terminates in the future. Where practicable, we are seeking, or intending to seek second-source manufacturers for certain of our components. We believe that existing third-party facilities will be adequate to meet our current and anticipated manufacturing needs. In the last three years, we have not experienced any material delays in obtaining any of our products, nor has the ready supply of finished product to our customers been adversely affected.

In the U.S., we and Evolve are required to manufacture our products in compliance with the FDA's Quality System Regulation, or QSR. The QSR covers the methods and documentation used in, and the facilities used for the design, testing, control, manufacturing, labeling, quality assurance, packaging, storage and shipping of our products. In international markets, we also maintain various quality assurance and quality management certifications. We have obtained the following certifications that enable us to market our products in the European Union member states: Quality Management System ISO 13485 certificate, EC certificate #3806999CE01. We have additionally obtained and maintain our product registration in a number of other foreign markets such as Canada and China.

Services and Support

We provide a warranty that typically has a term of one year and covers all the components of the system. Once the warranty expires, customers have the option of purchasing a service contract, which is typically for a term of one or two years. The service contracts that we offer cover preventative and corrective maintenance visits for all components of the system as well as system updates.

For both warranties and service contracts, the customer's typical first point of contact for system failures or other technical issues is our technical support line. If the problem cannot be resolved over the phone or by directly connecting to the customer's system electronically, a field service engineer will be dispatched to the customer site. We have a 24-hour response time for service calls. Our goal is to minimize the disruption caused by a service event.

We strive to provide highly responsive service and support for the ARTAS System. Our disposable and reusable kits are shipped from Legacy Transportation Services Inc. All kits are identified with lot numbers and date codes that indicate the expiration date of the product and are fully warranted until the date of expiration. We maintain a staff of customer service personnel in our San Jose, California facility that is available by phone to answer questions regarding the use of the ARTAS System. In addition, in the U.S. and certain international territories, our direct service organization provides on-site support and training to our customers in the use of the ARTAS System.

In the U.S. and certain international territories, the ARTAS System is shipped to a customer's site for installation and training by one of our CTMs. Our Field Service Engineers, CTMs and PSMs provide post-installation support and service.

In markets where we utilize distributors, the ARTAS System is serviced and supported through our independent distributors. We typically provide distributors with a warranty for each ARTAS System during the warranty period. Once the warranty period ends, the distributors have the option to continue providing support to the end-user customer by purchasing parts through our Parts and Services program or on an as-needed basis.

Government Regulation

Our products and our operations are subject to extensive regulation by the FDA and other federal and state authorities in the U.S., as well as comparable authorities in foreign jurisdictions. Our products are subject to regulation as medical devices in the U.S. under the Federal Food, Drug, and Cosmetic Act, or FDCA, as implemented and enforced by the FDA. The FDA regulates the development, design, non-clinical and clinical research, manufacturing, safety, efficacy, labeling, packaging, storage, installation, servicing, recordkeeping, premarket clearance or approval, import, export, adverse event reporting, advertising, promotion, marketing and distribution, and import and export of medical devices to ensure that medical devices distributed domestically are safe and effective for their intended uses and otherwise meet the requirements of the FDCA.

FDA Premarket Clearance and Approval Requirements

Unless an exemption applies, each medical device commercially distributed in the U.S. requires either FDA clearance of a 510(k) premarket notification, or approval of a premarket approval application, or PMA. Under the FDCA, medical devices are classified into one of three classes—Class I, Class II or Class III—depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and effectiveness. Class I includes devices with the lowest risk to the patient, and Class I devices are those for which safety and effectiveness can be assured by adherence to the FDA's General Controls for medical devices, which include compliance with the applicable portions of the Quality System Regulation, or QSR, facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Class II devices are subject to the FDA's General Controls, and special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls can include performance standards, post market surveillance, patient registries and FDA guidance documents. While most Class I devices are exempt from the 510(k) premarket notification requirement, manufacturers of most Class II devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. The FDA's permission to commercially distribute a device subject to a 510(k) premarket notification is generally known as 510(k) clearance. Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or some implantable devices, or devices that have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, requiring approval of a PMA. Some pre-amendment devices are unclassified, but are subject to the FDA's premarket notification and clearance process in order to be commercially distributed. To date, our products have been subject to the 510(k) clearance process.

510(k) Marketing Clearance Pathway

To obtain 510(k) clearance, we must submit to the FDA a premarket notification submission demonstrating that the proposed device is ‘‘substantially equivalent’’ to a predicate device already on the market. A predicate device is a legally marketed device that is not subject to premarket approval, *i.e.*, a device that was legally marketed prior to May 28, 1976 (pre-amendments device) and for which a PMA is not required, a device that has been reclassified from Class III to Class II or I, or a device that was found substantially equivalent through the 510(k) process. The FDA’s 510(k) clearance process usually takes from nine to twelve months, but may take significantly longer. The FDA may require additional information, including clinical data, to make a determination regarding substantial equivalence.

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

After a device receives 510(k) marketing clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change or modification in its intended use, will require a new 510(k) marketing clearance or, depending on the modification, a de novo classification or PMA approval. The FDA requires each manufacturer to determine whether the proposed change requires submission of a 510(k) or a PMA in the first instance, but the FDA can review any such decision and disagree with a manufacturer’s determination. Many minor modifications today are accomplished by a letter-to-file in which the manufacture documents the change in an internal letter-to-file. The letter-to-file is in lieu of submitting a new 510(k) to obtain clearance for every change. The FDA may review these letters-to-file during an inspection. If the FDA disagrees with a manufacturer’s determination that no 510(k) was required for the change, the FDA can require the manufacturer to cease marketing and/or request the recall of the modified device until 510(k) marketing clearance or PMA approval is obtained. Also, in these circumstances, we may be subject to significant regulatory fines or penalties. The FDA has issued guidance, originally in 1997, to assist device manufacturers in making the determination as to whether a modification to a device requires a new 510(k).

PMA Approval Pathway

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

The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s). The FDA may approve a PMA with post-approval conditions intended to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale

and distribution, and collection of long-term follow-up data from patients in the clinical study that supported PMA approval or requirements to conduct additional clinical studies post-approval. The FDA may condition PMA approval on some form of post-market surveillance when deemed necessary to protect the public health or to provide additional safety and efficacy data for the device in a larger population or for a longer period of use. In such cases, the manufacturer might be required to follow certain patient groups for a number of years and to make periodic reports to the FDA on the clinical status of those patients. Failure to comply with the conditions of approval can result in material adverse enforcement action, including withdrawal of the approval.

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

Clinical Trials

Clinical trials are almost always required to support a PMA and are sometimes required to support a 510(k) submission. All clinical investigations of investigational devices to determine safety and effectiveness must be conducted in accordance with the FDA's investigational device exemption, or IDE, regulations which govern investigational device labeling, prohibit promotion of the investigational device, and specify an array of recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a "significant risk" to human health, as defined by the FDA, the FDA requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials. A significant risk device is one that presents a potential for serious risk to the health, safety or welfare of a patient and either is implanted, used in supporting or sustaining human life, substantially important in diagnosing, curing, mitigating or treating disease or otherwise preventing impairment of human health, or otherwise presents a potential for serious risk to a subject. An IDE application must be supported by appropriate data, such as animal and laboratory test results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. The IDE will automatically become effective 30 days after receipt by the FDA unless the FDA notifies the company that the investigation may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE for which it requires modification, the FDA may permit a clinical trial to proceed under a conditional approval.

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

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

Post-market Regulation

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

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

We may be subject to similar foreign laws that may include applicable post-marketing requirements such as safety surveillance. Our manufacturing processes are required to comply with the applicable portions of the QSR, which cover the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master file, device history file, and complaint files. As a manufacturer, we are subject to periodic scheduled or unscheduled inspections by the FDA. A failure to maintain compliance with the QSR requirements could result in the shut-down of, or restrictions on, manufacturing operations and the recall or seizure of products. The FDA has broad

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

- warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties;
- recalls, withdrawals, or administrative detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products;
- withdrawing 510(k) clearances or PMA approvals that have already been granted;
- refusal to grant export or import approvals for our products; or
- criminal prosecution.

Other Health Care Laws

In addition to FDA restrictions on the marketing and promotion of medical devices, other federal and state healthcare laws and regulations could restrict our business practices. Although none of the procedures using our products are covered by any federal or state government healthcare program or any other third-party payor, applicable agencies and regulators may nonetheless interpret that we are subject to numerous federal healthcare anti-fraud laws, which include the federal Anti-Kickback Statute, False Claims Act and physician payment transparency laws that are intended to reduce waste, fraud and abuse in the healthcare industry, and analogous state laws that may apply to healthcare items and services paid for by any payors, including private insurers. In addition, we are subject to certain state reporting requirements in states with physician payment transparency laws that apply regardless of payor. Violations of any of these health regulatory laws may result in potentially significant penalties, including criminal and civil and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings, and the curtailment or restructuring of our operations. To the extent that any of our products are sold in a foreign country, we may be subject to similar foreign laws, which may include, for instance, applicable post-marketing requirements, including safety surveillance, anti-fraud and abuse laws and implementation of corporate compliance programs and reporting of payments or transfers of value to healthcare professionals.

Healthcare Reform

The U.S. and some foreign jurisdictions are considering or have enacted a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our products profitably. For example, the implementation of the Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Reconciliation Act, or the Affordable Care Act, has changed healthcare financing and delivery by both governmental and private insurers substantially and has affected medical device manufacturers significantly. The Affordable Care Act imposed, among other things, a new federal excise tax on the sale of certain medical devices, which is suspended but, absent further legislative action, will be reinstated starting January 1, 2018. In addition, the Affordable Care Act provided incentives to programs that increase the federal government's comparative effectiveness research, and implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models. Since its enactment, there have been judicial and Congressional challenges to certain aspects of the Affordable Care Act, and we expect there will be additional challenges and amendments to the Affordable Care Act in the future. The new Presidential Administration and U.S. Congress will likely continue to seek to modify, repeal, or otherwise invalidate all, or certain provisions of, the Affordable Care Act. It is uncertain the extent to which any such changes may impact

our business or financial condition. We expect additional state and federal healthcare reform measures to be adopted in the future, any of which could result in reduced demand for our products or additional pricing pressure.

Employees

As of August 1, 2017, we had 91 employees, with 33 employees in sales and marketing, 17 employees in customer support, 24 employees in research and development, including clinical, regulatory and certain quality control functions, five employees in manufacturing operations and 12 employees in general management and administration. We believe that our future success will depend in part on our continued ability to attract, hire and retain qualified personnel. None of our employees is represented by a labor union, and we consider our relations with our employees to be good.

Facilities

Our corporate headquarters are located in San Jose, California, where we lease and occupy an approximately 23,000 square foot facility of office space, research and development, regulatory, finance and other administrative functions. The current term of our lease expires in April 2022, with an option to extend for an additional five-year term. We believe that our existing facilities are adequate to meet our needs for the foreseeable future as we continue to implement our current commercial strategy.

Legal Proceedings

We are not presently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. However, we may from time to time be involved in various claims and legal proceedings of a nature we believe are normal and incidental to a medical device business. These matters may include product liability, intellectual property, employment and other general claims. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of August 1, 2017:

Name	Age	Position(s)
Executive Officers and Employee Directors		
Ryan Rhodes	55	President, Chief Executive Officer and Director
Gabriele Zingaretti	43	Chief Operations Officer
Charlotte Holland	59	Chief Financial Officer
Ray Lee	61	Vice President, Regulatory Affairs and Quality Assurance
Brent Nixon	54	Vice President, Global Sales
Non-Employee Directors		
Frederic Moll, M.D.	65	Chairman of the Board
Jeffrey Bird, M.D., Ph.D.	57	Director
Gil Kliman, M.D.	58	Director
Emmett Cunningham, Jr., M.D., Ph.D.	56	Director
Craig Taylor	67	Director
Shelley Thunen	64	Director

Executive Officers and Employee Directors

Ryan Rhodes has served as our President and Chief Executive Officer since July 2016 and as a member of our board of directors since July 2016. From January 2002 to June 2015, Mr. Rhodes held a number of positions at Intuitive Surgical Inc., a market leader in surgical robotics, including Vice-President of World-Wide Clinical Marketing, Senior Director of World-Wide Marketing and Director of Marketing. Prior to Intuitive Surgical Inc., Mr. Rhodes spent over 11 years in various management positions in sales, marketing, professional education, and market development at Ethicon Inc., a Johnson & Johnson Company. Mr. Rhodes holds a B.A. in Public Administration from San Diego State University. We believe Mr. Rhodes is qualified to serve on our board of directors due to experience in sales and marketing and his role as the chief executive of our business.

Gabriele Zingaretti has served as our Chief Operations Officer since February 2016. Prior thereto, from 2008 to September 2012 Dr. Zingaretti served as a Senior Software Engineer, from September 2012 to March 2013 as a Vice President and from 2013 until February 2016 as Vice President of Research & Development. From 2000 to 2007, Dr. Zingaretti developed advanced algorithms for detecting breast cancer at R2 Technology, Inc. From 2007 to 2008, Dr. Zingaretti worked as Software Architect for Thermo Fisher Scientific in the proteomics group. Dr. Zingaretti received his doctorate in Biomedical Engineering from University of Rome and participated in a two-year postdoctoral research fellowship at the Obesity Research Center at Columbia University. Mr. Zingaretti received his bachelor's degree from ITC Antonio Pacinotti in Pisa, Italy.

Charlotte Holland has served as our Chief Financial Officer since January 2016. Prior thereto, from December 2011 until 2013, Ms. Holland served as our Corporate Controller and, from 2013 until 2016, as Vice President of Finance. From 1990 to 1998, Ms. Holland served in multiple management positions at Therma-Wave Inc., a semiconductor capital equipment manufacturer, from 2008 to 2011 at EndoGastric Solutions, Inc., a medical device manufacturer, and from 1984 to 1990 at Network Equipment Technologies, Inc., a telecommunication capital equipment manufacturer. Ms. Holland received a B.S. in Business Administration from San Jose State University.

Ray Lee has served as our Vice President, Regulatory Affairs and Quality Assurance since February 2014. From January 2013 to January 2014, Mr. Lee worked at Solta Medical, Inc. where he was responsible for global

regulatory strategy and obtaining worldwide clearances. From February 2005 to December 2012, Mr. Lee was head of Global Regulatory and Quality Assurance for TRIA Beauty, an aesthetic company that sells OTC light-based technologies. From February 1998 to January 2005, Mr. Lee worked at other medical device companies, including Symphonix, Pulmonx and Insound Medical. Mr. Lee received a B.A. in Biological Science from California State University, Hayward.

Brent Nixon has served as our Vice President, Global Sales since June 2016. Prior thereto, from May 2012, Mr. Nixon served as our Vice President, International. From 2009 to 2010, Mr. Nixon led the development of the international business at Zeltiq Aesthetics, Inc., a company developing novel non-invasive fat reduction therapies. From 2002 to 2006, Mr. Nixon was Vice President of Sales and Marketing for Envirosystems, a leader in the development and commercialization of nano-technology sold into healthcare and military channels. From 2001 to 2002, Mr. Nixon was a Vice President of Global Marketing for GE Medical—Healthcare Solutions. Mr. Nixon has B.S. in Marketing from Villanova University's School of Commerce and Finance.

Non-Employee Directors

Frederic Moll, M.D., has been a member and served as Chairman of our board since November 2002. Dr. Moll is also a co-founder, and, since September 2012, is the Chief Executive Officer of Auris Surgical Robotics, Inc. From 2002 to 2010, Dr. Moll served as the Chief Executive Officer of Hansen Medical, a medical robotics company, which he also co-founded. Previously, Dr. Moll co-founded Intuitive Surgical, Inc. and from 1995 to 2002 served as its first Chief Executive Officer. Dr. Moll also co-founded Origin Medisystems, Inc., which later became an operating company within Guidant Corp. following its acquisition by Eli Lilly & Co., and Endotherapeutics Corp. Dr. Moll serves on the boards of directors of Biolase, Inc. and IntersectENT, Inc. Dr. Moll received a B.A. in economics from the University of California at Berkeley, an M.S. degree in management from Stanford University and an M.D. from the University of Washington. We believe Dr. Moll is qualified to serve on our board of directors due to his experience with the Company since its founding and his over 20 years of experience in the medical device industry.

Jeffrey Bird, M.D., Ph.D., has served as a member of our board of directors since July 2005. Since July 2003, Dr. Bird has been a Managing Director at Sutter Hill Ventures, a California limited partnership, or Sutter Hill Ventures, where he focuses on healthcare, including biotechnology and medical devices. Dr. Bird serves on the boards of directors of Portola Pharmaceuticals, Inc. and Threshold Pharmaceuticals, Inc. Dr. Bird previously served on the board of directors of Horizon Pharma plc until October 2015. Dr. Bird received a B.S. in Biological Sciences, a Ph.D. and an M.D. from Stanford University. We believe Dr. Bird is qualified to serve on our board of directors due to his over 20 years of experience in the medical and pharmaceutical industry and his experience investing in biotechnology and medical device companies.

Gil Kliman, M.D., has served as a member of our board of directors since July 2007. Dr. Kliman is Managing Director at InterWest Partners, where he has led their medical device team since 1999. Dr. Kliman is also the co-founder and co-chairman of the Ophthalmology Innovation Summit, an ophthalmology business conference. Dr. Kliman serves on the board of directors of Glaukos Corporation and several private life science companies. Dr. Kliman received a B.A. from Harvard University, an M.D. from the University of Pennsylvania and an M.B.A. from Stanford University. We believe Dr. Kliman is qualified to serve on our board of directors due to his experience investing in medical device and technology companies for over two decades.

Emmett Cunningham, Jr., M.D., Ph.D., has served as a member of our board of directors since August 2011. Dr. Cunningham is Managing Director at Clarus Ventures, LLC, which he joined in 2006. From February 2004 to December 2005, he was Senior Vice President, Medical Strategy at Eyetech Pharmaceuticals, Inc., a pharmaceutical company. From April 2002 to February 2004, Dr. Cunningham was Vice President of Clinical Research Development and Licensing. From August 2001 to April 2002, Dr. Cunningham worked at Pfizer, Inc. as an Early Clinical Leader in Clinical Sciences. Dr. Cunningham is also Adjunct Clinical Professor of Ophthalmology at Stanford University School of Medicine and the co-founder and Chair of the Ophthalmology

Innovation Summit. Dr. Cunningham serves on the boards of directors of a number of private companies and on the Scientific Advisory Board of Aerie Pharmaceuticals, Inc. Dr. Cunningham received a B.S. from Drexel University, an M.D. and M.P.H. from Johns Hopkins University and a Ph.D. in neuroscience from the University of California at San Diego. We believe Dr. Cunningham is qualified to serve on our board of directors due to his experience in research and investing in medical companies.

Craig Taylor has served as a member of our board of directors since March 2017. Mr. Taylor is President of Alloy Ventures, Inc., which he co-founded in 1996 and where he focuses on investments in laboratory instrumentation, diagnostics and cleantech. He served on the Board of Advisors of the MIT/Stanford Venture Laboratory and served as a Director at the National Venture Capital Association. Mr. Taylor received a B.S. and an M.S. in physics from Brown University, as well as an M.B.A. from Stanford University. We believe Mr. Taylor is qualified to serve on our board of directors due to his experience investing in medical technologies and his experience on boards of directors in the medical industry.

Shelley Thunen has served as a member of our board of directors and as chair of the audit committee since July 2015. Since January 2016, Ms. Thunen has served as the Chief Administrative Officer and Chief Financial Officer of RxSight, Inc., a medical device company. From January 2013 to October 2015, Ms. Thunen served as the Chief Financial Officer and Corporate Secretary of Endologix Inc., a medical device company. From August 2010 to December 2012, Ms. Thunen served as Associate General Manager of LenSx, Inc., an indirect wholly-owned subsidiary of Alcon, Inc., a developer and manufacturer of vision care products, which Novartis International AG acquired in April 2011. From April 2008 to August 2010, Ms. Thunen served as a board member and chair of the audit committee and from November 2009 to August 2010, Ms. Thunen served as Chief Financial Officer and Vice President, Operations of LenSx, Inc., which Alcon, Inc. acquired in August 2010. Prior to LenSx, Inc., Ms. Thunen served in a variety of management and executive roles at public and private medical device companies. Ms. Thunen received a B.A. in economics and an M.B.A. from the University of California, Irvine. We believe Ms. Thunen is qualified to serve on our board of directors due to her experience in finance and accounting at medical device companies.

Board Composition

Director Independence

Our board of directors consists of seven members. Our board of directors has determined that all of our directors, other than Ryan Rhodes, who is our President and Chief Executive Officer, qualify as “independent” directors in accordance with The NASDAQ Global Market listing requirements. The NASDAQ Global Market’s independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his or her family members has engaged in various types of business dealings with us. In addition, as required by The NASDAQ Global Market rules, our board of directors has made a subjective determination as to each independent director that no relationships exists that, in the opinion of our board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director’s business and personal activities and relationships as they may relate to us and our management. There are no family relationships among any of our directors or executive officers.

Classified Board of Directors

In accordance with our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering, our board of directors will be divided into three classes with staggered, three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election.

Effective upon the consummation of this offering, we expect that our directors will be divided among the three classes as follows:

- the Class I directors will be and , and their terms will expire at the annual meeting of stockholders to be held in 2018;
- the Class II directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2019; and
- the Class III directors will be , and , and their terms will expire at the annual meeting of stockholders to be held in 2020.

Our amended and restated certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control of our company.

Voting Arrangements

The election of the members of our board of directors is governed by the amended and restated voting agreement, as amended, that we entered into with certain holders of our common stock and certain holders of our preferred stock and the related provisions of our amended and restated certificate of incorporation.

Pursuant to the voting agreement, Clarus Ventures L.P. has the right to elect one director as the Series C designee to our board of directors, InterWest partners IX, L.P. and its affiliates have the right to elect one director as the Series B designee to our board of directors, Alloy Ventures 2005, L.P. has the right to elect one director as one of the two Series A designees to our board of directors, and Sutter Hill Ventures has the right to elect one director as the other Series A designee to our board of directors. In addition to the directors designated by the preferred stock, pursuant to the voting agreement, one director will be the Chief Executive Officer, unless none is appointed, then a majority of the common stock voting together as a single class has the right to appoint one director to the board of directors, and one director will be an independent industry executive to be elected by a majority of the common stock voting together as a single class. Furthermore, pursuant to the voting agreement, a majority of the board of directors shall have the right to appoint additional directors to the board.

The holders of our common stock and preferred stock who are parties to our voting agreement are obligated to vote for such designees indicated above. The provisions of this voting agreement will terminate upon the consummation of this offering and our certificate of incorporation will be amended and restated, after which there will be no further contractual obligations or charter provisions regarding the election of our directors. Our directors hold office until their successors have been elected and qualified or appointed, or the earlier of their death, resignation or removal.

Leadership Structure of the Board

Our bylaws and corporate governance guidelines provide our board of directors with flexibility to combine or separate the positions of chairman of the board of directors and chief executive officer and/or the implementation of a lead director in accordance with its determination that utilizing one or the other structure would be in the best interests of our company. Dr. Moll serves as the chairman of our board of directors. In that role, Dr. Moll presides over the executive sessions of the board of directors.

Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of Board in Risk Oversight Process

Risk assessment and oversight are an integral part of our governance and management processes. Our board of directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings, and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks facing us. Throughout the year, senior management reviews these risks with the board of directors at regular board meetings as part of management presentations that focus on particular business functions, operations or strategies, and presents the steps taken by management to mitigate or eliminate such risks.

Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure, our audit committee is responsible for overseeing our major financial risk exposures and the steps our management has taken to monitor and control these exposures. The audit committee also monitors compliance with legal and regulatory requirements and considers and approves or disapproves any related person transactions. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Board Committees

Audit Committee

Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, the audit committee:

- appoints our independent registered public accounting firm;
- evaluates the independent registered public accounting firm's qualifications, independence and performance;
- determines the engagement of the independent registered public accounting firm;
- reviews and approves the scope of the annual audit and the audit fee;
- discusses with management and the independent registered public accounting firm the results of the annual audit and the review of our quarterly consolidated financial statements;
- approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services;
- monitors the rotation of partners of the independent registered public accounting firm on our engagement team in accordance with requirements established by the SEC;
- is responsible for reviewing our consolidated financial statements and our management's discussion and analysis of financial condition and results of operations to be included in our annual and quarterly reports to be filed with the SEC;
- reviews our critical accounting policies and estimates; and
- reviews the audit committee charter and the committee's performance at least annually.

The current members of our audit committee are Ms. Thunen and Drs. Kliman and Moll. Ms. Thunen serves as the chairperson of the committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and The NASDAQ Global Market. Our board of

directors has determined that Ms. Thunen is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of The NASDAQ Global Market. Under the rules of the SEC, members of the audit committee must also meet heightened independence standards. Our board of directors has determined that each of Ms. Thunen, Drs. Kliman and Moll are independent under the applicable rules of the SEC and the NASDAQ Global Market. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and The NASDAQ Global Market.

Compensation Committee

Our compensation committee oversees policies relating to compensation and benefits of our officers and employees. The compensation committee reviews and recommends corporate goals and objectives relevant to compensation of our executive officers (other than our chief executive officer), evaluates the performance of these officers in light of those goals and objectives and approves the compensation of these officers based on such evaluations. The compensation committee also recommends to our board of directors the issuance of stock options and other awards under our stock plans (other than for our chief executive officer). The compensation committee reviews the performance of our chief executive officer and makes recommendations to our board of directors with respect to his compensation, and our board of directors retains the authority to make compensation decisions relative to our chief executive officer. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members, including compliance by the compensation committee with its charter. The current members of our compensation committee are , Drs. Bird, Kliman and Moll. Dr. Moll serves as the chairman of the committee. Each of the members of our compensation committee is independent under the applicable rules and regulations of The NASDAQ Global Market, is a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act and is an "outside director" as that term is defined in Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or Section 162(m). The compensation committee operates under a written charter that satisfies the applicable standards of the SEC and The NASDAQ Global Market.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our board of directors concerning governance matters. The current members of our nominating and corporate governance committee are , and . serves as the chairman of the committee. Each of the members of our nominating and corporate governance committee is an independent director under the applicable rules and regulations of The NASDAQ Global Market relating to nominating and corporate governance committee independence. The nominating and corporate governance committee operates under a written charter that satisfies the applicable standards of the SEC and The NASDAQ Global Market.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2016, our compensation committee consisted of Drs. Bird, Kliman and Moll. None of the members of our compensation committee was one of our officers or employees during the year ended December 31, 2016. Dr. Moll previously served as our chief executive officer from November 2002 to October 2005. None of our executive officers serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers on our board of directors or compensation committee.

Board Diversity

Upon consummation of this offering, our nominating and corporate governance committee will be responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and

experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, may take into account many factors, including but not limited to the following:

- personal and professional integrity;
- ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly held company;
- experience in the industries in which we compete;
- experience as a board member or executive officer of another publicly held company;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- conflicts of interest; and
- practical and mature business judgment.

Our board of directors evaluates, and following the consummation of this offering will evaluate, each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best maximize the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

Code of Business Conduct and Ethics

Prior to the consummation of this offering, we will adopt a code of business conduct and ethics that will apply to all of our employees, officers and directors, including those officers responsible for financial reporting. Following the consummation of this offering, the code of business conduct and ethics will be available on our website. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation, which will become effective immediately prior to the consummation of this offering, will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director’s duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Each of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to the consummation of this offering, will provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended

and restated bylaws will also obligate us to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under Delaware law. We have entered into and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage.

Director Compensation

We do not have a formalized non-employee director compensation program. No director received any cash compensation or equity awards in fiscal year 2016. In accordance with company policy, we reimburse all of our non-employee directors for all reasonable and customary business expenses incurred by them in their service as directors. As of December 31, 2016, Ms. Thunen held an option to purchase 592,500 shares of our common stock with an exercise price of $0.18 per share. No other non-employee director held any equity awards as of December 31, 2016.

EXECUTIVE COMPENSATION

The following is a discussion and analysis of compensation arrangements of our named executive officers, or NEOs. This discussion contains forward looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from planned programs as summarized in this discussion. See "Special Note Regarding Forward-Looking Statements." As an "emerging growth company" as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

We seek to ensure that the total compensation paid to our executive officers is reasonable and competitive. We have structured the compensation programs for our executives around the achievement of individual performance and near-term corporate targets as well as long-term business objectives.

Our NEOs for fiscal year 2016 were as follows:

- Ryan Rhodes, President and Chief Executive Officer;
- Charlotte Holland, Chief Financial Officer;
- Gabriele Zingaretti, Dott. Ing., Chief Operations Officer;
- James McCollum, Former President and Chief Executive Officer; and
- Lisa Edone, Former Vice President of Marketing.

Mr. Rhodes commenced employment as our President and Chief Executive Officer on July 25, 2016. Mr. McCollum resigned as our President and Chief Executive Officer effective as of July 25, 2016 and terminated his employment with us effective as of August 31, 2016. Ms. Edone resigned as our Vice President of Marketing effective as of August 3, 2016.

Summary Compensation Table

The following table shows information regarding the compensation of our NEOs for services performed in the year ended December 31, 2016.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Option Awards(2) ($)	All Other Compensation ($)(3)	Total ($)
Ryan Rhodes(4) *Chief Executive Officer*	2016	126,923	—	762,619	—	889,542
Charlotte Holland *Chief Financial Officer*	2016	268,037	—	130,469	—	398,506
Gabriele Zingaretti, Dott. Ing. *Chief Operations Officer*	2016	267,993	—	174,831	—	442,824
James McCollum(5) *Former President and Chief Executive Officer*	2016	310,498	120,000	682,861	420,620	1,535,377
Lisa Edone(6) *Former Vice President of Marketing*	2016	177,147	—	91,632	136,130	404,909

(1) Represents a $20,000 monthly special cash bonus paid to Mr. McCollum in connection with transition services he performed for us from March 1, 2016 through August 31, 2016. Please see the descriptions of Mr. McCollum's cash bonus in "Narrative to 2016 Summary Compensation Table and Outstanding Equity Awards at 2016 Fiscal Year End —Terms and Conditions of Transition and Separation Agreement with James McCollum" below.

(2) Amounts shown represent the grant date fair value of options granted during fiscal year 2016 as calculated in accordance with ASC Topic 718. See Note 10 of the audited consolidated financial statements included in this prospectus for the assumptions used in calculating this amount.
(3) Amounts reported for Mr. McCollum include $389,510 accrued by us for cash severance and $32,508 accrued by us for the payment of COBRA healthcare premiums, in accordance with Mr. McCollum's Transition and Separation Agreement entered into as of March 24, 2016. Please see the description of this agreement in "Narrative to 2016 Summary Compensation Table and Outstanding Equity Awards at 2016 Fiscal Year End—Terms and Conditions of Transition and Separation Agreement with James McCollum" below. Amounts reported for Ms. Edone include $80,096 paid by us for cash severance, $3,480 paid by us for COBRA healthcare premiums, in accordance with Ms. Edone's Separation Agreement dated as of August 4, 2016 $22,844 reimbursed by us for the travel costs incurred by Ms. Edone for commuting from her residence in San Clemente, California to our headquarters in San Jose, CA and $29,710 reimbursed by us for housing in the San Jose area for Ms. Edone in connection with her commute to our headquarters. Please see the description of this agreement in "Narrative to 2016 Summary Compensation Table and Outstanding Equity Awards at 2016 Fiscal Year End—Terms and Conditions of Separation Agreement with Lisa Edone" below.
(4) Mr. Rhodes commenced employment with us on July 25, 2016.
(5) Mr. McCollum's employment with us ended on August 31, 2016.
(6) Ms. Edone's employment with us ended on August 3, 2016.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth all outstanding equity awards held by each of our NEOs as of December 31, 2016.

		Option Awards			
Name(1)	Vesting Commencement Date(2)	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Ryan Rhodes	7/25/2016	—	8,886,440	0.17	8/30/2026
Gabriele Zingaretti, Dott. Ing.	10/26/2010	29,375	—	0.08	5/18/2020
	3/22/2011	50,000	—	0.09	3/22/2021
	9/30/2011	100,000	—	0.22	9/30/2021
	9/4/2012	150,000	—	0.22	11/20/2022
	1/1/2014	350,000	130,000	0.18	4/10/2024
	1/1/2015	95,833	104,167	0.18	2/24/2025
	2/3/2016	104,166	395,834	0.17	2/3/2026
Charlotte Holland	12/21/2011	75,000	—	0.22	1/25/2022
	1/1/2013	146,875	3,125	0.22	1/30/2023
	1/1/2014	104,166	67,709	0.18	4/10/2024
	1/1/2015	83,333	104,167	0.18	2/24/2025
	2/3/2016	104,166	395,834	0.17	2/3/2026

(1) Mr. McCollum and Ms. Edone did not hold any outstanding equity awards as of December 31, 2016.
(2) Except as otherwise noted, awards vest and, if applicable, become exercisable as to 1/48th of the shares subject to the option on each monthly anniversary of the vesting commencement date, subject to the holder continuing to provide services to us through such vesting date.

Narrative to 2016 Summary Compensation Table and Outstanding Equity Awards at 2016 Fiscal Year End

Terms and Conditions of Employment Arrangements with Ryan Rhodes

Effective as of July 25, 2016, we entered into an employment agreement with Mr. Rhodes to serve as our Chief Executive Officer and a member of our board of directors, providing for base salary, target annual performance

bonus, an option grant and standard employee benefit plan participation. Mr. Rhodes' base salary is approximately $300,000 and he also is eligible for an annual performance bonus targeted at 30% of base salary that is earned based on the achievement of certain performance goals established by our board of directors. Under his employment agreement, Mr. Rhodes' employment is terminable at-will and is subject to execution of our standard confidential information and invention assignment agreement.

Under Mr. Rhodes' employment agreement, in the event Mr. Rhodes' employment with us is terminated by us for any reason other than "cause" (as defined below) or he resigns his employment with us for "good reason" (as defined below), and Mr. Rhodes timely executes and does not revoke a general release of claims in favor of us, then Mr. Rhodes will receive the following: (i) a lump sum cash payment equal to the sum of (x) 6 months of Mr. Rhodes' base salary and (y) one additional month of Mr. Rhodes' base salary for each full year of service with us (such period, the "severance period"); (ii) a prorated annual performance bonus based on actual achievement of applicable performance goals, payable at the same time annual performance bonuses are paid generally; (iii) company-paid COBRA premiums through the earlier of the severance period and when he becomes eligible for comparable replacement coverage; and (iv) any equity awards held by Mr. Rhodes will become vested and if applicable, exercisable with respect to that number of shares of our common stock that would have vested if Mr. Rhodes had remained employed by us during the severance period. In addition, upon the consummation of a "change in control" (as defined below) or our termination of Mr. Rhodes' employment with us without cause or Mr. Rhodes resignation of employment with us for good reason within three months prior to a change in control, then any unvested equity awards will become fully vested and, if applicable, exercisable, and all restrictions and rights of repurchase on such awards will lapse with respect to all of the shares of our common stock subject thereto.

Definitions

For purposes of the employment agreement of Mr. Rhodes, "change in control" means (i) our liquidation, dissolution or winding up, (ii) any consolidation or merger of our company, or any other corporate reorganizations, so long as our stockholders constituted immediately prior to such transaction do not hold more than 50% of the voting power of the surviving or acquiring entity immediately following such transaction, (iii) any transaction or series of related transactions in which in excess of 50% of our voting power outstanding before such transaction is transferred, or (iv) a sale, conveyance or other disposition of all or substantially all of our assets, *provided* that a change in control shall not include (i) a merger or consolidation with one of our wholly-owned subsidiaries, (ii) our initial public offering, (iii) a transaction effected exclusively for the purpose of changing our domicile or state of incorporation or (iv) any transaction or series of related transactions principally for bona fide equity financing purposes in which we are the surviving corporation.

For purposes of the employment agreement of Mr. Rhodes, "cause" means (i) Mr. Rhodes' willful failure substantially to perform his duties and responsibilities to us or deliberate violation of a company policy after 30 days' notice and an opportunity to cure such failure, (ii) Mr. Rhodes' commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to us, (iii) unauthorized use or disclosure by Mr. Rhodes of any of our proprietary information or trade secrets or any other party to whom he owes an obligation of nondisclosure as a result of his relationship with us, or (iv) the executive's willful breach of any of his obligations under any written agreement or covenant with us, including without limitation, his employment agreement or confidentiality agreement, after 30 days' notice and an opportunity to cure such failure.

For purposes of the employment agreement of Mr. Rhodes, "good reason" means his resignation within 120 days of (i) the material reduction of Mr. Rhodes' base compensation (other than in connection with a general reduction of base salaries applicable to all employees in similar positions not to exceed 10%), (ii) the relocation of Mr. Rhodes' principal place of employment that increases his one-way commute by more than 50 miles, (iii) a material reduction by us in the kind or level of employee benefits to which Mr. Rhodes was entitled immediately prior to such reduction with the result that his overall benefits package is significantly reduced, or (iv) the

significant reduction of Mr. Rhodes' duties, authority or responsibilities (taken as a whole), relative to his duties, authority or responsibilities as in effect immediately prior to such, *provided*, that, in each case, Mr. Rhodes will not be deemed to have good reason unless (i) he first provides us with written notice of the condition giving rise to good reason within 30 days of its initial occurrence, (ii) we or our successor company fail to cure such condition within 30 days after receiving such written notice (the "Cure Period"), and (iii) Mr. Rhodes' resignation based on such good reason is effective within 30 days after the expiration of the Cure Period.

Terms and Conditions of Employment Arrangements with Gabriele Zingaretti, Dott. Ing.

On September 4, 2008, we entered into an employment agreement (as amended in December 2013) with Dr. Zingaretti, providing for base salary, an option grant and standard employee benefit plan participation. In February 2016, we promoted Dr. Zingaretti to serve as our Chief Operations Officer. Dr. Zingaretti's base salary is approximately $280,000 and he also is eligible for an annual performance bonus targeted at 20% of base salary that is earned based on the achievement of certain performance goals established by our board of directors. Under his amended employment agreement, Dr. Zingaretti's employment is terminable at-will and is subject to execution of our standard confidential information and invention assignment agreement.

Under Dr. Zingaretti's amended employment agreement, in the event Dr. Zingaretti's employment with us is terminated by us for any reason other than "cause" (as defined below) or he resigns his employment with us for "good reason" (as defined below), and Dr. Zingaretti executes and does not revoke a general release of claims in favor of us, then Dr. Zingaretti will receive the following: (i) continued payment of Dr. Zingaretti's base salary for six months and (ii) company-paid COBRA premiums for six months following termination. In the event Dr. Zingaretti's employment with us is terminated by us without cause or by Dr. Zingaretti for good reason during the one year period commencing on a change in control, and Dr. Zingaretti timely executes and does not revoke a general release of claims in favor of us, then any unvested equity awards will become fully vested and, if applicable, exercisable, and all restrictions and rights of repurchase on such awards will lapse with respect to all of the shares of our common stock subject thereto.

Definitions

For purposes of the amended employment agreement of Dr. Zingaretti, "cause" means (i) Dr. Zingaretti's willful failure substantially to perform his duties and responsibilities to us or deliberate violation of a company policy, (ii) Dr. Zingaretti's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to us, (iii) unauthorized use or disclosure by executive of any of our proprietary information or trade secrets of or any other party to whom he owes and obligation on nondisclosure as a result of his relationship with us, or (iv) Dr. Zingaretti's willful breach of any of his obligations under any written agreement or covenant with us.

For purposes of the amended employment agreement of Dr. Zingaretti, "good reason" means (i) the material reduction, without express written consent, of Dr. Zingaretti's base compensation as in effect immediately prior to such reduction (other than in connection with a general reduction of base salaries applicable to all employees in similar positions), (ii) the relocation of Dr. Zingaretti's principal place of employment that increases his one-way commute by more than 50 miles without express written consent, (iii) a material reduction by us, without express written consent, in the kind or level of employee benefits to which Dr. Zingaretti was entitled immediately prior to such reduction with the result that his overall benefits package is significantly reduced (other than in connection with a general reduction of base salaries applicable to all employees in similar positions), (iv) without express written consent, the significant reduction of Dr. Zingaretti's duties, authority or responsibilities (taken as a whole), relative to Dr. Zingaretti's duties, authority or responsibilities as in effect immediately prior to such, or (v) our failure to obtain the assumption of Dr. Zingaretti's amended employment agreement by any successors.

Terms and Conditions of Employment Arrangements with Charlotte Holland

On November 29, 2011, we entered into an employment agreement (as amended in December 2013) with Ms. Holland, providing for base salary, an option grant and standard employee benefit plan participation. In February

2016, we promoted Ms. Holland to serve as our Chief Financial Officer. Ms. Holland's base salary is approximately $280,000 and she also is eligible for an annual performance bonus targeted at 20% of base salary that is earned based on the achievement of certain performance goals established by our board of directors. Under her amended employment agreement, Ms. Holland's employment is terminable at-will and is subject to execution of our standard confidential information and invention assignment agreement.

Under Ms. Holland's amended employment agreement, in the event Ms. Holland's employment with us is terminated by us for any reason other than "cause" (as defined above under Dr. Zingaretti's employment agreement) or she resigns her employment for "good reason" (as defined above under Dr. Zingaretti's employment agreement), and Ms. Holland executes and does not revoke a general release of claims in favor of us, then Ms. Holland will receive the following: (i) continued payment of Ms. Holland's base salary for six months and (ii) company-paid COBRA premiums for six months following termination. In the event Ms. Holland's employment is terminated by us without cause or by Ms. Holland for good reason during the one year period commencing on a change in control, and Ms. Holland executes and does not revoke a general release of claims in favor of us, then any unvested equity awards will become fully vested and, if applicable, exercisable, and all restrictions and rights of repurchase on such awards will lapse with respect to all of the shares of our common stock subject thereto.

Terms and Conditions of Transition and Separation Agreement with James McCollum

As with other NEOs, Mr. McCollum was party to an employment agreement that provided for base salary, target performance bonus, an option grant, standard employee benefit plan participation and certain severance and change in control benefits. However, in March 2016, we entered into a Transition and Separation Agreement with Mr. McCollum that provided for his resignation as our Chief Executive Officer on July 25, 2016 and the termination of employment with us on August 31, 2016. Pursuant to Mr. McCollum's Transition and Separation Agreement, Mr. McCollum continued to provide transition services to us as an employee from March 2016 through August 31, 2016. In exchange for Mr. McCollum's transition services, (i) he continued to receive his base salary and benefits (except he was no longer eligible for his 2016 performance bonus) and (ii) he was eligible to be paid a monthly transition bonus of $20,000, prorated for any partial month of transition services. Mr. McCollum's options continued to vest through the transition period and ceased vesting effective as of August 31, 2016, when the unvested shares subject to his options were terminated (after giving effect to the accelerated vesting described below) and he had until November 31, 2016 to exercise the vested portion of his stock options. Mr. McCollum's transition services were subject to his continued compliance with his confidential information and invention assignment agreement.

Following his termination date of August 31, 2016, in exchange for a general release of claims against us, Mr. McCollum was entitled to receive (i) continued payment of Mr. McCollum's base salary through the earlier of August 31, 2017 or his commencement of full-time employment with another employer, subject to Mr. McCollum's compliance with the terms of his Transition and Separation Agreement and his confidential information and invention assignment agreement, (ii) company-paid COBRA premiums until the earlier of August 31, 2017 or the date he becomes eligible for comparable replacement coverage and (iii) the accelerated vesting of that number of shares of Company common stock subject to his stock options that would have vested if Mr. McCollum had remained employed through August 31, 2017. The separation benefits set forth in Mr. McCollum's Transition and Separation Agreement are in full satisfaction of his separation benefits under his employment agreement.

Terms and Conditions of Separation Arrangements with Lisa Edone

As with other NEOs, Ms. Edone was party to an employment agreement that provided for base salary, target performance bonus, an option grant, standard employee benefit plan participation and certain severance and change in control benefits. In addition, while Ms. Edone was employed with us, we reimbursed or directly paid for the costs incurred by Ms. Edone for housing and transportation in the San Jose area and commercial air travel

from her residence to our offices in San Jose, California. For fiscal year 2016, we paid $29,709 in the aggregate for Ms. Edone's housing in the San Jose area and $22,844.11 in the aggregate for transportation from her residence in San Clemente, California to our offices in San Jose, California. However, effective as of August 3, 2016, Ms. Edone resigned as our Vice President of Marketing, and we entered into a Separation Agreement with her to ensure a smooth transition in connection with her departure. Pursuant to the Separation Agreement, in exchange for a general release of claims against us and subject to Ms. Edone's compliance with the terms of her confidential information and invention assignment agreement, Ms. Edone received (i) a lump sum cash payment equal to four (4)-months of Ms. Edone's base salary, and (ii) company-paid COBRA premiums through December 3, 2016. All stock options which were unvested as of the termination date were cancelled and she had until November 3, 2016 to exercise the vested portion of her outstanding stock options.

Terms and Conditions of 2016 Annual Bonuses

For 2016, all of our NEOs were eligible to earn annual performance bonuses based on the achievement of certain performance objectives in respect of our revenue that were established by our board of directors. After evaluating the company's overall performance, our board of directors did not award any bonuses to the NEOs for 2016.

For 2017, we have established a similar bonus program based on performance objectives established by our board of directors.

Terms and Conditions of 2016 Equity Award Grants

During 2016, we granted each of our NEOs, except for Mr. McCollum, options to purchase our common stock, as described below.

In August 2016, in connection with his commencement of employment with us and in accordance with his employment agreement, our board of directors granted Mr. Rhodes an option to purchase 8,886,440 shares of our common stock for an exercise price of $0.17 per share, which the board of directors determined was the fair market value of our common stock on the date of grant. The options vest and become exercisable with respect to 25% of the shares subject to the option on August 30, 2017, and in 36 substantially equal monthly installments starting at the end of the first month following such anniversary, such that all shares will be vested on August 30, 2021, subject to Mr. Rhodes continuing to provide services to us through the applicable vesting date.

In February 2016, our board of directors granted each of Dr. Zingaretti, Ms. Holland and Ms. Edone an option to purchase 500,000, 500,000 and 200,000 shares of our common stock, respectively, for an exercise price of $0.17 per share, which the board of directors determined was the fair market value of our common stock on the date of grant. The options vest and become exercisable in 48 substantially equal monthly installments, such that all shares will be vested on February 3, 2020, subject to the executive continuing to provide services to us through the applicable vesting date. All of Ms. Edone's unvested shares subject to this option were cancelled upon her termination date as described above.

Terms and Conditions of 401(k) Plan

Our U.S. eligible employees, including our NEOs, participate in our 401(k) Plan. Enrollment in the 401(k) Plan is automatic for employees who meet eligibility requirements unless they decline participation. The 401(k) Plan is intended to qualify under Section 401(k) of the Internal Revenue Service Code of 1986, as amended, or the Code, so that contributions to the 401(k) Plan by employees or by us, and the investment earnings thereon, are not taxable to the employees until withdrawn from the 401(k) Plan, and so that contributions by us, if any, will be deductible by us when made. Under the 401(k) Plan, employees may elect to reduce their current compensation by up to the statutorily prescribed annual limit and to have the amount of such reduction contributed to the 401(k) Plan.

Employee Benefits and Perquisites

All of our full-time employees, including our NEOs, are eligible to participate in our health and welfare plans, including medical, dental and vision benefits, medical and dependent care flexible spending accounts, short-term and long-term disability insurance and life insurance. We do not provide our NEOs with perquisites or other personal benefits, other than the retirement, health and welfare benefits that apply uniformly to all of our employees.

Equity Compensation Plans

2017 Equity Incentive Award Plan

We intend to adopt the 2017 Equity Incentive Award Plan, or the 2017 Plan, which will be effective on the closing of this offering. The principal purpose of the 2017 Plan is to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The material terms of the 2017 Plan, as it is contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the 2017 Plan, and accordingly, this summary is subject to change.

Share Reserve. Under the 2017 Plan, shares of our common stock will be initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights, or SARs, restricted stock awards, restricted stock unit awards and other stock-based awards, plus the number of shares remaining available for future awards under the 2015 Equity Incentive Plan, as amended, or 2015 Plan, as of the consummation of this offering. The number of shares initially reserved for issuance or transfer pursuant to awards under the 2017 Plan will be increased by (i) the number of shares represented by awards outstanding under our 2015 Plan that are forfeited or lapse unexercised and which following the effective date are not issued under our 2015 Plan and (ii), if approved by our board of directors or the compensation committee of our board of directors, an annual increase on the first day of each fiscal year beginning in 2018 and ending in 2027, equal to the least of (A) shares, (B) 4% of the shares of stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (C) such smaller number of shares of stock as determined by our board of directors; provided, however, that no more than shares of stock may be issued upon the exercise of incentive stock options.

The following counting provisions will be in effect for the share reserve under the 2017 Plan:

- to the extent that an award terminates, expires or lapses for any reason or an award is settled in cash without the delivery of shares, any shares subject to the award at such time will be available for future grants under the 2017 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price or tax withholding obligation with respect to any award under the 2017 Plan, such tendered or withheld shares will be available for future grants under the 2017 Plan;
- to the extent that shares of our common stock awarded by us are repurchased by us prior to vesting so that shares are returned to us, such shares will be available for future grants under the 2017 Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the 2017 Plan; and
- to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 2017 Plan.

Administration. The compensation committee of our board of directors is expected to administer the 2017 Plan unless our board of directors assumes authority for administration. The compensation committee must consist of

at least three members of our board of directors, each of whom is intended to qualify as an "outside director," within the meaning of Section 162(m) of the Code, a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and an "independent director" within the meaning of the rules of the applicable stock exchange, or other principal securities market on which shares of our common stock are traded. The 2017 Plan provides that the board of directors or the compensation committee may delegate its authority to grant awards to employees other than executive officers and certain senior executives of our company to a committee consisting of one or more members of our board of directors or one or more of our officers, other than awards made to our non-employee directors, which must be approved by our full board of directors.

Subject to the terms and conditions of the 2017 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2017 Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the 2017 Plan. Our board of directors may at any time remove the compensation committee as the administrator and revest in itself the authority to administer the 2017 Plan. The full board of directors will administer the 2017 Plan with respect to awards to non-employee directors.

Eligibility. Options, SARs, restricted stock and all other stock-based and cash-based awards under the 2017 Plan may be granted to individuals who are then our officers, employees or consultants or are the officers, employees or consultants of certain of our subsidiaries. Such awards also may be granted to our directors. Only employees of our company or certain of our subsidiaries may be granted incentive stock options, or ISOs.

Awards. The 2017 Plan provides that the administrator may grant or issue stock options, SARs, restricted stock, restricted stock units, other stock-or cash-based awards and dividend equivalents, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

- *Nonstatutory Stock Options,* or NSOs, will provide for the right to purchase shares of our common stock at a specified price which may not be less than fair market value on the date of grant, and usually will become exercisable (at the discretion of the administrator) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of corporate performance targets and individual performance targets established by the administrator. NSOs may be granted for any term specified by the administrator that does not exceed ten years.
- *Incentive Stock Options*, or ISOs, will be designed in a manner intended to comply with the provisions of Section 422 of the Code and will be subject to specified restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of common stock on the date of grant, may only be granted to employees, and must not be exercisable after a period of ten years measured from the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the 2017 Plan provides that the exercise price must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.
- *Restricted Stock* may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us at the original purchase price if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse, however, extraordinary dividends will generally be placed in escrow, and will not be released until restrictions are removed or expire.

- *Restricted Stock Units* may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, restricted stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.
- *Stock Appreciation Rights*, or SARs, may be granted in connection with stock options or other awards, or separately. SARs granted in connection with stock options or other awards typically will provide for payments to the holder based upon increases in the price of our common stock over a set exercise price. The exercise price of any SAR granted under the 2017 Plan must be at least 100% of the fair market value of a share of our common stock on the date of grant. Except as required by Section 162(m) of the Code with respect to a SAR intended to qualify as performance-based compensation as described in Section 162(m) of the Code, there are no restrictions specified in the 2017 Plan on the exercise of SARs or the amount of gain realizable therefrom, although restrictions may be imposed by the administrator in the SAR agreements. SARs under the 2017 Plan will be settled in cash or shares of our common stock, or in a combination of both, at the election of the administrator.
- *Other Stock or Cash Based Awards* are awards of cash, fully vested shares of our common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our common stock. Other stock or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The plan administrator will determine the terms and conditions of other stock or cash based awards, which may include vesting conditions based on continued service, performance and/or other conditions.
- *Dividend Equivalents* represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend payments dates during the period between a specified date and the date such award terminates or expires, as determined by the plan administrator. In addition, dividend equivalents with respect to shares covered by a performance award will only be paid to the participant at the same time or times and to the same extent that the vesting conditions, if any, are subsequently satisfied and the performance award vests with respect to such shares.

Any award may be granted as a performance award, meaning that the award will be subject to vesting and/or payment based on the attainment of specified performance goals. The plan administrator will determine whether performance awards are intended to constitute "qualified performance-based compensation" within the meaning of Section 162(m).

Change in Control. In the event of a change in control where the acquirer does not assume or replace awards granted, prior to the consummation of such transaction, awards issued under the 2017 Plan will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. In addition, the administrator will also have complete discretion to structure one or more awards under the 2017 Plan to provide that such awards will become vested and exercisable or payable on an accelerated basis in the event such awards are assumed or replaced with equivalent awards but the individual's service with us or the acquiring entity is subsequently terminated within a designated period following the change in control event. The administrator may also make appropriate adjustments to awards under the 2017 Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions. Under the 2017 Plan, a change in control is generally defined as:

- the transfer or exchange in a single transaction or series of related transactions by our stockholders of more than 50% of our voting stock to a person or group;

- a change in the composition of our board of directors such that incumbent directors cease to constitute a majority of the board;
- the consummation of a merger, consolidation reorganization or business combination, a sale or disposition of all or substantially all of the Company's assets or the acquisition of assets or stock of another entity, other than a transaction (i) that results in our outstanding voting securities immediately before the transaction continuing to represent a majority of the voting power of the acquiring company's outstanding voting securities and (ii) after which no person or group beneficially owns 50% or more of the outstanding voting securities of the surviving entity immediately after the transaction and (iii) after which at least a majority of the board of the successor entities were board members at the time of the approval of the transaction; or
- our liquidation or dissolution.

Adjustments of Awards. In the event of any stock dividend or other distribution, stock split, reverse stock split, reorganization, combination or exchange of shares, merger, consolidation, split-up, spin-off, recapitalization, repurchase or any other corporate event affecting the number of outstanding shares of our common stock or the share price of our common stock that would require adjustments to the 2017 Plan or any awards under the 2017 Plan in order to prevent the dilution or enlargement of the potential benefits intended to be made available thereunder, the administrator will make appropriate, proportionate adjustments to:

- the aggregate number and type of shares subject to the 2017 Plan;
- the number and kind of shares subject to outstanding awards and terms and conditions of outstanding awards (including, without limitation, any applicable performance targets or criteria with respect to such awards); and
- the grant or exercise price per share of any outstanding awards under the 2017 Plan.

Amendment and Termination. The administrator may terminate, amend or modify the 2017 Plan at any time and from time to time. However, we must generally obtain stockholder approval to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule).

Notwithstanding the foregoing, an option may be amended to reduce the per share exercise price below the per share exercise price of such option on the grant date and options may be granted in exchange for, or in connection with, the cancellation or surrender of options having a higher per share exercise price without receiving additional stockholder approval.

Termination. The board of directors may terminate the 2017 Plan at any time. No incentive stock options may be granted pursuant to the 2017 Plan after the tenth anniversary of the effective date of the 2017 Plan, and no additional annual share increases to the 2017 Plan's aggregate share limit will occur from and after such anniversary. Any award that is outstanding on the termination date of the 2017 Plan will remain in force according to the terms of the 2017 Plan and the applicable award agreement.

We intend to file with the SEC a registration statement on Form S-8 covering the shares of our common stock issuable under the 2017 Plan.

2005 Stock Plan

Our board of directors adopted the 2005 Stock Plan, or the 2005 Plan, effective as of June 17, 2005 and our stockholders approved the 2005 Plan on June 17, 2005. The 2005 Plan was subsequently amended on August 16, 2006. The 2005 Plan was terminated effective April 29, 2015 in connection with the adoption of the 2015 Plan. As of June 30, 2017, options to purchase 4,917,154 shares of our common stock at a weighted average exercise price per share of $0.19 remained outstanding under the 2005 Plan. All outstanding awards will continue to be governed by their existing terms. The 2005 Plan was terminated effective April 30, 2015.

Administration. Our board of directors, or a committee thereof appointed by our board of directors, has the authority to administer the 2005 Plan and the awards granted under it. The administrator has the authority to select the employees to whom awards will be granted under the 2005 Plan, the number of shares to be subject to those awards under the 2005 Plan, and the terms and conditions of the awards granted. In addition, the administrator has the authority to construe and interpret the 2005 Plan and to adopt rules for the administration, interpretation and application of the 2005 Plan that are consistent with the terms of the 2005 Plan.

Awards. The 2005 Plan provides that the administrator may grant or issue options, including ISOs and NSOs, and stock purchase rights to employees, consultants and directors; provided that only employees may be granted incentive stock options. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award, including any performance conditions that may be specified by the administrator.

- *Stock Options*. The 2005 Plan provides for the grant of ISOs under the federal tax laws or NSOs. ISOs may be granted only to employees. NSOs may be granted to employees, directors or consultants. The exercise price of ISOs granted to employees who at the time of grant own stock representing more than 10% of the voting power of all classes of our common stock may not be less than 110% of the fair market value per share of our common stock on the date of grant, and the exercise price of ISOs granted to any other employees may not be less than 100% of the fair market value per share of our common stock on the date of grant. The exercise price of NSOs to employees, directors or consultants may not be less than 100% of the fair market value per share of our common stock on the date of grant. Shares subject to options under the 2005 Plan generally vest in a series of installments over an optionee's period of service.
- *Stock Purchase Rights*. Stock purchase rights represent rights to acquire restricted stock, which is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. Conditions applicable to stock purchase rights may be based on continuing service with us or our affiliates, the attainment of performance goals and/or such other conditions as the plan administrator may determine.

Adjustments of Awards. In the event of any stock dividend or other distribution, stock split, reverse stock split, combination, merger, consolidation, recapitalization, reclassification or any other corporate event affecting the number of outstanding shares of our common stock or the share price of our common stock that would require adjustments to the 2005 Plan or any awards under the 2005 Plan in order to prevent the dilution or enlargement of the potential benefits intended to be made available thereunder, the administrator will make appropriate, proportionate adjustments to:

- the aggregate number and type of shares subject to the 2005 Plan;
- the number of shares subject to outstanding awards; and
- the grant or exercise price per share of any outstanding awards under the 2005 Plan.

Change in Control. In the event of a corporate transaction (including a change in control), the awards will be assumed or substituted, unless the acquirer does not agree to assume or substitute the awards, in which case the awards shall terminate upon the consummation of the transaction. Under the 2005 Plan, a change in control is generally defined as:

- a sale of all or substantially all of our assets;
- any merger, consolidation or other business combination transaction of our company with or into another corporation, entity or person, other than a transaction in which the holders of at least a majority of the shares of our voting capital stock outstanding immediately prior to such transaction continue to hold a majority of the total voting power represented by the shares of our voting capital stock (or our surviving entity) outstanding immediately after such transaction; or

- the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of our capital stock.

Amendment; Termination. Our board of directors may amend or terminate the 2005 Plan or any portion thereof at any time, but no amendment will impair the rights of a holder of an outstanding award without the holder's consent. An amendment of the 2005 Plan will be subject to the approval of our stockholders, where such approval by our stockholders of an amendment is required by applicable law. The 2005 Plan was terminated effective April 30, 2015 in connection with the adoption of the 2015 Plan.

We intend to file with the SEC a registration statement on Form S-8 covering the shares of our common stock issuable under the 2005 Plan.

2015 Equity Incentive Plan

Our board of directors adopted the 2015 Stock Plan, or the 2015 Plan, effective as of April 30, 2015 and our stockholders approved the 2015 Plan on June 10, 2015. As of June 30, 2017, options to purchase 14,481,822 shares of our common stock at a weighted average exercise price per share of $0.17 remained outstanding under the 2015 Plan. No other awards have been granted under the 2015 Plan. As of June 30, 2017, 2,795,080 shares of our common stock were available for future issuance pursuant to awards granted under the 2015 Plan. Following the completion of this offering and in connection with the effectiveness of our 2017 Plan, the 2015 Plan will terminate and no further awards will be granted under the 2015 Plan. However, all outstanding awards will continue to be governed by their existing terms.

Administration. Our board of directors, or a committee thereof appointed by our board of directors, has the authority to administer the 2015 Plan and the awards granted under it. The administrator has the authority to select the employees to whom awards will be granted under the 2015 Plan, the number of shares to be subject to those awards under the 2015 Plan, and the terms and conditions of the awards granted. In addition, the administrator has the authority to construe and interpret the 2015 Plan and to adopt rules for the administration, interpretation and application of the 2015 Plan that are consistent with the terms of the 2015 Plan.

Awards. The 2015 Plan provides that the administrator may grant or issue options, including ISOs and NSOs, restricted stock and restricted stock units to employees, consultants and directors; provided that only employees may be granted incentive stock options. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award, including any performance conditions that may be specified by the administrator.

- *Stock Options.* The 2015 Plan provides for the grant of ISOs under the federal tax laws or NSOs. ISOs may be granted only to employees. NSOs may be granted to employees, directors or consultants. The exercise price of ISOs granted to employees who at the time of grant own stock representing more than 10% of the voting power of all classes of our common stock may not be less than 110% of the fair market value per share of our common stock on the date of grant, and the exercise price of ISOs granted to any other employees may not be less than 100% of the fair market value per share of our common stock on the date of grant. The exercise price of NSOs to employees, directors or consultants may not be less than 100% of the fair market value per share of our common stock on the date of grant. Shares subject to options under the 2015 Plan generally vest in a series of installments over an optionee's period of service.
- *Restricted Stock Awards.* The 2015 Plan provides that we may issue restricted stock awards. Each restricted stock award will be governed by a restricted stock award agreement, which will detail the restrictions on transferability, risk of forfeiture and other restrictions the administrator approves. In general, restricted stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered until restrictions are removed or expire. Holders of restricted stock, unlike recipients of

other equity awards, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse.

- *Restricted Stock Units*. The 2015 Plan provides that we may issue restricted stock unit awards which may be settled in either cash or common stock. Each restricted stock unit award will be governed by a restricted stock unit award agreement and may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, restricted stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or, unless otherwise determined by the administrator, dividend rights prior to the time when vesting conditions are satisfied, except dividend equivalents may be credited in respect of shares of common stock.

Adjustments of Awards. In the event of any stock dividend or other distribution, reorganization, combination, merger, consolidation, recapitalization, repurchase, liquidation, dissolution, sale, transfer, exchange or other disposition, or any other corporate event affecting the number of outstanding shares of our common stock or the share price of our common stock that would require adjustments to the 2015 Plan or any awards under the 2015 Plan in order to prevent the dilution or enlargement of the potential benefits intended to be made available thereunder, the administrator will make appropriate, proportionate adjustments to:

- the aggregate number and type of shares subject to the 2015 Plan;
- the number and kind of shares subject to outstanding awards and terms and conditions of outstanding awards (including, without limitation, any applicable performance targets or criteria with respect to such awards); and
- the grant or exercise price per share of any outstanding awards under the 2015 Plan.

Change in Control. In the event of a change in control, the administrator has discretion to determine the treatment of each outstanding award, and may provide that the awards will be assumed or substituted, that the awards will terminate or accelerate in full immediately prior to the change in control or that awards will terminate in exchange for cash or other property. Notwithstanding the foregoing, in the event of a change in control where the acquirer does not assume or replace awards granted, prior to the consummation of such transaction, awards issued under the 2015 Plan will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. Under the 2015 Plan, a change in control is generally defined as:

- a sale of all or substantially all of our assets;
- any merger, consolidation or other business combination transaction of our company with or into another corporation, entity or person, other than a transaction in which the holders of at least a majority of the shares of our voting capital stock outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of our voting capital stock (or of the surviving entity) outstanding immediately after such transaction;
- the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of our then outstanding shares of capital stock.

In addition, if a change in control occurs and a participant's awards have been assumed and, within 12 months following such change in control, a participant's service with us is terminated other than for cause and other than as a result of the participant's death or disability, then any remaining unvested equity awards will become fully vested and exercisable and all restrictions thereon shall lapse on the date of termination.

Amendment; Termination. Our board of directors may amend or terminate the 2015 Plan or any portion thereof at any time, but no amendment will impair the rights of a holder of an outstanding award without the holder's consent. An amendment of the 2015 Plan shall be subject to the approval of our stockholders, where such approval by our stockholders of an amendment is required by applicable law. Following this offering and in connection with the effectiveness of our 2017 Plan, the 2015 Plan will terminate and no further awards will be granted under the 2015 Plan.

We intend to file with the SEC a registration statement on Form S-8 covering the shares of our common stock issuable under the 2015 Plan.

Employee Stock Purchase Plan

We intend to adopt an Employee Stock Purchase Plan, which we refer to as our ESPP, which will be effective upon the effectiveness of the registration statement to which this prospectus relates. The ESPP is designed to allow our eligible employees to purchase shares of our common stock, at semi-annual intervals, with their accumulated payroll deductions. The ESPP is intended to qualify under Section 423 of the Code. The material terms of the ESPP, as it is contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the ESPP, and accordingly, this summary is subject to change.

Administration. Subject to the terms and conditions of the ESPP, the compensation committee of our board of directors will administer the ESPP. The compensation committee of our board of directors can delegate administrative tasks under the ESPP to the services of an agent and/or employees to assist in the administration of the ESPP. The administrator will have the discretionary authority to administer and interpret the ESPP. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights thereunder will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the ESPP administrator.

Share Reserve. The maximum number of our shares of our common stock which will be authorized for sale under the ESPP is equal to the sum of (a) shares of common stock and (b) an annual increase on the first day of each year beginning in 2018 and ending in 2027, equal to the lesser of (i) 1% of the shares of common stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (ii) such number of shares of common stock as determined by our board of directors; provided, however, no more than shares of our common stock may be issued under the ESPP. The shares reserved for issuance under the ESPP may be authorized but unissued shares or reacquired shares.

Eligibility. Employees eligible to participate in the ESPP for a given offering period generally include employees who are employed by us or one of our subsidiaries on the first day of the offering period, or the enrollment date. Our employees (and, if applicable, any employees of our subsidiaries) who customarily work less than five months in a calendar year or are customarily scheduled to work less than 20 hours per week will not be eligible to participate in the ESPP. Finally, an employee who owns (or is deemed to own through attribution) 5% or more of the combined voting power or value of all our classes of stock or of one of our subsidiaries will not be allowed to participate in the ESPP.

Participation. Employees will enroll under the ESPP by completing a payroll deduction form permitting the deduction from their compensation of at least 1% of their compensation but not more than 15% of their compensation. Such payroll deductions may be expressed as either a whole number percentage or a fixed dollar amount, and the accumulated deductions will be applied to the purchase of shares on each semi-annual purchase date. However, a participant may not purchase more than shares in each offering period and may not subscribe for more than $25,000 in fair market value of shares of our common stock (determined at the time the option is granted) during any calendar year. The ESPP administrator has the authority to change these limitations for any subsequent offering period.

Offering. Under the ESPP, participants are offered the option to purchase shares of our common stock at a discount during a series of successive offering periods, which will normally commence on and of each year. The initial offering period will commence and end on dates as determined by the ESPP administrator. Unless otherwise determined by the ESPP administrator, each offering period will have a duration of six months. However, in no event may an offering period be longer than 27 months in length.

The option purchase price will be the lower of 85% of the closing market price per share of our common stock on the first trading date of a purchase period in which a participant is enrolled or 85% of the closing market price per share on the semi-annual purchase date, which will occur on the last trading day of each purchase period.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may cancel his or her payroll deduction authorization at any time prior to the end of the offering period. Upon cancellation, the participant will have the option to either (i) receive a refund of the participant's account balance in cash without interest or (ii) exercise the participant's option for the current offering period for the maximum number of shares of common stock on the applicable purchase date, with the remaining account balance refunded in cash without interest. Following at least one payroll deduction, a participant may also decrease (but not increase) his or her payroll deduction authorization once during any offering period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the next offering period by submitting a new form before the offering period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

Adjustments upon Changes in Recapitalization, Dissolution, Liquidation, Merger or Asset Sale. In the event of any increase or decrease in the number of issued shares of our common stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the common stock, or any other increase or decrease in the number of shares of common stock effected without receipt of consideration by us, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase pursuant under the ESPP and the maximum number of shares which a participant may elect to purchase in any single offering period.

If there is a proposal to dissolve or liquidate us, then the ESPP will terminate immediately prior to the consummation of such proposed dissolution or liquidation, and any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our dissolution or liquidation. We will notify each participant of such change in writing at least ten business days prior to the new exercise date. If we undergo a merger with or into another corporation or sale of all or substantially all of our assets, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume the outstanding options or substitute equivalent options, then any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger. We will notify each participant of such change in writing at least ten business days prior to the new exercise date.

Amendment and Termination. Our board of directors may amend, suspend or terminate the ESPP at any time. However, the board of directors may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.

We intend to file with the SEC a registration statement on Form S-8 covering the shares of our common stock issuable under the ESPP.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of transactions since January 1, 2014 to which we have been a party, in which the amount involved exceeds $120,000, and in which any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest.

Sales and Purchases of Securities

Series C Preferred Stock Financing

In a series of financings since January 1, 2014, the last of which occurred on June 15, 2017, we issued an aggregate of 96,327,870 shares of our Series C preferred stock at a price per share of $0.715 for aggregate proceeds to us of $68,874,427. The table below sets forth the number of shares of Series C preferred stock sold to our directors, executive officers or owners of more than 5% of a class of our capital stock, or an affiliate or immediate family member thereof since January 1, 2014:

Name	Number of Shares of Series C Preferred Stock	Purchase Price ($)
Entities affiliated with Sutter Hill Ventures (1)	4,450,948	3,182,428.15
Clarus Lifesciences II, L.P. (2)	4,157,823	2,972,843.46
Entities affiliated with Alloy Ventures (3)	3,990,878	2,853,477.82
InterWest Partners IX, L.P. (4)	3,908,360	2,794,477.42
Jeffrey Bird, M.D., Ph.D. (5)	278,817	199,354.18

(1) Jeffrey Bird, M.D., Ph.D., who is a member of our board of directors, is a managing director of Sutter Hill Ventures.
(2) Emmett Cunningham, Jr., M.D., Ph.D., who is a member of our board of directors, is a managing director of Clarus Ventures, LLC.
(3) Craig Taylor, who is a member of our board of directors, is President of Alloy Ventures, Inc.
(4) Gil Kliman, M.D., who is a member of our board of directors, is a managing director of Interwest Partners IX, L.P.
(5) Consists of shares of Series C preferred stock held by Jeffrey W. Bird and Christina R. Bird, Co-Trustees of Jeffrey W. and Christina R. Bird Trust U/A/D 10/31/00, a trust in which Jeffrey Bird, M.D., Ph.D., who is a member of our board of directors, is trustee.

Director and Executive Officer Compensation

Please see “Director Compensation” and “Executive Compensation” for information regarding the compensation of our directors and executive officers.

Employment Agreements

We have entered into employment agreements with our executive officers. For more information regarding these agreements, see “Director Compensation” and “Executive Compensation—Narrative to Summary Compensation Table and Outstanding Equity Awards at 2016 Fiscal Year End.”

Indemnification Agreements and Directors’ and Officers’ Liability Insurance

We have entered into or intend to enter into indemnification agreements with each of our directors and executive officers. These agreements will require us to, among other things, indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys’ fees, judgments, penalties fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person’s services as a director or executive officer. We have obtained an insurance policy that insures our directors and officers against certain liabilities, including liabilities arising under applicable securities laws. For additional information see “Management—Limitation on Liability and Indemnification Matters.”

Investors' Rights Agreements

We entered into an amended and restated investor rights agreement with the purchasers of our outstanding preferred stock, including entities with which certain of our directors are affiliated. As of June 30, 2017, the holders of approximately 226.7 million shares of our common stock, including the shares of common stock issuable upon the conversion of our preferred stock, are entitled to rights with respect to the registration of their shares under the Securities Act. For a more detailed description of these registration rights, see "Description of Capital Stock—Registration Rights." The investor rights agreement also provides for a right of first refusal in favor of certain holders of preferred stock with regard to certain issuances of our capital stock. The rights of first refusal will not apply to, and will terminate upon the consummation of, this offering.

Voting Agreement

We entered into an amended and restated voting agreement with certain holders of our common stock and preferred stock, including the persons and entities set forth under "—Sales and Purchases of Securities—Series C Preferred Stock Financing" above. Upon the consummation of this offering, the amended and restated voting agreement will terminate. For a description of the amended and restated voting agreement, see "Management—Board Composition—Voting Arrangements."

Right of First Refusal and Co-Sale Agreement

We entered into an amended and restated right of first refusal and co-sale agreement with certain holders of our common stock and preferred stock, including the persons and entities set forth under "—Sales and Purchases of Securities—Series C Preferred Stock Financing" above. This agreement provides for rights of first refusal and co-sale relating to the shares of our common stock held by the parties to the agreement. Upon the consummation of this offering, the amended and restated right of first refusal and co-sale agreement will terminate.

Sale of ARTAS System

In December 2016, we sold an ARTAS System to Doug Kelly, M.D., who is also an employee of Alloy Ventures, while Dr. Kelly was a member of our board of directors. We believe the sale of the ARTAS System to Dr. Kelly was conducted on an arms-length basis and contained terms that were consistent with other ARTAS System sales made during the period when this particular unit was sold. The value of the ARTAS System sale and associated services provided to date are approximately $250,000.

License with Auris

We entered into a license agreement, or the Auris License Agreement, with Auris Surgical Robotics, Inc., or Auris, on July 15, 2011. Frederic Moll, M.D., the Chairman of our board of directors and one of our founders, is the founder and chief executive officer of Auris. Pursuant to the Auris License Agreement, we granted Auris an exclusive worldwide license to use our proprietary robotic system, imaging technology and end effectors, including any associated intellectual property, solely for the purpose of developing a robotic system to assist physicians with cosmetic, dermatological plastic surgery on the eyelids and periocular tissues. As consideration for the Auris License Agreement, we received from Auris $100,000 in cash, $200,000 in shares of Auris' series A-1 preferred stock and 5% of the outstanding shares of Auris' series A preferred stock. In addition, if Auris were to ever develop a product utilizing any of the technology covered by the Auris License, they would be required to pay us a royalty payment in the mid-single digit range as a percentage of net sales of any applicable product developed by Auris. We do not anticipate that we will receive any royalties or other payments in the future under the Auris License Agreement and, as a result, do not believe it is material to our business or our results of operations.

Policies and Procedures for Related Party Transactions

Prior to the consummation of this offering, our board of directors will adopt a written related person transaction policy, to be effective upon the consummation of this offering, setting forth the policies and procedures for the

review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest, including without limitation purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including but not limited to whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction with an unrelated third party and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth information relating to the beneficial ownership of our common stock as of August 1, 2017, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding shares of common stock;
- each of our directors;
- each of our named executive officers; and
- all directors and executive officers as a group.

The number of shares beneficially owned by each entity, person, director or executive officer is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days after August 1, 2017 through the exercise of any stock option, warrants or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 242,926,882 shares of our common stock outstanding as of August 1, 2017, which reflects the assumed conversion of all of our outstanding shares of preferred stock into an aggregate of 226,717,977 shares of common stock. Shares of our common stock that a person has the right to acquire within 60 days after August 1, 2017 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group. Unless otherwise indicated below, the address for each beneficial owner listed is c/o Restoration Robotics, Inc., 128 Baytech Drive, San Jose, CA 95134.

	Beneficial Ownership Prior to this Offering				Beneficial Ownership After this Offering	
Name of Beneficial Owner	Number of Outstanding Shares Beneficially Owned	Number of Shares Exercisable Within 60 Days	Number of Shares Beneficially Owned	Percentage of Beneficial Ownership	Number of Shares Beneficially Owned	Percentage of Beneficial Ownership
5% and Greater Stockholders						
Sutter Hill Ventures L.P.(1)	36,287,497	0	36,287,497	14.9%		%
Clarus Lifesciences II, L.P.(2)	33,891,054	0	33,891,054	14.0%		%
Entities affiliated with Alloy Ventures(3)	32,530,151	0	32,530,151	13.4%		%
InterWest Partners IX, L.P.(4)	31,857,593	0	31,857,593	13.1%		%
Named Executive Officers and Directors						
Ryan Rhodes(5)	0	2,591,878	2,591,878	1.1%		%
Gabriele Zingaretti(6)	130,625	1,523,958	1,654,583	*		%
Charlotte Holland(7)	115,625	1,098,958	1,214,583	*		%
James McCollum	6,385,105	0	6,385,105	2.6%		%
Lisa Edone	0	0	0	*		%
Frederic Moll, M.D.(8)	5,964,774	0	5,964,774	2.5%		%
Jeffrey Bird, M.D., Ph.D.(9)	36,287,497	0	36,287,497	14.9%		%
Emmett Cunningham, Jr., M.D., Ph.D.	0	0	0	*		%
Gil Kliman, M.D.(10)	31,857,593	0	31,857,593	13.1%		%
Craig Taylor(11)	32,530,151	0	32,530,151	13.4%		%
Shelley Thunen(12)	0	592,500	592,500	*		%
All directors and executive officers as a group (13 persons) (13)	106,886,265	7,465,627	114,351,892	45.7%		%

* Indicates beneficial ownership of less than 1% of the total outstanding common stock.

(1) Consists of (i) 8,886,901 shares issuable upon the conversion of Series C preferred stock held by Sutter Hill Ventures, (ii) 714,983 shares issuable upon the conversion of Series C preferred stock held by Dr. Bird and Christina Bird, Co-Trustees of the Jeffrey W. and Christina R. Bird Trust U/A/D 10/31/00, or the Bird Trust, (iii) 409,826 shares issuable upon the conversion of Series C preferred stock held by The Bird 2011 Irrevocable Children's Trust, or the Bird Children's Trust, (iv) 6,407,478 shares issuable upon the conversion of Series C preferred stock held by individuals affiliated with Sutter Hill Ventures and entities affiliated with such individuals, (v) 6,063,865 shares issuable upon the conversion of Series B preferred stock held by Sutter Hill Ventures, (vi) 314,760 shares issuable upon the conversion of Series B preferred stock held by Dr. Bird and Christina Bird, Co-Trustees of the Bird Trust, (vii) 317,476 shares issuable upon the conversion of Series B preferred stock held by NestEgg Holdings, LP, or NestEgg, (viii) 3,688,514 shares issuable upon the conversion of Series B preferred stock held by individuals affiliated with Sutter Hill Ventures and entities affiliated with such individuals, (ix) 4,791,455 shares issuable upon the conversion of Series A preferred stock held by Sutter Hill Ventures, (x) 666,849 shares issuable upon the conversion of Series A preferred stock held by Dr. Bird and Christina Bird, Co-Trustees of the Bird Trust, (xi) 4,025,390 shares issuable upon the conversion of Series A preferred stock held by individuals affiliated with Sutter Hill Ventures and entities affiliated with such individuals. Dr. Bird is a member of our board of directors. Dr. Bird is a trustee of the Bird Children's Trust and of the Bird Trust, which is the general partner of NestEgg and he shares voting and dispositive power with respect to the shares held by those entities. Dr. Bird and Sutter Hill Ventures do not have any voting or dispositive power with respect to the shares described in (iv), (viii) and (xi) above. Sutter Hill Ventures is a California limited partnership. Dr. Bird, Tench Coxe, James N. White, Michael L. Speiser, Stefan A. Dyckerhoff and Samuel J. Pullara III are members of the management committee and managing directors of Sutter Hill Ventures and share voting and dispositive power with respect to the shares held by Sutter Hill Ventures. Each of these individuals disclaims beneficial ownership of the shares held by Sutter Hill Ventures except to the extent of his individual pecuniary interest therein. The address for all entities is 755 Page Mill Road, Suite A-200, Palo Alto, CA 94304.

(2) Consists of 33,891,054, shares issuable upon the conversion of Series C preferred stock held by Clarus Lifesciences II, L.P., or Clarus. Clarus Ventures II GP, L.P., or the GPLP, as the sole general partner of Clarus, may be deemed to beneficially own certain of the shares held by Clarus. The GPLP disclaims beneficial ownership of all shares held by Clarus in which the GPLP does not have an actual pecuniary interest. Clarus Ventures II, LLC, or the GPLLC, as the sole general partner of the GPLP, may be deemed to beneficially own certain of the shares held by Clarus. The GPLLC disclaims beneficial ownership of all shares held by Clarus in which it does not have an actual pecuniary interest. Each of Nicholas Galakatos, Denis Henner, Robert Liptak, Nicholas Simon, Michael Steinmetz and Kurt Wheeler, as individual managing directors of the GPLLC, may be deemed to beneficially own certain of the shares held of record by Clarus. Each of Messrs. Galakatos, Henner, Liptak, Simon, Steinmetz and Wheeler disclaims beneficial ownership of all shares held of record by Clarus in which he does not have an actual pecuniary interest. The address for the entities is 101 Main Street, Suite 1210, Cambridge, MA 02142.

(3) Consists of (i) 6,164,469 shares issuable upon the conversion of Series C Preferred stock held by Alloy Ventures 2002, L.P., or Alloy Ventures 2002, (ii) 5,055,801 shares issuable upon the conversion of Series B preferred stock held by Alloy Ventures 2002, (iii) 4,617,177 shares issuable upon the conversion of Series A preferred stock held by Alloy Ventures 2002, (iv) 6,330,944 shares issuable upon the conversion of Series C preferred stock held by Alloy Ventures 2005, L.P., or Alloy Ventures 2005, (v) 5,192,307 shares issuable upon the conversion of Series B preferred stock held by Alloy Ventures 2005, (vi) 4,741,842 shares issuable upon the conversion of Series A preferred stock held by Alloy Ventures 2005, (vii) 166,439 shares issuable upon conversion of Series C preferred stock held by Alloy Partners 2002, L.P., or Alloy Partners 2002, (viii) 136,507 shares issuable upon conversion of Series B preferred stock held by Alloy Partners 2002 and (ix) 124,665 shares issuable upon conversion of Series A preferred stock held by Alloy Partners 2002. The managing members of Alloy Ventures 2002, LLC are Craig Taylor, John Shoch, Douglas Kelly, MD, Daniel Rubin, and Tony Di Bona. The managing members of Alloy Ventures 2005, LLC are Craig Taylor, John Shoch, Douglas Kelly, Michael Hunkapiller, Ammar Hanafi, Daniel Rubin and Tony Di Bona. Alloy Ventures 2002, LLC is the sole general Partner of Alloy Ventures 2002, LP and Alloy Partners 2002, LP. Alloy Ventures 2005, LLC is the sole general partner of Alloy Ventures 2005, LP. The individuals listed herein may be deemed to have shared voting and dispositive power over the shares which are or may be deemed to be beneficially owned by the respective entities listed herein. Each managing member disclaims beneficial ownership of the shares except to extent of their pecuniary interest therein. The address of the entities affiliated with Alloy Ventures is 1415 Hamilton Avenue, Palo Alto, CA 94301.

(4) Consists of (i) 16,472,978 shares issuable upon the conversion of Series C preferred stock and (ii) 15,384,615 shares issuable upon the conversion of Series B preferred stock, each held by InterWest Partners IX, L.P, or InterWest IX. InterWest IX is a California limited partnership, whose general partner is InterWest Management Partners IX, LLC, or IMP IX. The managing directors of IMP IX are Philip T. Gianos, W. Stephen Holmes, Gilbert H. Kliman and Arnold L.

Oronsky. Khaled A. Nasr is a venture member of IMP IX. Each managing director and venture member of IMP IX shares voting and investment power with respect to the securities held by InterWest IX and disclaims beneficial ownership of such shares except to the extent of his or her pecuniary interest therein. Gil Kliman, M.D., is a managing director of IMP IX and is a member of our board of directors. The address for the entities is 2710 Sand Hill Road, Suite 200, Menlo Park, CA 94025.

(5) Consists of 2,591,878 shares issuable pursuant to stock options exercisable within 60 days of August 1, 2017.

(6) Consists of (i) 130,625 shares and (ii) 1,523,958 shares issuable pursuant to stock options exercisable within 60 days of August 1, 2017.

(7) Consists of (i) 115,625 shares and (ii) 1,098,958 shares issuable pursuant to stock options exercisable within 60 days of August 1, 2017.

(8) Consists of (i) 792,857 shares, (ii) 466,200 shares issuable upon the conversion of Series C preferred stock, (iii) 1,538,462 shares issuable upon the conversion of Series B preferred stock and (iv) 3,167,255 shares issuable upon the conversion of Series A preferred stock, in each case, held by Frederic Moll, M.D.

(9) Consists of the shares described in note 1 above.

(10) Consists of the shares as described in note 4 above. Dr. Kliman is a managing director of InterWest Management Partners IX, LLC which is the general partner of InterWest Partners IX, L.P., and as such may be deemed to beneficially own such shares. Dr. Kliman disclaims beneficial ownership of such shares except to the extent of any pecuniary interest.

(11) Consists of the shares as described in note 3 above. Mr. Taylor is President of Alloy Ventures, Inc. and as such may be deemed to beneficially own such shares. Mr. Taylor disclaims beneficial ownership of such shares except to the extent of any pecuniary interest.

(12) Consists of 592,500 shares issuable pursuant to stock options exercisable within 60 days of August 1, 2017.

(13) Consists of (i) the shares described in footnotes 5 through 13 above and (ii) 7,465,627 shares issuable pursuant to stock options exercisable within 60 days of August 1, 2017.

DESCRIPTION OF CAPITAL STOCK

The following summary describes our capital stock and the material provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the consummation of this offering, the investor rights agreement to which we and certain of our stockholders are parties and of the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation, amended and restated bylaws and amended and restated investor rights agreement, copies of which have been filed as exhibits to the registration statement of which this prospectus is part.

General

Immediately prior to the consummation of this offering, we will file our amended and restated certificate of incorporation that authorizes shares of common stock, $0.0001 par value per share, and shares of preferred stock, $0.0001 par value per share. As of June 30, 2017, there were outstanding:

- 242,919,882 shares of our common stock, on an as-converted basis, held by approximately 647 stockholders of record;
- 19,398,976 shares of our common stock issuable upon exercise of outstanding stock options; and
- 3,851,412 shares of our common stock issuable upon exercise of outstanding warrants.

In connection with this offering, we will consummate a reverse stock split of our outstanding capital stock at a ratio to be determined.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds. However, pursuant to the loan and security agreement between us and Oxford dated as of May 19, 2015 and subsequently amended as of September 15, 2015, we are not permitted to pay cash dividends in excess of $250,000 in aggregate per fiscal year.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights and Preferences

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

Fully Paid and Nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

Preferred Stock

Immediately prior to the consummation of this offering, all outstanding shares of our preferred stock will be converted into shares of our common stock. See Note 7 to our unaudited interim consolidated financial statements included elsewhere in this prospectus for a description of our currently outstanding preferred stock. Immediately prior to the consummation of this offering, our amended and restated certificate of incorporation will be amended and restated to delete all references to such shares of preferred stock. From and after the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Registration Rights

Under our amended and restated investors' rights agreement, based on the number of shares outstanding as of June 30, 2017, following the consummation of this offering, the holders of approximately 226.7 million shares of common stock, or their transferees, have the right to require us to register their shares under the Securities Act so that those shares may be publicly resold, or to include their shares in any registration statement we file, in each case as described below.

Demand Registration Rights

Based on the number of shares outstanding as of June 30, 2017, after the consummation of this offering, the holders of approximately 226.7 million shares of our common stock (on an as-converted basis), or their transferees, will be entitled to certain demand registration rights. Beginning 180 days following the effectiveness of the registration statement of which this prospectus is a part, the holders of at least 50% of these shares can request that we register all or a portion of their shares if the aggregate price to the public of the shares offered is at least $5,000,000. Additionally, we will not be required to effect a demand registration if: (i) within 30 days of receipt of any registration request, we furnish to the applicable holders a notice indicating our intent to file such a registration statement for an initial public offering within 90 days of such notice or (ii) if in the good faith judgment of the board of directors, it is determined it is in our best interests, we may delay the filing of a registration statement for a period of up to 90 days (provided that a delay for such reasons is not effected more than twice in any 12 month period).

Piggyback Registration Rights

Based on the number of shares outstanding as of June 30, 2017, after the consummation of this offering, in the event that we determine to register any of our securities under the Securities Act (subject to certain exceptions), either for our own account or for the account of other security holders, the holders of approximately 226.7 million shares of our common stock (on an as-converted basis), or their transferees, will be entitled to

certain "piggyback" registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to a registration related to employee benefit plans, the offer and sale of debt securities, or corporate reorganizations or certain other transactions, the holders of these shares are entitled to notice of the registration and have the right, subject to limitations that the underwriters may impose on the number of shares included in the registration, to include their shares in the registration. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include.

Form S-3 Registration Rights

Based on the number of shares outstanding as of June 30, 2017, after the consummation of this offering, the holders of approximately 226.7 million shares of our common stock (on an as-converted basis), or their transferees, will be entitled to certain Form S-3 registration rights. These holders, subject to certain minimum holding requirements, can make a written request that we register their shares on Form S-3 if we are eligible to file a registration statement on Form S-3 and if the aggregate price to the public of the shares offered is at least $10,000,000. These stockholders may make an unlimited number of requests for registration on Form S-3, but in no event shall we be required to file more than two registrations on Form S-3 in any given 12 month period.

Expenses of Registration

We will pay the registration expenses of the holders of the shares registered pursuant to the demand, piggyback and Form S-3 registration rights described above, including the expenses of one counsel for the selling holders.

Expiration of Registration Rights

The demand, piggyback and Form S-3 registration rights described above will expire, with respect to any particular stockholder, upon the earlier of five years after the consummation of this offering or when that stockholder can sell all of its shares under Rule 144 of the Securities Act during any 90 day period.

Anti-Takeover Effects of Provisions of our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws and Delaware Law

Some provisions of Delaware law and our amended and restated certificate of incorporation and our amended and restated bylaws that will become effective immediately prior to the consummation of this offering contain provisions that could make the following transactions more difficult: acquisition of us by means of a tender offer; acquisition of us by means of a proxy contest or otherwise; or removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed "interested stockholders" from engaging in a "business combination" with a publicly-held Delaware corporation

for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, such as discouraging takeover attempts that might result in a premium over the market price of our common stock.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Special Stockholder Meetings

Our amended and restated bylaws provide that a special meeting of stockholders may be called only by our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and our amended and restated bylaws eliminate the right of stockholders to act by written consent without a meeting.

Classified Board; Election and Removal of Directors; Filling Vacancies

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors. Our amended and restated certificate of incorporation provides for the removal of any of our directors only for cause and requires a stockholder vote by the holders of at least a 66-2/3% of the voting power of the then outstanding voting stock. For more information on the classified board, see "Management—Board Composition—Classified Board of Directors." Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of the board, may only be filled by a resolution of the board of directors unless the board of directors determines that such vacancies shall be filled by the stockholders. This system of electing and removing directors and filling vacancies may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Choice of Forum

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the exclusive forum for: any

derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Although our amended and restated certificate of incorporation contains the choice of forum provision described above, it is possible that a court could find that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue undesignated preferred stock, would require approval by a stockholder vote by the holders of at least a 66-2/3% of the voting power of the then outstanding voting stock.

The provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Limitations of Liability and Indemnification Matters

For a discussion of liability and indemnification, see “Management—Limitation on Liability and Indemnification Matters.”

Listing

We intend to apply to list our common stock listed on The NASDAQ Global Market under the symbol “HAIR.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is . The transfer agent and registrar’s address is .

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after consummation of this offering due to contractual and legal restrictions on resale described below. Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Sale of Restricted Shares

Based on the number of shares of our common stock outstanding as of June 30, 2017 and assuming an initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), upon the consummation of this offering and assuming (1) the conversion of our outstanding preferred stock into 226,717,977 shares of common stock, (2) no exercise of the underwriters' over-allotment option and (3) no exercise of any of our other outstanding options, we will have outstanding an aggregate of approximately shares of common stock. Of these shares, all of the shares of common stock to be sold in this offering, and any shares sold upon exercise of the underwriters' over-allotment option, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act. All remaining shares of common stock held by existing stockholders immediately prior to the consummation of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

As a result of the lock-up agreements referred to below and the provisions of Rule 144 and Rule 701 under the Securities Act, based on the number of shares of our common stock outstanding as of June 30, 2017 and assumptions (1) through (3) described above, the shares of our common stock (excluding the shares sold in this offering) that will be available for sale in the public market are as follows:

Approximate Number of Shares	First Date Available for Sale into Public Market
shares	180 days after the date of this prospectus upon expiration of the lock-up agreements referred to below, subject in some cases to applicable volume limitations under Rule 144

Lock-Up Agreements

In connection with this offering, we, our directors, our executive officers and stockholders and option holders holding approximately 90% of our outstanding common stock prior to the offering on an as converted basis have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of National Securities Corporation.

Prior to the consummation of the offering, certain of our employees, including our executive officers, and/or directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Following the lock-up periods set forth in the agreements described above, and assuming that the representative of the underwriters does not release any parties from these agreements, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreement referred to above, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreement referred to above, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of common shares then outstanding, which will equal approximately shares of common stock immediately after this offering (calculated as of June 30, 2017 on the basis of the assumptions (1) through (3) described above); or
- the average weekly trading volume of our common stock on The NASDAQ Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act in reliance on Rule 144, but without compliance with the holding period requirements contained in Rule 144. Accordingly, subject to any applicable lock-up agreements, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our "affiliates," as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreement referred to below, if applicable).

Registration Rights

Based on the number of shares outstanding as of June 30, 2017, after the consummation of this offering, the holders of approximately 226.7 million shares of our common stock, or their transferees, will, subject to any lock-up agreements they have entered into, be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. For a description of these registration rights, see "Description of Capital Stock—Registration Rights." If the offer and sale of these shares are registered, they will be freely tradable without restriction under the Securities Act.

Stock Plans

We intend to file with the SEC a registration statement under the Securities Act covering the shares of common stock that we may issue upon exercise of outstanding options reserved for issuance under our 2005 Stock Plan and our 2015 Equity Incentive Plan. Such registration statement is expected to be filed and become effective as soon as practicable after the consummation of this offering. Accordingly, shares registered under such registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the U.S.;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- tax-qualified retirement plans; and
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the U.S.;
- a corporation created or organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "U.S. persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate paying any cash dividends in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the U.S. (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the U.S. to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the U.S.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussions below regarding backup withholding and FATCA, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the U.S. (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the U.S. to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the U.S. for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the U.S.), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the Non-U.S. Holder certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the U.S. or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above or the Non-U.S. Holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the U.S. generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial U.S. owners" (as defined in the Code) or furnishes identifying information regarding each substantial U.S. owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified U.S. persons" or "U.S.-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock, and, beginning on January 1, 2019, will apply to payments of gross proceeds from the sale or other disposition of such stock.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING

We have entered into an underwriting agreement with National Securities Corporation, or NSC, acting as the representative of the several underwriters named below, with respect to the shares of common stock subject to this offering. Subject to certain conditions, we have agreed to sell to the underwriters, and the underwriters have severally agreed to purchase, the number of shares of common stock provided below opposite their respective names.

Underwriters	Number of Shares
National Securities Corporation	
Roth Capital Partners, LLC	
Craig-Hallum Capital Group LLC	
Total	

The underwriters are offering the shares of common stock subject to their acceptance of the shares of common stock from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock if any such shares are taken. However, the underwriters are not required to take or pay for the shares of common stock covered by the underwriters' over-allotment option described below.

Over-Allotment Option

We have granted the underwriters an option, exercisable for days from the date of this prospectus, to purchase up to an aggregate of additional shares of common stock to cover over-allotments, if any, at the public offering price set forth on the cover page of this prospectus, less the underwriting discount. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. If the underwriters exercise this option, each underwriter will be obligated, subject to certain conditions, to purchase a number of additional shares proportionate to that underwriter's initial purchase commitment as indicated in the table above.

Discount, Commissions and Expenses

The underwriters have advised us that they propose to offer the shares of common stock to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and certain dealers may re-allow, a discount from the concession not in excess of $ per share to certain brokers and dealers. After this offering, the initial public offering price, concession and reallowance to dealers may be changed by the representative. No such change will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus. The shares of common stock are offered by the underwriters as stated herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. The underwriters have informed us that they do not intend to confirm sales to any accounts over which they exercise discretionary authority.

The following table shows the underwriting discount payable to the underwriter by us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' over-allotment option to purchase additional shares.

	Per Share	Total Without Exercise of Over-Allotment Option	Total With Exercise of Over-Allotment Option
Public offering price	$	$	$
Underwriting discount	$	$	$

We have agreed to reimburse the underwriters for certain out-of-pocket expenses not to exceed $. We estimate that the total expenses payable by us in connection with this offering, other than the underwriting discount referred to above, will be approximately $.

No Public Market

Prior to this offering, there has not been a public market for our common stock and the public offering price for our common stock will be determined through negotiations between us and the representative. Among the factors to be considered in these negotiations will be prevailing market conditions, our financial information, market valuations of other companies that we and the representative believe to be comparable to us, estimates of our business potential, the present state of our development and other factors deemed relevant.

No assurance can be given that the initial public offering price will correspond to the price at which our common stock will trade in the public market subsequent to this offering or that an active trading market for our common stock will develop and continue after this offering.

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or the Securities Act, and liabilities arising from breaches of representations and warranties contained in the underwriting agreement, or to contribute to payments that the underwriters may be required to make in respect of those liabilities.

Underwriter Warrants

On August 27, 2014, we issued warrants to purchase an aggregate of 1,645,120 shares of our Series C Preferred Stock to NSC and certain of its employees. Upon the closing of this offering, all shares of our outstanding preferred stock will convert into shares of common stock immediately prior to the consummation of this offering pursuant to a stockholder consent to be provided in connection with this offering by the holders of our preferred stock in accordance with our amended and restated certificate of incorporation. As a result, these warrants will automatically convert into warrants exercisable for 1,645,120 shares of our common stock in connection with the stockholder consent. These warrants will remain outstanding and exercisable for the then underlying common stock until the date that is the one-year anniversary following the closing of this offering.

Lock-up Agreements

We, our officers, directors and stockholders and option holders holding approximately 90% of our outstanding common stock prior to the offering on an as converted basis have agreed, subject to limited exceptions, for a period of 180 days after the date of the underwriting agreement, not to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of, directly or indirectly any shares of common stock or any securities convertible into or exchangeable for our common stock either owned as of the date of the underwriting agreement or thereafter acquired without the prior written consent of the representative. The representative may, in its sole discretion and at any time or from time to time before the termination of the lock-up period release all or any portion of the securities subject to lock-up agreements; provided, however, that, subject to limited exceptions, at least three business days before the release or waiver or any lock-up agreement, the representative must notify us of the impending release or waiver and we will be required to announce the impending release or waiver through a major news service at least two business days before the release or waiver.

In connection with our issuance of warrants to purchase shares of Series C Preferred Stock to NSC, NSC has agreed not to sell, offer, pledge, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, grant any right or warrant to purchase, lend or otherwise transfer or encumber, directly or indirectly, or enter into any swap, hedging or similar arrangement regarding any shares of our common stock or other securities held by NSC for a period of 180 days following the close of this offering.

Price Stabilization, Short Positions and Penalty Bids

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of shares of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which it may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor the underwriters make any representations that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Listing and Transfer Agent

We intend to apply to list our common stock on the Nasdaq Global Market under the trading symbol “HAIR”. The transfer agent of our common stock is .

Electronic Distribution

This prospectus in electronic format may be made available on websites or through other online services maintained by one or more of the underwriters, or by their affiliates. Other than this prospectus in electronic format, the information on any underwriter’s website and any information contained in any other website maintained by an underwriter is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter in its capacity as underwriter, and should not be relied upon by investors.

Other

From time to time, certain of the underwriters and/or their affiliates have provided, and may in the future provide, various investment banking and other financial services for us for which services they have received and, may in the future receive, customary fees. In the course of their businesses, the underwriters and their affiliates may actively trade our securities or loans for their own account or for the accounts of customers, and, accordingly, the underwriters and their affiliates may at any time hold long or short positions in such securities or loans. Except for services provided in connection with this offering and except as described below, no underwriter has provided any investment banking or other financial services to us during the 180-day period preceding the date of this prospectus and we do not expect to retain any underwriter to perform any investment banking or other financial services for at least 90 days after the date of this prospectus. In December 2016, May 2017 and June 2017, NSC acted as our exclusive placement agent in connection with the private placement of a total of $6,075,427.93 of our Series C preferred stock for which we paid NSC cash placement fees and out-of-pocket expense reimbursement totaling $722,767.

NOTICE TO INVESTORS

Notice to Investors in the United Kingdom

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any securities which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any such securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriter to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of these securities shall result in a requirement for the publication by the issuer or the underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any such securities to be offered so as to enable an investor to decide to purchase any such securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received by it in connection with the issue or sale of any of the securities in circumstances in which section 21(1) of the FSMA does not apply to the issuer; and

(b) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the securities in, from or otherwise involving the United Kingdom.

European Economic Area

In particular, this document does not constitute an approved prospectus in accordance with European Commission's Regulation on Prospectuses no. 809/2004 and no such prospectus is to be prepared and approved in connection with this offering. Accordingly, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (being the Directive of the European Parliament and of the Council 2003/71/EC and including any relevant implementing measure in each Relevant Member State) (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) an offer of securities to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to such securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including

the Relevant Implementation Date, make an offer of securities to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in the last annual or consolidated accounts; or
- in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any of the securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. For these purposes the shares of common stock offered hereby are "securities."

LEGAL MATTERS

The validity of the issuance of our common stock offered in this prospectus will be passed upon for us by Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California 94025. Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, NY 10020 is acting as counsel for the underwriters in connection with this offering.

EXPERTS

The audited consolidated financial statements included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information with respect to our company and the common stock offered hereby, reference is made to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. A copy of the registration statement and the exhibits and schedules filed therewith may be inspected without charge at the public reference room maintained by the SEC, located at 100 F Street N.E., Room 1580, Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from such offices upon the payment of the fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC also maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address is www.sec.gov.

Upon consummation of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, in accordance therewith, will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection and copying at the public reference room and website of the SEC referred to above. We maintain a website at www.restorationrobotics.com. Upon consummation of this offering, you may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our website address does not constitute incorporation by reference of the information contained on our website, and you should not consider the contents of our website in making an investment decision with respect to our common stock.

Restoration Robotics, Inc.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Restoration Robotics, Inc.

We have audited the accompanying consolidated balance sheets of Restoration Robotics, Inc., a Delaware corporation, and subsidiaries (the "Company"), as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive loss, changes in convertible preferred stock and stockholders' deficit, and cash flows for each of the two years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Restoration Robotics, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations, negative cash flows since inception and has a net stockholders' deficit. These conditions, along with other matters as set forth in Note 1, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

GRANT THORNTON LLP
/s/ GRANT THORNTON LLP

Denver, CO
July 7, 2017

RESTORATION ROBOTICS, INC.

Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31,		June 30,	Pro Forma June 30,
	2015	2016	2017 (unaudited)	2017 (unaudited)
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 17,127	$ 11,906	$ 9,466	$ 9,466
Accounts receivable	1,494	2,481	3,351	3,351
Inventory	5,634	2,742	2,105	2,105
Prepaid expenses and other current assets	1,134	810	1,057	1,057
Total current assets	25,389	17,939	15,979	15,979
Property and equipment, net	988	1,459	1,289	1,289
Other assets	100	100	882	882
TOTAL ASSETS	$ 26,477	$ 19,498	$ 18,150	$ 18,150
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT				
CURRENT LIABILITIES:				
Accounts payable	$ 1,031	$ 1,740	$ 2,539	$ 2,539
Accrued and other liabilities	2,866	2,438	3,527	3,527
Deferred revenue	1,063	1,423	1,500	1,500
Current portion of long-term debt, net of discount of $551 and $411 as of December 31, 2016 and June 30, 2017 (unaudited)	—	7,449	7,589	7,589
Total current liabilities	4,960	13,050	15,155	15,155
Other long-term liabilities	—	563	512	512
Preferred stock warrant liabilities	347	693	886	—
Long-term debt, net of discount of $1,588, $299 and $129 as of December 31, 2015 and 2016 and June 30, 2017 (unaudited)	19,713	13,001	9,171	9,171
TOTAL LIABILITIES	25,020	27,307	25,724	24,838
Commitments and Contingencies (Note 5)				
Convertible preferred stock, $0.0001 par value; 208,154,444 authorized as of December 31, 2015, 236,154,444 shares authorized as of December 31, 2016 and June 30, 2017 (unaudited); 193,368,577, 211,423,757 and 226,717,977 shares issued and outstanding as of December 31, 2015 and 2016 and June 30, 2017 (unaudited); aggregate liquidation preference of $129,322 as of December 31, 2015, $142,231 as of December 31, 2016 and $153,166 as of June 30, 2017 (unaudited); no shares authorized, issued or outstanding as of June 30, 2017, pro forma (unaudited)	123,662	135,735	145,960	—
STOCKHOLDERS' DEFICIT:				
Common stock, $0.0001 par value: 322,490,000 shares authorized as of December 31, 2015, 350,490,000 shares authorized as of December 31, 2016 and June 30, 2017 (unaudited); 15,953,051, 16,155,238 and 16,201,905 shares issued and outstanding as of December 31, 2015 and 2016 and June 30, 2017 (unaudited); 350,490,000 shares authorized, 242,919,882 shares issued and outstanding, proforma (unaudited)	2	2	2	24
Additional paid-in capital	2,578	3,085	3,325	150,149
Accumulated other comprehensive income (loss)	14	14	(34)	(34)
Accumulated deficit	(124,799)	(146,645)	(156,827)	(156,827)
TOTAL STOCKHOLDERS' DEFICIT	(122,205)	(143,544)	(153,534)	(6,688)
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT	$ 26,477	$ 19,498	$ 18,150	$ 18,150

The accompanying notes are an integral part of these consolidated financial statements.

RESTORATION ROBOTICS, INC.

Consolidated Statements of Operations
(in thousands, except share and per share data)

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016 (unaudited)	2017 (unaudited)
Revenue, net	$ 17,230	$ 15,600	$ 6,746	$ 11,264
Cost of revenue	12,513	10,431	4,863	6,578
Gross profit	4,717	5,169	1,883	4,686
Operating expenses:				
Research and development	7,399	7,474	3,554	3,841
Sales and marketing	14,587	12,483	6,196	7,304
General and administrative	3,256	4,144	1,853	2,410
Total operating expenses	25,242	24,101	11,603	13,555
Loss from operations	(20,525)	(18,932)	(9,720)	(8,869)
Other income (expense), net:				
Interest expense	(2,892)	(2,483)	(1,249)	(1,115)
Other income (expense), net	446	(431)	(16)	(174)
Total other expense, net	(2,446)	(2,914)	(1,265)	(1,289)
Net loss before provision for income taxes	(22,971)	(21,846)	(10,985)	(10,158)
Provision for income taxes	—	—	—	24
Net loss attributable to common stockholders	$ (22,971)	$ (21,846)	$ (10,985)	$ (10,182)
Net loss per share attributable to common stockholders, basic and diluted	$ (1.49)	$ (1.35)	$ (0.68)	$ (0.63)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	15,415,495	16,129,638	16,117,602	16,192,034
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)		$ (0.10)		$ (0.04)
Weighted-average shares used in computing pro forma net loss attributable to common stockholders, basic and diluted (unaudited)		214,534,913		230,516,101

The accompanying notes are an integral part of these consolidated financial statements.

RESTORATION ROBOTICS, INC.

Consolidated Statements of Comprehensive Loss
(in thousands, except share and per share data)

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016 (unaudited)	2017 (unaudited)
Net loss	$(22,971)	$(21,846)	$ (10,985)	$ (10,182)
Other comprehensive income (loss):				
Cumulative translation adjustment	14	—	(25)	(48)
Comprehensive loss	$(22,957)	$(21,846)	$ (11,010)	$ (10,230)

The accompanying notes are an integral part of these consolidated financial statements.

RESTORATION ROBOTICS, INC.

Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit
(in thousands, except share and per share data)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance—January 1, 2015	186,626,052	$ 119,487	15,154,041	$ 2	$ 2,019	$ —	$ (101,828)	$ (99,807)
Issuance of common stock pursuant to stock option exercises of vested options	—	—	799,010	—	111	—	—	111
Issuance of Series C convertible preferred stock for cash, net of issuance costs of $646	6,742,525	4,175	—	—	—	—	—	—
Vesting of shares purchased under an early exercise of stock options	—	—	—	—	19	—	—	19
Stock-based compensation	—	—	—	—	429	—	—	429
Other comprehensive income	—	—	—	—	—	14		14
Net loss	—	—	—	—	—	—	(22,971)	(22,971)
Balance—December 31, 2015	193,368,577	123,662	15,953,051	2	2,578	14	(124,799)	(122,205)
Issuance of common stock pursuant to stock option exercises of vested options	—	—	202,187	—	41	—	—	41
Issuance of Series C convertible preferred stock for cash, net of issuance costs of $837	18,055,180	12,073	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	466	—	—	466
Net loss	—	—	—	—	—	—	(21,846)	(21,846)
Balance—December 31, 2016	211,423,757	135,735	16,155,238	2	3,085	14	(146,645)	(143,544)
Issuance of common stock pursuant to stock option exercises of vested options (unaudited)	—	—	46,667	—	9	—	—	9
Issuance of Series C Preferred Stock for cash net of issuance costs of $699 (unaudited)	15,294,220	10,225	—	—	—	—	—	—
Stock-based compensation (unaudited)	—	—	—	—	231	—	—	231
Other comprehensive loss (unaudited)	—	—	—	—	—	(48)	—	(48)
Net loss (unaudited)	—	—	—	—	—	—	(10,182)	(10,182)
Balance—June 30, 2017 (unaudited)	226,717,977	$ 145,960	16,201,905	$ 2	$ 3,325	$ (34)	$ (156,827)	$ (153,534)

The accompanying notes are an integral part of these consolidated financial statements.

RESTORATION ROBOTICS, INC.

Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016 (unaudited)	2017 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$(22,971)	$(21,846)	$ (10,985)	$ (10,182)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	860	654	350	313
Loss on disposal of property and equipment	—	46	17	—
Amortization of debt issuance costs	1,209	737	386	311
Stock-based compensation	429	466	190	231
Changes in fair value of preferred stock warrant liabilities	(578)	346	—	193
Changes in operating assets and liabilities:				
Accounts receivable	3,501	(987)	534	(870)
Inventory	(3,369)	2,892	1,358	637
Prepaid expenses and other assets	377	324	121	(247)
Accounts payable	(1,929)	709	55	799
Accrued and other liabilities	(1,647)	495	(717)	333
Net cash used in operating activities	(24,118)	(16,164)	(8,691)	(8,482)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Restricted cash	(80)	—	—	—
Proceeds from sale of property and equipment	—	2	2	12
Purchases of property and equipment	(456)	(1,173)	(291)	(155)
Net cash used in investing activities	(536)	(1,171)	(289)	(143)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from long-term debt, net of issuance costs	19,601	—	—	—
Proceeds from issuance of Series C convertible preferred stock, net	4,175	12,073	(12)	10,225
Proceeds from exercised stock options	111	41	39	9
Principal payments on long-term debt	(15,000)	—	—	(4,000)
Net cash provided by financing activities	8,887	12,114	27	6,234
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,767)	(5,221)	(8,953)	(2,391)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	14	—	(26)	(49)
CASH AND CASH EQUIVALENTS—Beginning of period	32,880	17,127	17,127	11,906
CASH AND CASH EQUIVALENTS—End of period	$ 17,127	$ 11,906	$ 8,148	$ 9,466
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
Cash paid for income taxes	$ 61	$ 56	$ 16	$ 4
Interest paid during the period	$ 1,452	$ 1,738	$ 860	$ 830
SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION:				
Vesting of shares purchased under an early exercise of stock options	$ 19	$ —	$ —	$ —
Issuance of warrants in connection with long-term debt	$ 256	$ —	$ —	$ —
Non-cash lease incentive	$ 16	$ —	$ —	$ —
Deferred offering costs included in accrued and other liabilities	$ —	$ —	$ —	$ 782

The accompanying notes are an integral part of these consolidated financial statements.

RESTORATION ROBOTICS, INC.

Notes to Consolidated Financial Statements
(Information as of June 30, 2017 and
for the six months ended June 30, 2016 and 2017 is unaudited)
(in thousands, except share and per share data)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Restoration Robotics, Inc. (together with its subsidiaries, collectively the "Company") is a medical device company incorporated in the state of Delaware on November 22, 2002. The Company develops an image-guided robotic system that enables follicular unit extraction ("FUE") for use in the field of hair transplantation and markets the ARTAS® Robotic System in the United States and other foreign countries.

Liquidity

These consolidated financial statements are prepared on a going concern basis that contemplates the realization of assets and extinguishment of liabilities in the normal course of business. The Company has incurred net operating losses and negative cash flows from operations since inception. As of December 31, 2016 and June 30, 2017, the Company has an accumulated deficit of $146,645 and $156,827 and currently does not have sufficient capital for current operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. In order to continue its operations, the Company must achieve profitable operations and/or obtain additional financing. Management plans to manage expenses and obtain additional funds through a combination of equity and debt financing. There can be no assurance, however, that such financings will be successfully completed or completed on terms acceptable to the Company or that management's plans will be effectively implemented. While the Company raised additional funds through the issuance of Series C convertible preferred stock subsequent to December 31, 2016 together with its existing cash and cash equivalents and cash generated from operations, it is probable that the Company will be unable to meet its obligations as they become due within one year after the December 31, 2016 consolidated financial statements were issued. Until the Company generates revenue at a level to support its cost structure, the Company expects to continue to incur substantial operating losses and net cash outflows. The Company may never become profitable and even if it does attain profitable operations, it may not be able to sustain profitability or positive cash flows on a recurring basis.

Even if the Company is successful in completing its fundraising, the Company may need to raise further capital in the future to service its debt or fund its operations until the time it can sustain positive cash flows. There can be no assurance that the Company will be successful in raising additional capital or that such capital, if available, will be on terms that are acceptable to the Company. If the Company is unable to raise sufficient additional capital, it may be compelled to reduce the scope of its operations and planned capital expenditures or sell certain assets, including intellectual property assets.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business, and, as such, the consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

RESTORATION ROBOTICS, INC.

Notes to Consolidated Financial Statements
(Information as of June 30, 2017 and
for the six months ended June 30, 2016 and 2017 is unaudited)
(in thousands, except share and per share data)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Restoration Robotics, Inc. and its wholly owned subsidiaries, which are located in the United States, United Kingdom, Spain, Hong Kong and South Korea. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions made in the accompanying consolidated financial statements include, but are not limited to revenue recognition, the fair value of common stock, the fair value of preferred stock warrant liabilities, and the recoverability of the Company's net deferred tax assets and related valuation allowance. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from those estimates.

Unaudited Interim Financial Information

The accompanying interim consolidated balance sheet as of June 30, 2017, the interim consolidated statements of operations, comprehensive loss and cash flows for the six months ended June 30, 2016 and 2017 and the interim consolidated statements of convertible preferred stock and stockholders' deficit for the six months ended June 30, 2017 are unaudited. The unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the consolidated balance sheet as of June 30, 2017 and the consolidated statements of operations, comprehensive loss and cash flows for the six months ended June 30, 2016 and 2017 and the consolidated statements of convertible preferred stock and stockholders' deficit for the six months ended June 30, 2017. The consolidated financial data disclosed in these notes to the consolidated financial statements related to the six months ended June 30, 2016 and 2017 are also unaudited. The consolidated results of operations for the six months ended June 30, 2017 are not necessarily indicative of the results to be expected for the entire year ending December 31, 2017, or for any other future annual or interim period.

Unaudited Pro Forma Consolidated Balance Sheet

The unaudited pro forma consolidated balance sheet as of June 30, 2017 reflects the conversion of all shares of the Company's outstanding convertible preferred stock into an aggregate of 226,717,977 shares of common stock immediately prior to the consummation of an IPO pursuant to a stockholder consent to be provided in connection with an IPO by the holders of the Company's preferred stock in accordance with the Company's amended and restated certificate of incorporation. In addition, the unaudited pro forma convertible balance sheet reflects that the convertible preferred stock warrants upon convert into common stock warrants and the convertible preferred stock warrant liability would be reclassified to additional paid-in capital in stockholders' deficit upon completion of an IPO.

RESTORATION ROBOTICS, INC.

Notes to Consolidated Financial Statements
(Information as of June 30, 2017 and
for the six months ended June 30, 2016 and 2017 is unaudited)
(in thousands, except share and per share data)

Correction of an Immaterial Error in Prior Period Financial Information

In connection with the preparation of the consolidated financial statements for the three months ended March 31, 2017, the Company identified an error that impacted the previously issued annual consolidated financial statements. The error was related to the fair value of the Company's preferred stock warrant liabilities, which resulted in an overstatement of the preferred stock warrant liabilities at December 31, 2015 and 2016, and overstatement of net loss attributable to common shareholders for the year ended December 31, 2015 and understatement of net loss attributable to common shareholders for the year ended December 31, 2016.

The Company concluded that this error was not material to the previously issued consolidated financial statements. The effects of the prior period error on the consolidated financial statements are as follows (in thousands):

	December 31, 2015		
	As Previously Reported	Adjustments	As Adjusted
Preferred stock warrant liabilities	$ 847	$ (500)	$ 347
TOTAL LIABILITIES	$ 25,520	$ (500)	$ 25,020
STOCKHOLDERS' DEFICIT			
Accumulated deficit	$ (125,299)	$ 500	$ (124,799)
TOTAL STOCKHOLDERS' DEFICIT	$ (122,705)	$ 500	$ (122,205)
Other income (expense), net:			
Other income (expense), net	$ (54)	$ 500	$ 446
Total other expense, net	$ (2,946)	$ 500	$ (2,446)
Net loss attributable to common stockholders	$ (23,471)	$ 500	$ (22,971)

	December 31, 2016		
	As Previously Reported	Adjustments	As Adjusted
Preferred stock warrant liabilities	$ 847	$ (154)	$ 693
TOTAL LIABILITIES	$ 27,461	$ (154)	$ 27,307
STOCKHOLDERS' DEFICIT			
Accumulated deficit	$ (146,799)	$ 154	$ (146,645)
TOTAL STOCKHOLDERS' DEFICIT	$ (143,698)	$ 154	$ (143,544)
Other income (expense), net:			
Other expense, net	$ (85)	$ (346)	$ (431)
Total other expense, net	$ (2,568)	$ (346)	$ (2,914)
Net loss attributable to common stockholders	$ (21,500)	$ (346)	$ (21,846)

RESTORATION ROBOTICS, INC.

Notes to Consolidated Financial Statements
(Information as of June 30, 2017 and
for the six months ended June 30, 2016 and 2017 is unaudited)
(in thousands, except share and per share data)

Segments

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company has determined it operates in a single operating segment and has one reportable segment, as the CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

Foreign Currency

The functional currency of the Company's non-U.S. subsidiaries is the local currency. Asset and liability balances denominated in non-U.S. dollar currencies are translated into U.S. dollars using period-end exchange rates, which revenue and expenses are based upon the exchange rate at the time of the transaction, if known, or at the average rate for the period. Differences are included in stockholders' deficit as a component of accumulated other comprehensive loss. Financial assets and liabilities denominated in currencies other than the functional currency are recorded at the exchange rate at the time of the transaction and subsequent gains and losses related to changes in the foreign currency are included in other income (expense), net in the accompanying consolidated statements of operations. The net foreign transaction gain or losses were insignificant for all periods presented.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consists primarily of funds invested in readily available checking and savings accounts and investments in money market funds and short-term time deposits.

Restricted Cash

As of December 31, 2015 and 2016 and June 30, 2017, the Company was required to hold $100 in a separate money market account as collateral for credit cards. These amounts are recorded in other assets in the accompanying consolidated balance sheets.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents, restricted cash and accounts receivable. Substantially all of the Company's cash and cash equivalents and restricted cash are held with two financial institutions, and the account balances exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limit. Accounts are insured by the FDIC up to $250 per financial institution. The Company has not experienced any losses in such accounts with these financial institutions.

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Concentration of Customers

For the years ended December 31, 2015 and 2016 and six months ended June 30, 2016 and 2017 there were no customers accounting for more than 10% of the Company's revenues. As of December 31, 2015, three customers accounted for 12%, 15%, and 19% of the Company's accounts receivable. As of December 31, 2016, six customers accounted for 10%, 11%, 11%, 11%, 12%, and 13% of the Company's accounts receivable. As of June 30, 2017, two customers each accounted for 12% of the Company's accounts receivable.

Accounts receivable do not bear interest and are typically not collateralized. The Company performs ongoing credit evaluations of its customers and maintains reserves for potential credit losses. Accounts receivable are deemed past due in accordance with the contractual terms of the agreement. Accounts are charged against the allowance for doubtful accounts once collection efforts are unsuccessful. Historically, such losses have been within management's expectations. The allowance for doubtful accounts is zero at December 31, 2015 and 2016 and June 30, 2017.

Inventory

Inventory is stated at the lower of cost or market and cost is principally determined using the first-in, first-out method. Costs include material, labor and overhead. Inventory that is obsolete or in excess of forecasted usage is written down to its estimated net realizable value based on assumptions about future demand and market conditions. Inventory write-downs are charged to cost of goods sold and a new cost basis for the inventory is established.

Concentration of Supplier

The Company has a single source supplier manufacturing its system. If the supplier is not able to supply the requested orders, the Company would be unable to continue to derive revenues from the sale of systems until an alternative source is found, which could take a considerable length of time.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which is between three and five years. Leasehold improvements are amortized over the lesser of the life of the lease or the useful life of the improvements. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the consolidated balance sheet, and any resulting gain or loss is reflected in operations.

Impairment of Long-Lived Assets

Long-lived assets are reviewed annually for impairment or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to the future net undiscounted cash flows that the assets are expected to generate. If the carrying amount of an asset group exceeds its estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset group exceeds the fair value

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of the asset group. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the projected discounted future net cash flows arising from the asset. There has been no impairment of long-lived assets for any of the periods presented.

Deferred Offering Costs

Deferred offering costs, consisting of legal, accounting and filing fees relating to an IPO, are capitalized. The deferred offering costs will be offset against offering proceeds upon the completion of the offering. In the event the offering is terminated or delayed, deferred offering costs will be expensed. As of June 30, 2017, $782 of deferred offering costs have been capitalized, which is included in other long-term assets in the consolidated balance sheets. There were no deferred offering costs capitalized as of December 31, 2016.

Preferred Stock Warrants Liabilities

The Company accounts for freestanding warrants to purchase shares of convertible preferred stock that are contingently redeemable as liabilities in the consolidated balance sheets at their estimated fair value because these warrants may obligate the Company to redeem them at some point in the future. At the end of each reporting period, changes in the estimated fair value of the warrants to purchase shares of convertible preferred stock are recorded as other income (expense), net in the consolidated statements of operations. The Company will continue to adjust the preferred stock warrant liabilities to its estimated fair value until the earlier of the exercise or expiration of the warrants or as such time the warrants become convertible on exercise into shares of common stock.

Debt Issuance Costs

Costs related to the issuance of debt are presented as a direct deduction to the carrying value of the debt and are amortized to interest expense using the effective interest rate method over the term of the related debt.

Revenue Recognition

The Company generates revenue from sales of robotic systems and related harvest procedures, and related support and maintenance. The Company derives revenue primarily from two sources: (i) Product revenue, which includes robotic systems sales, installation, software, harvest procedure key and disposable kits; and (ii) Support and maintenance revenue, which includes support, training, and service contracts.

Revenue is recognized when all of the following criteria are met: (l) persuasive evidence of an arrangement exists; (2) the product or service has been delivered; (3) the sales price is fixed or determinable; and (4) collection is reasonably assured.

The Company defines each of the four criteria above as follows:

- ***Persuasive Evidence of Arrangement Exists.*** The Company uses purchase orders pursuant to the terms and conditions of a master agreement to support the evidence of an arrangement with distributors and uses purchase agreements as evidence of arrangement with direct customers.

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- ***Delivery has Occurred.*** Provided that all other revenue recognition criteria have been met, for direct sales the Company typically recognizes systems revenue upon customer acceptance, or upon shipment for systems sold to distributors, as title and risk of loss are transferred at that time, and there are no further obligations and no rights of return. Harvest procedure revenue is recognized upon shipment of disposable kits and delivery of the ARTAS key. Support and maintenance revenue is recognized over time as the services are delivered.
- ***The Sales Price is Fixed or Determinable.*** The Company assesses whether the fee is fixed or determinable based on the payment terms associated with the transaction. If the terms are extended beyond the Company's normal payment terms, the Company will recognize revenue as the payments become due. Payments from distributors are not contingent on the distributors' receiving payment from the end-users.
- ***Collection is Reasonably Assured.*** The Company assesses probability of collection on an individual basis based on a number of factors, including the credit-worthiness of the customer and past transaction history with the customer. The Company generally obtains a significant cash deposit from its customers prior to shipment.

The Company records its revenues net of sales tax and shipping and handling costs. Incremental direct cost incurred related to the acquisition or origination of a customer contract are expensed as incurred.

Multiple Element Arrangements

The Company's offering includes robotic system containing software components that function together to provide the essential functionality of the product. Therefore, the Company's hardware products (inclusive of the core software) are considered non-software deliverables and are not subject to industry-specific software revenue recognition guidance.

The Company's typical multiple element arrangement includes robotic systems (including the essential software), harvest procedure key, installation (for direct sales to end-users), product training and service contracts. The Company considers each of these deliverables to be separate units of accounting based on whether the delivered items have stand-alone value. The Company has determined that each unit of accounting has stand-alone value because they are sold separately by the Company or, for hardware products, because the customers can resell them to others on a stand-alone basis.

For the arrangements with multiple deliverables, the Company allocates the arrangement fee to each element based upon the relative selling price of such element. When applying the relative selling price method, the Company determines the selling price for each element using vendor-specific objective evidence (VSOE) of selling price, if it exists, or if not, third-party evidence (TPE) of selling price, if it exists. If neither VSOE nor TPE of selling price exist for an element, the Company uses its best estimated selling price (BESP) for that element. The revenue allocated to each element is then recognized when the basic revenue recognition criteria are met for that element.

The Company is not able to establish a selling price of its deliverables using VSOE or to determine TPE for its products and services. TPE is determined based on competitor prices for similar deliverables when sold separately. Generally, the Company's go-to-market strategy differs from that of its peers and its offerings

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contain a significant level of differentiation such that the comparable pricing of products with similar functionality cannot be obtained.

When the Company is unable to establish the selling price of its deliverables using VSOE or TPE, the Company uses BESP in its allocation of arrangement consideration. The objective of BESP is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis. The Company determines BESP for a product or service by considering multiple factors including, but not limited to, industry and market conditions, competitive landscape, standard pricing practices and internal cost models. Additionally, the Company considers historical transactions, including transactions whereby the deliverable was sold on a stand-alone basis.

Deferred revenue primarily relates to support and maintenance and pertains to billings or payments received in advance where all of the revenue recognition criteria have not been met. The current portion of deferred revenue represents the amounts that are expected to be recognized as revenue within one year of the consolidated balance sheet date.

Cost of Revenue

Cost of revenue consists of product and fulfillment costs. Product costs include the cost of systems and disposable kits manufacture, related labor and personnel costs and allocated shared costs. Fulfillment costs consist of costs incurred in the shipping and handling of inventory including the shipping costs to the Company's customers, labor and related personnel costs related to receiving, inspecting, warehousing, and preparing systems and reusable kits for shipment.

Cost of revenue for customer service is expensed as incurred and primarily consists of personnel costs such as salaries, bonuses and benefits and stock-based compensation for employees associated with service contracts, travel costs and allocated shared costs (including rent and information technology).

Research and Development

Research and development costs are charged to operations as incurred.

Warranty

The Company provides a one-year warranty on the ARTAS system and accrues for the estimated future costs of repair or replacement upon customer acceptance or shipment. The warranty expense is accrued as a liability and recorded to cost of goods sold and is based upon historical information for the cost to repair or replace the system.

Sales Taxes

Revenue is recorded net of taxes collected from customers that are remitted to governmental authorities with the collected taxes recorded as current liabilities in accrued and other liabilities in the accompanying balance sheets until remitted to the relevant government authority.

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Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the tax and financial reporting bases of the Company's assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in future years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are reduced through the establishment of a valuation allowance, if, based upon available evidence, it is determined that it is more likely than not that the deferred tax assets will not be realized. All deferred tax assets and liabilities are classified as non-current in the consolidated financial statements.

Uncertain Tax Positions

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained on examination based on the technical merit of the position. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on examination, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement.

The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments. The Company recognizes interest charges and penalties related to unrecognized tax benefits as a component of the tax provision.

Stock-Based Compensation

U.S. GAAP requires the measurement and recognition of compensation expense for all share-based payment awards, including stock options, using a fair-value based method. The Company estimates the fair value of share-based payment awards on the date of grant using a Black-Scholes-Merton option-pricing model. Stock-based compensation is recognized on a straight-line basis over the requisite service period based on awards ultimately expected to vest. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Stock-based awards granted to non-employees are accounted for at fair value. The associated expense is recognized by the Company over the period the services are performed by non-employees. The fair value of stock-based awards granted to non-employees was nominal for the years ended December 31, 2015 and 2016 and six months ended June 30, 2016 and 2017.

Net Loss and Unaudited Pro Forma Net Loss Per Share Attributable to Common Stockholders

The Company follows the two-class method when computing net loss per common share as we issue shares that meet the definition of participating securities. The two-class method determines net income (loss) per common share for each class of common stock and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been

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distributed. Our convertible preferred stock contractually entitles the holders of such shares to participate in dividends, but does not contractually require the holders of such shares to participate in our losses. For periods in which the Company has reported net losses, diluted net loss per common share attributable to common stockholders is the same as basic net loss per common share attributable to common stockholders, because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

The unaudited pro forma basic and diluted net loss per share has been computed to give effect to the conversion of the shares of convertible preferred stock into common stock as if such conversion had occurred at the beginning of the period or the date of issuance, if later. The unaudited pro forma net loss per share does not include the shares to be sold and related proceeds to be received from an IPO.

Defined Contribution Plan

In 2006, the Company adopted a defined contribution retirement savings plan under Section 401(k) of the Internal Revenue Code ("IRC"). This plan covers employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the Board of Directors.

There were no contributions by the Company during the years ended December 31, 2015 and 2016 and the six months ended June 30, 2016 and 2017.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Recently Adopted Accounting Standards

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-17, Balance Sheet Classification of Deferred Taxes (Topic 740), or ASU 2015- 17, which simplifies the presentation of deferred income taxes. ASU 2015-17 provides presentation requirements to classify deferred tax assets and liabilities as noncurrent in a classified statement of financial position. The Company early adopted this standard retrospectively to all periods effective January 1, 2014. The adoption of this guidance did not materially impact the presentation of the Company's consolidated balance sheets as it continues to estimate a one-hundred percent valuation allowance reducing net deferred income taxes to $0.

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In April 2015, the FASB issued Accounting Standards Update ("ASU") No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs* (Subtopic 835-30), or ASU 2015-03. ASU 2015-03 simplifies the presentation of debt issuance costs as a direct deduction from the carrying value of the debt liability rather than showing the debt issuance costs as an asset. The Company adopted this standard retrospectively to all periods effective January 1, 2016. The adoption of this guidance did not have a significant impact on the consolidated financial position and results of operations, although it has changed the financial statement classification of the deferred debt cost. As of December 31, 2015 (as originally reported), the Company had $124 of net deferred debt costs, which had been reflected in the accompanying consolidated balance sheets in other assets. Upon adoption of the new guidance, the net deferred debt costs were reclassified as an offset to the carrying amount of the respective debt balance on the consolidated balance sheets.

In August 2014, the FASB issued ASU No. 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (Subtopic 205-40), or ASU 2014-15. ASU 2014-15 requires the Company to evaluate the ability to continue as a going concern and to provide related footnote disclosure in certain circumstances. The Company adopted this standard effective January 1, 2016 and have included the relevant disclosures in the consolidated financial statements.

Recently Issued Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended by ASU No. 2015-14, ASU No. 2016-08, ASU No. 2016-10, ASU No. 2016-12, and ASU No. 2016-20, collectively, ASU 2014-09. ASU 2014-09 establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers in an amount that reflects the expected consideration received in exchange for those goods or services and also provides guidance on the recognition of costs related to obtaining and fulfilling customer contracts. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted. ASU 2014-09 may be adopted either retrospectively to each prior period presented or with the cumulative effect recognized as of the date of initial application. The Company's final determination will depend on a number of factors, such as the significance of the impact of the new standard on the financial results, system readiness, and the ability to accumulate and analyze the information necessary to assess the impact on prior period financial statements, as necessary. The Company is in the initial stages of evaluating this standard and have not yet selected an adoption method, nor has it determined the effect of the standard on the Company's consolidated financial statements and related disclosures. The Company currently expects to adopt this standard effective January 1, 2019.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation – Stock Compensation* (Topic 718): Improvements to Employee Share-Based Payment Accounting, or ASU 2016-09. ASU 2016-09 simplifies the accounting and reporting of share-based payment transactions, including adjustments to how excess tax benefits and payments for tax withholdings should be classified and provides the election to eliminate the estimate for forfeitures. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted for any entity in any

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interim or annual period for which financial statements have not been issued or made available for issuance. The Company does not expect the adoption of this standard to have a material impact on the consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, or ASU 2016-15. ASU 2016-15 identifies how certain cash receipts and cash payments are presented and classified in the Statement of Cash Flows. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. This standard should be applied retrospectively and early adoption is permitted, including adoption in an interim period. The Company is currently evaluating the impact that this standard will have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, or ASU 2016-02, which requires lessees to record most leases on their balance sheets but recognize the expenses on their income statements in a manner similar to current practice. Under ASU 2016-02, a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption is permitted. The Company is currently evaluating the impact and materiality that this standard will have on its consolidated financial statements. However, the Company does expect an increase in its consolidated assets and liabilities upon adoption of this standard.

In July 2015, the FASB issued ASU No. 2015-11, *Inventory, Simplifying the Measurement of Inventory* (Topic 330), or ASU 2015-11. Under ASU 2015-11, the measurement principle for inventory will change from lower of cost or market value to lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. For public entities, this standard is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. For all other entities, this standard is effective for annual reporting periods beginning after December 15, 2016, and interim periods within annual periods beginning after December 15, 2017. This standard should be applied prospectively and early adoption is permitted. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

NOTE 2 – NET LOSS PER SHARE

Net Loss Per Share Attributable to Common Stockholders

Basic net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Diluted net loss per share is computed by dividing net loss by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method. For purposes of this calculation, convertible preferred stock, preferred stock warrants and

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stock options are considered to be common stock equivalents and are only included in the calculation of diluted net loss per share when their effect is dilutive.

The following outstanding shares of common stock equivalents were excluded from the calculation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016 (unaudited)	2017 (unaudited)
Options to purchase common stock	14,107,176	18,317,656	14,196,369	19,398,976
Convertible preferred stock	193,368,577	211,423,757	193,368,577	226,717,977
Warrants for preferred stock	3,851,412	3,851,412	3,851,412	3,851,412
Total potential dilutive shares	211,327,165	233,592,825	211,416,358	249,968,365

In future periods, if the Company were to generate net income, it would allocate participating securities a proportional share of the net income, determined by dividing total weighted-average participating securities by the sum of the total weighted-average common shares and participating securities (the two-class method). The Company's Series A convertible preferred stock, Series B convertible preferred stock, Series C convertible preferred stock and the Series AA convertible preferred stock participate in any dividends declared by the Company and are therefore considered to be participating securities. Participating securities have the effect of diluting both basic and diluted earnings per share during periods of income.

To date, the Company has only incurred net losses and has not allocated any losses to participating securities because the preferred stockholders have no contractual obligation to share in the losses of the Company. The Company computes diluted loss per common share after giving consideration to the dilutive effect of stock options, warrants and non-vested stock that are outstanding during the period, except where such non-participating securities would be anti-dilutive.

Unaudited Pro Forma Basic and Diluted Net Loss Per Share

In contemplation of the IPO, the Company has presented unaudited pro forma basic and diluted net loss attributable to common stockholders, which has been calculated assuming (i) the conversion of all series of the convertible preferred stock (using the as-if converted method) into shares of common stock pursuant to a stockholder consent to be provided by the holders of the Company's preferred stock in accordance with the Company's amended and restated certificate of incorporation as though the conversion had occurred as of the beginning of the period or the original date of issuance, if later; and (ii) the conversion of the convertible preferred stock warrants into common stock warrants as though the conversions had occurred at the beginning of the period. As a result, the Company has removed the gains and losses from the remeasurement of the preferred stock warrant liabilities to fair value from the numerator in the pro forma basic and diluted net loss attributable to common stockholders calculation.

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The following table sets forth the computation of the Company's unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the following periods (in thousands, except share and per share data).

	Year Ended December 31, 2016 (unaudited)	Six Months Ended June 30, 2017 (unaudited)
Numerator:		
Net loss per share attributable to common stockholders	$ (21,846)	$ (10,182)
Add: Change in fair value of preferred stock warrant liability	346	193
Net loss per share attributable to common stockholders used in computing pro forma net loss per share attributable to common stockholders, basic and diluted	$ (21,500)	$ (9,989)
Denominator:		
Weighted-average shares used in computing net loss per share attributable to common stock, basic and diluted	16,129,638	16,192,034
Weighted-average pro forma adjustment to reflect conversion of convertible preferred stock into common stock	198,405,275	214,324,067
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted	214,534,913	230,516,101
Pro forma net loss per share attributable to common stockholders, basic and diluted	$ (0.10)	$ (0.04)

NOTE 3 – FAIR VALUE MEASUREMENTS

Cash and cash equivalents, restricted cash, account receivable, accounts payable, and accrued liabilities approximate fair market value because of the short-term nature of those instruments. Management believes that the long-term note bears variable interest at the prevailing market rates for instruments with similar characteristics; accordingly, the carrying value of this instrument approximates its fair value. The Company's preferred stock warrants are remeasured to fair value at each reporting date (see Note 8 for further information).

U.S. GAAP established a framework for measuring fair value and a fair value hierarchy based on the inputs used to measure fair value. This framework maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

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between market participants at the measurement date. It applies to both items recognized and reported at fair value in the financial statements and items disclosed at fair value in the notes to the financial statements.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Company. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Company's perceived risk of that instrument.

The following tables summarize the levels of fair value measurements of the Company's cash equivalents, investments and preferred stock warrants liabilities:

	Fair Value Measurements as of December 31, 2015			
	Quoted Prices in Active Markets using Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Cash Equivalents:				
Money market accounts	$ 17,127	$ —	$ —	$17,127
Restricted cash	100	—	—	100
Total assets	$ 17,227	$ —	$ —	$17,227
Liabilities				
Preferred stock warrant liabilities	$ —	$ —	$ 347	$ 347

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	Fair Value Measurements as of December 31, 2016			
	Quoted Prices in Active Markets using Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Cash Equivalents:				
Money market accounts	$ 11,906	$ —	$ —	$ 11,906
Restricted cash	100	—	—	100
Total assets	$ 12,006	$ —	$ —	$ 12,006
Liabilities				
Preferred stock warrant liabilities	$ —	$ —	$ 693	$ 693

	Fair Value Measurements as of June 30, 2017			
	Quoted Prices in Active Markets using Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
		(unaudited)		
Assets				
Cash Equivalents:				
Money market accounts	$ 9,466	$ —	$ —	$ 9,466
Restricted cash	100	—	—	100
Total assets	$ 9,566	$ —	$ —	$ 9,566
Liabilities				
Preferred stock warrant liabilities	$ —	$ —	$ 886	$ 886

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The following table summarizes the preferred stock warrant liabilities activity subject to Level 3 inputs which are measured on a recurring basis:

	Fair value measurements of warrants using significant unobservable inputs (Level 3)
Balance as of January 1, 2015	$ 659
Fair value of preferred stock warrants issued	266
Change in fair value of preferred stock warrants	(578)
Balance as of December 31, 2015	$ 347
Change in fair value of preferred stock warrants	346
Balance as of December 31, 2016	$ 693
Change in fair value of preferred stock warrants (unaudited)	193
Balance as of June 30, 2017 (unaudited)	$ 886

NOTE 4 – BALANCE SHEET COMPONENTS

Inventory

Inventory consists of the following:

	December 31,		June 30,
	2015	2016	2017 (unaudited)
Finished goods	$5,143	$2,580	$ 2,011
Raw materials	491	162	94
Total inventory	$5,634	$2,742	$ 2,105

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Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following:

	December 31, 2015	December 31, 2016	June 30, 2017 (unaudited)
Insurance	$ 262	$153	$ 263
Lease deposit	200	149	100
Marketing tradeshows	104	140	208
Rent	100	—	50
Other	468	368	436
Total prepaid expenses and other current assets	$1,134	$810	$ 1,057

Property and Equipment, Net

Property and equipment, net consist of the following:

	December 31, 2015	December 31, 2016	June 30, 2017 (unaudited)
Computer hardware and software	$ 615	$ 647	$ 676
Equipment	2,854	2,818	2,911
Leasehold improvements	254	1,094	845
Furniture and fixtures	80	82	270
Total property and equipment	3,803	4,641	4,702
Less: Accumulated depreciation and amortization	(2,815)	(3,182)	(3,413)
Total property and equipment, net	$ 988	$ 1,459	$ 1,289

Depreciation and amortization expense was $860 and $654 for the years ended December 31, 2015 and 2016, and $350 and $313 for the six months ended June 30, 2016 and 2017.

Accrued and Other Liabilities

Accrued and other liabilities consist of the following:

	December 31, 2015	December 31, 2016	June 30, 2017 (unaudited)
Payroll and related expense	$1,410	$1,647	$ 1,740
Warranty	295	114	107
Customer deposits	261	98	101
Sales taxes	133	129	88
Accrued professional fees	20	38	1,002
Other	747	412	489
Total accrued and other liabilities	$2,866	$2,438	$ 3,527

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NOTE 5 – COMMITMENTS AND CONTINGIENCIES

Operating Leases

The Company has various operating leases including 23,000 square feet of office space in San Jose, California, which expires in April 2022.

The Company recognizes rent expense on a straight-line basis over the non-cancelable lease period and records the difference between cash rent payments and the recognition of rent expense as a deferred rent liability. When leases contain escalation clauses, rent abatements and/or concessions, such as rent holidays and landlord or tenant incentives or allowances, the Company applies them in the determination of straight-line rent expense over the lease period.

Aggregate future minimum lease payments required under the Company's operating leases as of December 31, 2016, are as follows:

Years ending December 31,	
2017	$ 489
2018	503
2019	518
2020	534
2021	550
Thereafter	188
Total future minimum lease payments	$2,782

Total rent expense was $322 and $315 for the years ended December 31, 2015 and 2016 and $178 and $207 for the six months ended June 30, 2016 and 2017.

Licensing Agreements

In July 2006, the Company entered into a license agreement with Rassman Licensing, LLC ("Rassman") for non-exclusive, royalty bearing, non-transferable, perpetual, world-wide rights for use on approved fields relating to robotically controlled hair removal and implantation procedures. In consideration for this license, the Company paid Rassman a one-time payment of $1,000. The agreement terminates on May 9, 2020. In February 2012, the Company amended its license agreement with Rassman. In exchange for a one-time $400 payment to Rassman, the Company now has a fully paid royalty-free license to a patent subject to this license agreement. Royalties for the years ended December 31, 2015 and 2016 and the six months ended June 30, 2016 and 2017 were $0.

In July 2006, the Company entered into a license agreement with HSC Development, LLC for exclusive non-transferable, royalty-free worldwide rights for use in approved fields relating to a computer-controlled system in which a device is carried on a mechanized arm for extraction or implantation of a follicular unit without manual manipulation. In consideration for this license, the Company paid HSC Development, LLC a one-time payment of $25 and issued 25,000 shares of the Company's common stock valued. The agreement terminates on July 27, 2024.

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NOTE 6 – LONG-TERM DEBT

Repaid Debt Obligations

In December 2013, the Company entered into a loan and security agreement with Comerica. Under the terms of the loan and security agreement, the Company borrowed $7,500 with an interest rate at prime plus 4.6% per annum and issued 10-year warrants to purchase 314,685 shares of Series C Preferred Stock at $0.715 per share. The estimated fair value of the warrants at issuance was recorded as a discount on the loan and amortized into interest expense over the expected life of the loan. The Company repaid the outstanding balance of $6,136 in May 2015.

In December 2013, the Company entered into a loan and security agreement with TriplePoint Capital, LLC. Under the terms of the loan and security agreement, the Company borrowed $7,500 with an interest rate at prime plus 6.6% per annum and issued 10-year warrants to purchase a total of 786,712 shares of Series C Preferred Stock at $0.715 per share. The estimated fair value of the warrants at issuance was recorded as a discount on the loan and amortized into interest expense over the expected life of the loan. The Company repaid the outstanding balance of $6,812 in May 2015.

Current Debt Obligation

In May 2015, the Company entered into a loan and security agreement with Oxford Finance, LLC, or Oxford, (the "Agreement"). Under the terms of the loan and security agreement, the Company borrowed $20,000 with an interest rate at prime plus 8.5% per annum, which is collateralized by all personal property of the Company, and issued 10-year warrants to purchase 1,104,895 shares of Series C Preferred Stock at $0.715 per share. The estimated fair value of the warrants at issuance was recorded as a discount on the loan and amortized into interest expense over the expected life of the loan. In connection with the loan agreement, the Company recorded $246 of credit facility fees and $153 of debt issuance cost as of January 31, 2015. The credit facility fees and debt issuance costs are a discount on the debt and are being amortized to interest expense over the term of the loan using the effective-interest method. The loan will mature in July 2019, at which time the Company must repay the outstanding principal balance which includes a final payment of $1,300. The outstanding balance on the loan was $17,300 and accrued interest totaled $113 as of June 30, 2017. The interest rate was 12.0% at December 31, 2015, 12.3% at December 31, 2016 and 12.8% at June 30, 2017.

Borrowings under the Agreement are collateralized by all the assets of the Company. The Agreement includes customary restrictive covenants that impose operating and financial restrictions on the Company, including restrictions on our ability to take actions that could be in the Company's best interests. These restrictive covenants include operating covenants restricting, among other things, the Company's ability to incur additional indebtedness, effect certain acquisitions or make other fundamental changes. The Company was in compliance with all of the covenants as of December 31, 2015 and 2016 and as of June 30, 2016.

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The scheduled principal payments on the outstanding borrowings as of December 31, 2016 are as follows:

	As of December 31, 2016
2017	$ 8,000
2018	8,000
2019	5,300
Total	21,300
Less debt discount	(850)
Less current portion	(7,449)
Non-current portion	$ 13,001

During the six months ended June 30, 2017, the Company made principal repayments of $4,000.

NOTE 7 – CONVERTIBLE PREFERRED STOCK

The convertible preferred stock consists of the following:

	December 31, 2015			
Convertible Preferred Stock:	Shares Authorized	Shares Outstanding	Net Carrying Value	Liquidation Preference
Series A	25,092,906	25,092,906	$ 11,140	$ 11,292
Series B	38,461,538	38,461,538	24,926	25,000
Series C	142,100,000	127,314,133	85,620	91,030
Series AA	2,500,000	2,500,000	1,976	2,000
Total convertible preferred stock	208,154,444	193,368,577	$ 123,662	$ 129,322

	December 31, 2016			
Convertible Preferred Stock:	Shares Authorized	Shares Outstanding	Net Carrying Value	Liquidation Preference
Series A	25,092,906	25,092,906	$ 11,140	$ 11,292
Series B	38,461,538	38,461,538	24,926	25,000
Series C	170,100,000	145,369,313	97,693	103,939
Series AA	2,500,000	2,500,000	1,976	2,000
Total convertible preferred stock	236,154,444	211,423,757	$ 135,735	$ 142,231

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	June 30, 2017			
Convertible Preferred Stock:	Shares Authorized	Shares Outstanding	Net Carrying Value	Liquidation Preference
		(unaudited)		
Series A	25,092,906	25,092,906	$ 11,140	$ 11,292
Series B	38,461,538	38,461,538	24,926	25,000
Series C	170,100,000	160,663,533	107,918	114,874
Series AA	2,500,000	2,500,000	1,976	2,000
Total convertible preferred stock	236,154,444	226,717,977	$ 145,960	$ 153,166

On issuance, the Company's convertible preferred stock is recorded at fair value or the amount of allocated proceeds, net of issuance costs. The Company classifies the convertible preferred stock outside of stockholders' deficit because, in the event of certain "liquidation events" that are not solely within the control of the Company (including merger, acquisition, or sale of all or substantially all of the assets), the shares would become redeemable at the option of the holders. The Company did not adjust the carrying values of the convertible preferred stock to the deemed liquidation values of such shares since a liquidation event was not probable at any of the reporting dates. Subsequent adjustments to increase or decrease the carrying values to the ultimate liquidation values will be made only if and when it becomes probable that such a liquidation event will occur.

The rights, preferences and privileges of the Series A, Series B, Series C and Series AA preferred stock are as follows:

Dividends

The holders of the outstanding shares of preferred stock are entitled to receive, when and if declared by the Board of Directors, a noncumulative dividend at the annual rate of 10% of the original issuance price. Such dividends are payable in preference to any dividends for common stock declared by the Board of Directors. No dividends have been declared since inception.

Conversion

Each share of preferred stock is convertible at any time, at the option of the holder, into that number of fully paid shares of common stock as determined by dividing the original issue price for the relevant series by the conversion price for such series. The original issue price of Series A preferred stock is $0.45 per share, the original issue price of Series B preferred stock is $0.65 per share, the original issue price of Series C preferred stock is $0.715 per share and the original issue price of Series AA preferred stock is $0.80 per share. The initial conversion price per share of preferred stock is the original issue price. The conversion price is subject to adjustment for recapitalization (i.e., stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event).

Each share of preferred stock shall automatically convert into shares of common stock at the then effective conversion price for each such share immediately upon the earlier of (i) the Company's sale of its common stock in a firm commitment of an underwritten public offering pursuant to a registration statement under the

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Securities Act of 1933, as amended, in which the public offering price per share is not less than $3.58 (as adjusted for recapitalizations) and the aggregate gross proceeds to the Company are not less than $25,000; or (ii) upon the receipt by the Company of a written request for such conversion from the holders of at least a majority of the preferred stock then outstanding, or, if later, the effective date for conversion specified in such request (each of the events referred to in (i) and (ii) is referred to herein as an "Automatic Conversion Event").

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the preferred stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of the common stock by reason of their ownership of such stock, an amount per share for each share of preferred stock held by them equal to the sum of (i) the Liquidation Preference specified for such share of preferred stock, $0.45 per share of Series A, $0.65 per share of Series B, $0.715 per share of Series C, and $0.80 per share of Series AA; and (ii) all declared but unpaid dividends (if any) on such share of preferred stock.

If, upon the liquidation, dissolution or winding up of the Company, the assets of the Company legally available for distribution to the holders of the preferred stock are insufficient to permit the payment to such holders of the full amounts, then the entire assets of the corporation legally available for distribution shall be distributed with equal priority and pro rata among the holders of the preferred stock in proportion to the full amounts they would otherwise be entitled to receive.

After the payment or setting aside for payment to the holders of preferred stock of the full amounts specified above, the entire remaining assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the preferred stock and common stock then outstanding in proportion to the number of shares of common stock held by them, with each share of preferred stock being treated for this purpose as if it had been converted to common stock at the then applicable Conversion Rate. A sale of all or substantially all of the Company's assets or merger or consolidation of the Company with another entity is treated as a liquidation unless, following such transaction, the Company stockholders directly or indirectly own, in the aggregate, 50% or more of the total voting power of the surviving or acquiring entity.

Voting

The holder of each share of Preferred Stock is entitled to the number of votes equal to the number of shares of Common Stock into which each share of preferred stock can be converted.

Redemption

The Series A, B, C, and AA convertible preferred stock are not currently redeemable.

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NOTE 8 – PREFERRED STOCK WARRANT LIABILITIES

The Company classifies its convertible preferred stock warrants as liabilities on the accompanying consolidated balance sheets. As of December 31, 2015 and 2016 and June 30, 2017, the preferred stock warrant liabilities were $347, $693, and $886.

The key terms of the preferred stock warrants are summarized in the following table:

	Warrants Outstanding				
	Warrants Outstanding December 31, 2015	Warrants Outstanding December 31, 2016	Warrants Outstanding June 30, 2017 (unaudited)	Exercise Price	Expiration
Series C preferred stock warrants	2,746,517	2,746,517	2,746,517	$ 0.715	Various dates in 2023-2024
Series C preferred stock warrants	1,104,895	1,104,895	1,104,895	0.715	May 19, 2025
Total preferred stock warrants	3,851,412	3,851,412	3,851,412		

The exercise price is not fixed and may be adjusted to the price per share paid by investors in a qualified financing in the event the price per share is less than the $0.715 per share.

The warrants are immediately exercisable in whole or in part over the term of the warrants. In the event of a Qualified IPO, some of the Company's outstanding preferred stock warrants expire twelve months after the IPO, while the remaining warrants expire according to the original term. During the year ended December 31, 2015 and 2016 and the six months ended June 30, 2017, no warrants were exercised.

At each reporting date, the Company remeasures the convertible preferred stock warrants to fair value using a probability weighed expected return method ("PWERM") that uses an OPM, together with a Monte Carlo simulation to incorporate the anti-dilution provisions on the convertible preferred stock, to allocate the estimated value of the Company. The OPM treats classes of stock as call options on a company's enterprise value which takes into consideration differences in the right of various securities including rights to dividends, liquidation preferences, and conversion rights. The OPM prices the call option using the Black-Scholes model. The PWERM relies on a forward-looking analysis to predict the possible future value of a company by weighing discrete future outcomes. The fair value of preferred stock warrants was determined using the following assumptions:

	Year Ended December 31,		Six Months Ended June 30,
	2015	2016	2017 (unaudited)
Expected term (years)	7.98-9.39	2.00	1.50
Risk-free interest rate	0.65%	1.20%	1.31%
Expected volatility	75.7%	70.9%	66.7%

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The assumptions used in calculating the estimated fair market value at each reporting period represent the Company's best estimate, however inherent uncertainties are involved. As a result, if factors or assumptions change the warrant liability, the estimated fair value could be materially different.

The estimated expected volatility was derived from historical volatilities of several unrelated publicly listed peer companies over a period approximately equal to the remaining term of the warrants. When making the selections of the Company's industry peer companies to be used in the volatility calculation, the Company considered the size and operational and economic similarities to the Company's principle business operations. The estimated expected term represents either the lesser of (i) the remaining contractual term of the warrants or (ii) the remaining term under probable scenarios used to determine the fair value of the underlying stock. The risk-free interest rate was based on the U.S. Treasury yield for a term consistent with the estimated expected term. The significant unobservable inputs used in the fair value measurement of the convertible preferred stock warrant liability are the fair value of the underlying stock at the valuation date, the expected volatility, and the estimated term of the warrants. Generally, increases (decreases) in the fair value of the underlying stock, expected volatility and expected term would result in a directionally similar impact to the fair value measurement.

NOTE 9 – COMMON STOCK RESERVED FOR ISSUANCE

The Company is required to reserve and keep available out of its authorized but unissued shares of common stock a number of shares sufficient to effect the conversion of all outstanding shares of convertible preferred stock (and preferred stock warrants), plus options granted and available for grant under the incentive plans.

	December 31,		June 30,
	2015	2016	2017
			(unaudited)
Conversion of outstanding Series A convertible preferred stock	25,092,906	25,092,906	25,092,906
Conversion of outstanding Series B convertible preferred stock	38,461,538	38,461,538	38,461,538
Conversion of outstanding Series C convertible preferred stock	127,314,133	145,369,313	160,663,533
Conversion of outstanding Series AA convertible preferred stock	2,500,000	2,500,000	2,500,000
Outstanding preferred stock warrants	3,851,412	3,851,412	3,851,412
Outstanding and issued stock options	14,107,176	18,317,656	19,398,976
Shares reserved for future option grants	6,573,479	3,923,067	2,795,080
Total common stock reserved for issuance	217,900,644	237,515,892	252,763,445

NOTE 10 – STOCK OPTION PLAN

In 2005, the Company established its 2005 Stock Option Plan (the "2005 Plan"), which provides for the granting of stock options to employees, directors, and consultants of the Company. Options granted under

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the Plan may be either incentive stock options ("ISOs") or non-statutory stock options ("NSOs"), as determined by the Administrator at the time of grant. The term and vesting period of each option shall be stated in the option agreements. However, the term shall be no more than ten years from the date of the grant and the vesting period shall be generally four years. In the case of an ISO granted to an optionee who, at the time the option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company, the term of the option shall be five years from the date of grant or such shorter term as may be provided in the option agreement.

In 2015, the Company established its 2015 Equity Incentive Plan (the "2015 Plan"), which will supersede and replace the 2005 Plan. A total of 22,216,556 shares have been reserved for issuance under the 2005 Plan and 2015 Plan.

The Company recognized stock-based compensation expense for its employees and non-employees in the accompanying consolidated statements of operations as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	(unaudited)
Cost of revenue	$ 12	$ 12	$ 7	$ 5
Research and development	116	102	53	51
Sales and marketing	140	85	50	35
General and administrative	161	267	80	140
Total stock-based compensation	$ 429	$ 466	$ 190	$ 231

Determination of Fair Value

The estimated grant-date fair value of all of the Company's stock-based awards was calculated using the Black-Scholes-Merton option pricing model, based on the following assumptions:

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016	2017
			(unaudited)	(unaudited)
Expected term (years)	5.00-6.07	5.53-6.11	5.94-6.06	4.95-7.50
Risk-free interest rate	1.47-1.82%	1.30-1.84%	1.33-1.48%	1.77-2.13%
Expected volatility	51.93-58.21%	52.71-56.58%	53.06-53.23%	51.62-53.58%
Dividend yield	0%	0%	0%	0%

The fair value of each stock option grant was determined by the Company using the methods and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment and estimation by management.

Expected Term—The expected term represents the period that stock-based awards are expected to be outstanding. The expected term for option grants is determined using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the stock-based awards. The expected term for options issued to non-employees is the contractual term.

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Expected Volatility—Since the Company does not have a trading history for its common stock, the expected volatility was derived from the historical stock volatilities of comparable peer public companies within its industry that are considered to be comparable to the Company's business over a period equivalent to the expected term of the stock-based awards.

Risk-Free Interest Rate—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the stock-based awards' expected term.

Expected Dividend Rate—The expected dividend is zero as the Company has not paid nor does it anticipate paying any dividends on its common stock in the foreseeable future.

Forfeiture Rate—The forfeiture rate is estimated based on an analysis of actual forfeitures. Management will continue to evaluate the adequacy of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover behavior and other factors. The impact from any forfeiture rate adjustment would be recognized in full in the period of adjustment and if the actual number of future forfeitures differs from management's estimates, the Company might be required to record adjustments to stock-based compensation in future periods.

Fair Value of Common Stock—Because there is no public market for the Company's common stock as the Company is a private company, the Company's board of directors has determined the fair value of the common stock by considering a number of objective and subjective factors, including having valuations of its common stock performed by an unrelated valuation specialist, valuations of comparable peer public companies, sales of the Company's convertible preferred stock to unrelated third parties, operating and financial performance, the lack of liquidity of the Company's capital stock, and general and industry-specific economic outlook. The fair value of the Company's common stock will be determined by the Company's board of directors until such time as the Company's common stock is listed on an established stock exchange.

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The following table summarizes stock option activity under the Company's stock option plan:

	Number of Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding—January 1, 2015	12,584,689	$ 0.18		
Options granted	5,329,300	0.18		
Options exercised	(799,010)	0.14		
Options cancelled	(2,946,763)	0.14		
Options expired	(61,040)	0.23		
Outstanding—December 31, 2015	14,107,176	0.19	7.9	$ 0
Options granted	11,796,440	0.17		
Options exercised	(202,187)	0.20		
Options cancelled	(7,373,773)	0.20		
Options expired	(10,000)	0.05		
Outstanding—December 31, 2016	18,317,656	0.18	8.7	$ 14
Options granted (unaudited)	1,338,700	0.17		
Options exercised (unaudited)	(46,667)	0.18		
Options cancelled (unaudited)	(210,713)	0.19		
Outstanding—June 30, 2017 (unaudited)	19,398,976	$ 0.18	8.36	$ 684
Vested and expected to vest—December 31, 2016	13,772,705	$ 0.18	8.5	$ 14
Exercisable—December 31, 2016	8,628,608	$ 0.18	8.0	$ 14
Vested and expected to vest—June 30, 2017 (unaudited)	15,774,874	$ 0.18	8.2	$ 541
Exercisable—June 30, 2017 (unaudited)	8,554,462	$ 0.18	7.2	$ 253

The weighted-average grant date fair value of options granted was $0.11 and $0.09 per share for years ended December 31, 2015 and 2016, and $0.09 and $0.10 per share for the six months ended June 30, 2016 and 2017.

The total intrinsic value of options exercised was $47 and $0 for the years ended December 31, 2015 and 2016 and $0 for the six months ended June 30, 2016 and 2017.

Unamortized stock-based compensation was $760 and $765 as of December 31, 2015 and 2016, which is expected to be recognized over a weighted-average period of approximately 2.61 and 2.96 years. Unamortized stock-based compensation was $716 and $736 as of June 30, 2016 and 2017, which is expected to be recognized over a weighted average period of approximately 2.23 and 2.71 years.

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NOTE 11 – INCOME TAXES

The geographical breakdown of loss before provision for income taxes is as follows:

	Year Ended December 31,	
	2015	2016
Domestic	$ (22,535)	$ (21,696)
Foreign	(436)	(150)
Net loss before provision for income taxes	$ (22,971)	$ (21,846)

The components of the provision for income taxes are as follows:

	Year Ended December 31,	
	2015	2016
Current tax provision:		
Federal	$ —	$ —
State	4	4
Foreign	17	16
Total current tax provision	21	20
Deferred tax provision (benefit):		
State	(4)	(4)
Foreign	(17)	(16)
Total deferred tax benefit	$ (21)	$ (20)
Total provision for income taxes	$ —	$ —

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

A valuation allowance is provided when it is more likely than not that the deferred tax assets will not be realized. The Company has established a valuation allowance to offset net deferred tax assets for all periods presented due to the uncertainty of realizing future tax benefits from net operating loss carryforwards and other deferred tax assets. The valuation allowance increased by $7,698 and $7,634 for the years ended December 31, 2015 and 2016.

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(in thousands, except share and per share data)

Our effective tax rate substantially differed from the federal statutory tax rate of 34% primarily due to the change in the valuation allowance for our deferred tax assets. A reconciliation of income taxes at the statutory federal income tax rate to the total current provision for income taxes included in the consolidated statements of operations is as follows:

	Year Ended December 31,	
	2015	2016
U.S. federal statutory income tax at 34%	$ (7,973)	$ (7,306)
Research tax credits	(82)	(99)
Stock-based compensation	125	102
Other	599	117
Change in valuation allowance	7,352	7,206
Total current tax provision	$ 21	$ 20
Total deferred tax benefit	$ (21)	$ (20)
Total provision for income taxes	$ —	$ —

Significant components of the Company's net deferred tax assets were as follows:

	Year Ended December 31,	
	2015	2016
Net operating loss carry forward – Federal and State	$ 43,530	$ 50,891
Net operating loss carry forward – Foreign	148	213
Research and development credits	2,284	2,456
Accrual and reserves	1,539	1,575
Total deferred tax assets	47,501	55,135
Less: valuation allowance	(47,501)	(55,135)
Net deferred tax assets	$ —	$ —

As of December 31, 2016, the Company had federal and state net operating loss ("NOL") carryforwards of approximately $138,464 and $94,444. The use of these NOL carryforwards might be subject to limitation under the rules regarding a change in stock ownership as determined by the IRC and similar state provisions (the "Code"); however, a complete analysis of the limitation of the NOL carryforwards will not be complete until the time the Company projects it will be able to utilize such NOLs. The NOL carryforwards expire between 2017 and 2036. In addition, as of December 31, 2016, the Company also had NOL carryforwards in South Korea of approximately $881 which begin to expire in 2025.

The Company also had federal and state research and development credit carryforwards of approximately $2,021 and $2,256, as of December 31, 2016. The federal credits will expire starting in 2025 if not utilized. The state credits have no expiration date.

Utilization of the research and development credit carryforwards may be subject to an annual limitation due to the ownership percentage change limitations provided by the Code. However, the Company has not

RESTORATION ROBOTICS, INC.

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conducted a formal study to determine the extent of the limitations, which could impact the realizability of these credit carryforwards in future periods. The annual limitations may result in the expiration of the net operating losses and research and development credits before utilization.

The Company has not provided for U.S. income taxes on undistributed earnings of its foreign subsidiaries because it intends to permanently re-invest these earnings outside the U.S. The cumulative amount of such undistributed earnings upon which no U.S. income taxes have been provided was $114 as of December 31, 2016. It is not practicable to determine the income tax liability that might be incurred if these earnings were to be repatriated to the U.S.

Under the provisions of Section 382 of the IRC, net operating loss and credit carryforwards and other tax attributes may be subject to limitation if there has been a significant change in ownership of the Company, as defined by the IRC. Future owner of equity shifts, including an initial public offering, could result in limitations on net operating loss carryforwards.

Uncertain Tax Positions

The activity related to the gross amount of unrecognized tax benefits is as follows:

	Year Ended December 31,	
	2015	2016
Balance as of beginning of the year	$ 1,137	$ 1,186
Decreases related to tax positions taken in prior period	(4)	—
Increases related to tax positions taken in prior period	—	16
Increases related to tax positions taken during the current period	53	81
Balance at the end of the year	$ 1,186	$ 1,283

These amounts are related to certain deferred tax assets with a corresponding valuation allowance. If recognized, the impact on the Company's effective tax rate would not be material due to the full valuation allowance. Management believes that there will not be any significant changes in our unrecognized tax benefits in the next 12 months.

The Company recognizes interest and penalties related to unrecognized tax benefits in the provision for income taxes in the accompanying consolidated statement of operations. Accrued interest and penalties, if applicable, are included in accrued liabilities in the consolidated balance sheet. For the years ended December 31, 2015 and 2016 and for the six months ended June 30, 2017, the Company did not recognize any accrued interest and penalties.

The Company files income tax returns in the United States and in various state jurisdictions with varying statutes of limitations. The federal statute of limitation remains open for the 2011 tax year to present. The state income tax returns generally remain open for the 2010 tax years through present. The foreign income tax returns remain open for the years 2014 tax years through the present. The use of any net operating losses may reopen the years 2003 and later.

RESTORATION ROBOTICS, INC.

Notes to Consolidated Financial Statements
(Information as of June 30, 2017 and
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(in thousands, except share and per share data)

NOTE 12 – GEOGRAPHIC INFORMATION

The following table reflects revenue by geographic area by customer location (in thousands):

	Year Ended December 31,		Six Months Ended June 30,	
	2015	2016	2016 (unaudited)	2017 (unaudited)
United States	$ 8,252	$ 6,736	$ 2,756	$ 4,813
Europe and Middle East	2,940	3,112	1,175	3,127
Asia Pacific	2,989	3,552	1,735	2,319
Rest of World	3,049	2,200	1,080	1,005
Total revenue	$ 17,230	$ 15,600	$ 6,746	$ 11,264

As of December 31, 2015 and 2016 and as of June 30, 2016 and 2017, all long-term assets were located within the United States.

NOTE 13 – RELATED PARTY TRANSACTIONS

The Company has engaged in a commercial transaction with a member of the board of directors. The aggregate revenue for this transaction was $240 for the year ended December 31, 2016. The Company received an additional $10 of revenue from this member of the board of directors for the six months ended June 30, 2017. There were no accounts receivable due from this member of the board of directors as of December 31, 2016. The Company had no related party transactions with this board of director member during the year ended December 31, 2015 or for the six months ended June 30, 2017.

NOTE 14 – SUBSEQUENT EVENTS

The Company has evaluated subsequent events through July 7, 2017, the date on which the audited consolidated financial statements were available to be issued.

In April, May, and June 2017, the Company issued an additional 15,294,220 shares of its Series C convertible preferred stock at a price of $0.715 per share for net proceeds of $10,225. The Series C convertible shares that were issued have the same terms as the other outstanding shares of Series C convertible preferred stock (see Note 8).

Subsequent Events—Unaudited

The Company evaluated its June 30, 2017 unaudited consolidated financial statements for subsequent events through August 15, 2017, the date the unaudited consolidated financial statements were available to be issued. The Company has concluded that no subsequent event has occurred that requires disclosure.

Through and including , 2017 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Shares

Common Stock

PROSPECTUS

Sole Book-Running Manager

National Securities Corporation

Co-Managers

Roth Capital Partners **Craig-Hallum Capital Group**

, 2017

PART II

Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than the underwriting discount, payable by the registrant in connection with the sale of Common Stock being registered. All amounts are estimates except for the Securities and Exchange Commission, or SEC, registration fee, the FINRA filing fee and The NASDAQ Global Market listing fee.

Item	Amount to be paid
SEC registration fee	$ 3,332
FINRA filing fee	*
The NASDAQ Global Market Listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky, qualification fees and expenses	*
Transfer Agent fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers.

As permitted by Section 102 of the Delaware General Corporation Law, we have adopted provisions in our amended and restated certificate of incorporation and bylaws that limit or eliminate the personal liability of our directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions or other distributions or payment of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission. Our amended and restated certificate of incorporation also authorizes us to indemnify our officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws provide that:

- we may indemnify our directors, officers, and employees to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions;

- we may advance expenses to our directors, officers and employees in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions; and
- the rights provided in our amended and restated bylaws are not exclusive.

Our amended and restated certificate of incorporation, to be attached as Exhibit 3.2 hereto, and our amended and restated bylaws, to be attached as Exhibit 3.4 hereto, provide for the indemnification provisions described above and elsewhere herein. We have entered into and intend to continue to enter into separate indemnification agreements with our directors and officers which may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements generally require us, among other things, to indemnify our officers and directors against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified. In addition, we have purchased a policy of directors' and officers' liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended, or the Securities Act.

The form of Underwriting Agreement, to be attached as Exhibit 1.1 hereto, provides for indemnification by the underwriters of us and our officers who sign this Registration Statement and directors for specified liabilities, including matters arising under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

The following list sets forth information as to all securities we have sold since January 1, 2014, which were not registered under the Securities Act.

1. Since January 30, 2014, we issued an aggregate of 96,327,870 shares of our Series C preferred stock at a price per share of $0.715 for aggregate proceeds to us of $68,874,427.05 million.
2. On August 27, 2014, we issued warrants to purchase an aggregate of 1,645,120 shares of our Series C preferred stock to National Securities Corporation and their affiliates at a per share exercise price of $0.715.
3. In connection with our entrance into the term loan with Oxford Finance LLC, or Oxford, on May 19, 2015, we issued warrants to purchase an aggregate of 1,104,895 shares of our Series C preferred stock to Oxford at a per share exercise price of $0.715.
4. We granted stock options and stock awards to employees, directors and consultants under our 2005 Stock Plan and 2015 Equity Incentive Plan, covering an aggregate of 22,811,940 shares of common stock, at a weighted-average average exercise price of $0.17 per share. Of these, options covering an aggregate of 5,225,839 shares were cancelled without being exercised .
5. We sold an aggregate of 1,158,622 shares of common stock to employees, directors and consultants for cash consideration in the aggregate amount of approximately $175,979.39 upon the exercise of stock options and stock awards.

We claimed exemption from registration under the Securities Act for the sale and issuance of securities in the transactions described in paragraphs (1)-(3) by virtue of Section 4(a)(2) and/or Regulation D promulgated thereunder as transactions not involving any public offering. All of the purchasers of unregistered securities for which we relied on Section 4(a)(2) and/or Regulation D represented that they were accredited investors as defined under the Securities Act. We claimed such exemption on the basis that (a) the purchasers in each case

represented that they intended to acquire the securities for investment only and not with a view to the distribution thereof and that they either received adequate information about the registrant or had access, through employment or other relationships, to such information and (b) appropriate legends were affixed to the stock certificates issued in such transactions.

We claimed exemption from registration under the Securities Act for the sales and issuances of securities in the transactions described in paragraphs (4) and (5) above under Section 4(a)(2) of the Securities Act in that such sales and issuances did not involve a public offering or under Rule 701 promulgated under the Securities Act, in that they were offered and sold either pursuant to written compensatory plans or pursuant to a written contract relating to compensation, as provided by Rule 701.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits. See the Exhibit Index attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in San Jose, California on September 1, 2017.

Restoration Robotics, Inc.

By: /s/ Ryan Rhodes
Ryan Rhodes
President and Chief Executive Officer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Ryan Rhodes and Charlotte Holland, and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement, including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/ Ryan Rhodes Ryan Rhodes	President, Chief Executive Officer and Director *(Principal Executive Officer)*	September 1, 2017
/s/ Charlotte Holland Charlotte Holland	Chief Financial Officer *(Principal Financial and Accounting Officer)*	September 1, 2017
/s/ Frederic Moll Frederic Moll, M.D.	Chairman and Director	September 1, 2017
/s/ Jeffrey Bird Jeffrey Bird, M.D., Ph.D.	Director	September 1, 2017
/s/ Gil Kliman Gil Kliman, M.D.	Director	September 1, 2017
/s/ Emmett Cunningham, Jr. Emmett Cunningham, Jr., M.D., Ph.D.	Director	September 1, 2017
/s/ Craig Taylor Craig Taylor	Director	September 1, 2017
/s/ Shelley Thunen Shelley Thunen	Director	September 1, 2017

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Form	Date	Number	Filed Herewith
1.1*	Form of Underwriting Agreement.				
3.1	Amended and Restated Certificate of Incorporation, as amended, currently in effect.				X
3.2*	Form of Amended and Restated Certificate of Incorporation, effecting a stock split, to be in effect prior to the effectiveness of this registration statement.				
3.3*	Form of Amended and Restated Certificate of Incorporation, to be in effect at the time of consummation of this offering.				
3.4	Bylaws, currently in effect.				X
3.5*	Form of Amended and Restated Bylaws, to be in effect at the time of consummation of this offering.				
4.1	Reference is made to Exhibits 3.1 through 3.5.				
4.2*	Form of Common Stock Certificate.				
5.1*	Opinion of Latham & Watkins LLP.				
10.1	Manufacturing Agreement for Systems, dated March 1, 2016, by and between Evolve Manufacturing Technologies Inc. and the Company.				X
10.2	Manufacturing Agreement for Consumables, dated April 1, 2016, by and between Evolve Manufacturing Technologies Inc. and the Company.				X
10.3	Component Pricing Agreement, dated August 1, 2016, by and between Evolve Manufacturing Technologies Inc. and the Company.				X
10.4	First Amendment to Component Pricing Agreement, dated August 30, 2017, by and between Evolve Manufacturing Technologies Inc. and the Company.				X
10.5	Lease Agreement, dated April 16, 2012, by and between Legacy Partners I San Jose, LLC and the Company.				X
10.6	First Amendment to Lease Agreement, dated April 27, 2016, by and between G&I VIII Baytech LP and the Company and Tenant Estoppel Certificate, dated March 30, 2017, acknowledging Bridge III CA Alviso Tech Park, LLC as successor-in-interest to Landlord thereto.				X
10.7†	License Agreement, dated July 25, 2006 by and between the Company, James A. Harris, M.D. and HSC Development LLC.				X
10.8†	First Amendment to License Agreement, dated January 5, 2009, by and between the Company, James A. Harris, M.D. and HSC Development LLC.				X

Exhibit Number	Exhibit Description	Form	Date	Number	Filed Herewith
10.9†	Second Amendment to License Agreement, dated February 23, 2015, by and between the Company, James A. Harris, M.D. and HSC Development LLC.				X
10.10	Amended and Restated Investors' Rights Agreement, dated February 7, 2013, by and among the Company and the investors listed therein, as amended.				X
10.11	Form of Warrant to Purchase Stock dated August 27, 2014, issued to National Securities Corporation.				X
10.12	Loan and Security Agreement, dated May 19, 2015, by and between the Company and Oxford Finance LLC.				X
10.13	First Amendment to Loan and Security Agreement, dated September 15, 2015, by and between Oxford Finance LLC and the Company.				X
10.14	Secured Promissory Note, dated May 19, 2015, by and between Oxford Finance LLC and the Company to purchase 276,224 shares of Series C Preferred Stock.				X
10.15	Secured Promissory Note, dated May 19, 2015, by and between Oxford Finance LLC and the Company to purchase 220,979 shares of Series C Preferred Stock.				X
10.16	Secured Promissory Note, dated May 19, 2015, by and between Oxford Finance LLC and the Company to purchase 220,979 shares of Series C Preferred Stock.				X
10.17	Secured Promissory Note, dated May 19, 2015, by and between Oxford Finance LLC and the Company to purchase 220,979 shares of Series C Preferred Stock.				X
10.18	Secured Promissory Note, dated May 19, 2015, by and between Oxford Finance LLC and the Company to purchase 165,734 shares of Series C Preferred Stock.				X
10.19#	2005 Stock Plan.				X
10.20#	Form of Notice of Stock Option Grant and Stock Option Agreement under 2005 Stock Plan.				X
10.21#	Form of Notice of Stock Option Grant and Stock Option Agreement to International Optionees under 2005 Stock Plan.				X
10.22#	2015 Equity Incentive Plan.				X
10.23#	Form of Stock Option Grant Notice and Stock Option Agreement under 2015 Equity Incentive Plan.				X
10.24#	Form of Stock Purchase Right Grant Notice and Restricted Stock Purchase Agreement under 2015 Equity Incentive Plan.				X
10.25*#	2017 Equity Incentive Award Plan.				
10.26*#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2017 Incentive Award Plan.				

Exhibit Number	Exhibit Description	Form	Date	Number	Filed Herewith
10.27*#	Form of Restricted Stock Award Grant Notice and Restricted Stock Award Agreement under the 2017 Incentive Award Plan.				
10.28*#	Form of Restricted Stock Unit Award Grant Notice and Restricted Stock Unit Award Agreement under the 2017 Incentive Award Plan.				
10.29*#	Employee Stock Purchase Plan.				
10.30#	Employment Agreement, dated September 21, 2016, by and between Ryan Rhodes and the Company.				X
10.31#	Employment Letter Agreement, dated November 29, 2011, by and between Charlotte Holland and the Company.				X
10.32#	Employment Letter Agreement, dated September 4, 2008, by and between Gabriele Zingaretti and the Company.				X
10.33#	Transition and Separation Agreement, dated April 1, 2016, by and between James W. McCollum and the Company.				X
10.34#	Separation Letter Agreement, dated August, 3, 2016, by and between Lisa Edone and the Company.				X
10.35*#	Non-Employee Director Compensation Program.				
10.36*#	Form of Indemnification Agreement for directors and officers.				
21.1	List of Subsidiaries.				X
23.1	Consent of Grant Thornton LLP, independent registered public accounting firm.				X
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).				
24.1	Power of Attorney. Reference is made to the signature page to the Registration Statement.				X

* To be filed by amendment.

\# Indicates management contract or compensatory plan.

† Portions of this exhibit (indicated by asterisks) are omitted pursuant to a request for confidential treatment that will be separately filed with the Securities and Exchange Commission.

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION OF

RESTORATION ROBOTICS, INC.

Restoration Robotics, Inc., (the "**Corporation**"), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**DGCL**") certifies that:

A. The name of the Corporation is Restoration Robotics, Inc. The Corporation was originally incorporated pursuant to the DGCL on November 22, 2002 under the name Restoration Robotics, Inc.

B. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the DGCL, and restates, integrates and further amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation.

C. The text of the Amended and Restated Certificate of Incorporation is amended and restated to read as follows:

ARTICLE I

The name of the corporation is Restoration Robotics, Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, 19801. The name of the registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV

The total number of shares of stock that the Corporation shall have authority to issue is 530,644,444 shares, consisting of 322,490,000 shares of Common Stock, $0.0001 par value per share, and 208,154,444 shares of Preferred Stock, $0.0001 par value per share, 25,092,906 shares of which are designated "**Series A Preferred Stock**", 38,461,538 shares of which are designated "**Series B Preferred Stock**", 142,100,000 shares of which are designated "**Series C Preferred Stock**" and 2,500,000 shares of which are designated as "**Series AA Preferred Stock**."

The Corporation shall from time to time in accordance with the laws of the State of Delaware increase the authorized amount of its Common Stock if at any time the number of shares of Common Stock remaining unissued and available for issuance upon conversion of the Preferred Stock shall not be sufficient to permit conversion of the Preferred Stock.

ARTICLE V

The terms and provisions of the Common Stock and Preferred Stock are as follows:

1. Definitions. For purposes of this Article V, the following definitions shall apply:

(a) "**Conversion Price**" shall mean $0.45 per share for the Series A Preferred Stock, $0.65 per share for the Series B Preferred Stock, $0.715 per share for the Series C Preferred Stock and $0.80 per share for the Series AA Preferred Stock (in each case, subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein).

(b) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities convertible into or exchangeable for Common Stock or Preferred Stock.

(c) "**Corporation**" shall mean Restoration Robotics, Inc.

(d) "**Distribution**" shall mean the transfer to holders of Common Stock or Preferred Stock of cash or other property without consideration whether by way of dividend or otherwise, other than dividends on Common Stock payable in Common Stock, or the purchase or redemption of shares of the Corporation for cash or property other than: (i) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries at a price not greater than the amount paid by such person for such shares upon termination of their employment or services pursuant to agreements providing for the right of said repurchase, (ii) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right, (iii) the repurchase of capital stock of the Corporation in connection with the settlement of disputes with any stockholder or unanimously approved by the Board of Directors, and (iv) any other repurchase or redemption of capital stock of the Corporation approved by holders of at least a majority of the then outstanding shares of Preferred Stock of the Corporation, voting as a separate class on an as-converted to Common Stock basis.

(e) "**Dividend Rate**" shall mean an annual rate of 10% of the Original Issue Price per share of the corresponding series of Preferred Stock.

(f) "**Liquidation Preference**" shall mean $0.45 per share for the Series A Preferred Stock, $0.65 per share for the Series B Preferred Stock, $0.715 per share for the Series C Preferred Stock and $0.80 per share for the Series AA Preferred Stock (in each case, subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein).

(g) "**Options**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(h) "**Original Issue Price**" shall mean $0.45 per share for the Series A Preferred Stock, $0.65 per share for the Series B Preferred Stock, $0.715 per share for the Series C Preferred Stock and $0.80 per share for the Series AA Preferred Stock (in each case, subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein).

(i) "**Preferred Stock**" shall mean the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series AA Preferred Stock.

(j) "**Recapitalization**" shall mean any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event.

(k) "**Senior Preferred Stock**" shall mean the Series A Preferred Stock, Series B Preferred Stock and the Series C Preferred Stock.

2. Dividends.

(a) Preferred Stock. In any calendar year, the holders of outstanding shares of Preferred Stock shall be entitled to receive dividends, when and as declared by the Board of Directors, out of any assets at the time legally available therefor, at the Dividend Rate specified for such shares of Preferred Stock payable in preference and priority to any declaration or payment of any Distribution on Common Stock of the Corporation in such calendar year. No Distributions shall be made with respect to the Common Stock until all declared dividends on the Preferred Stock have been paid or set aside for payment to the Preferred Stock holders. The right to receive dividends on shares of Preferred Stock shall not be cumulative, and no right to such dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared or paid in any calendar year.

(b) Additional Dividends. After the payment or setting aside for payment of the dividends or described in Section 2(a), any additional dividends (other than dividends on Common Stock payable solely in Common Stock) declared or paid in any fiscal year shall be declared or paid among the holders of the Preferred Stock and Common Stock then outstanding in proportion to the greatest whole number of shares of Common Stock which would be held by each such holder if all shares of Preferred Stock were converted at the then-effective Conversion Rate (as defined in Section 4 hereof).

(c) Non-Cash Distributions. Whenever a Distribution provided for in this Section 2 shall be payable in property other than cash, the value of such Distribution shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors.

(d) Consent to Certain Distributions. As authorized by Section 402.5(c) of the California Corporations Code, Sections 502 and 503 of the California Corporations Code shall not apply with respect to payments made by the Corporation in connection with (i) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries at a price not greater than the amount paid by such person for such shares upon termination of their employment or services pursuant to agreements providing for the right of said repurchase or (ii) repurchases of Common Stock issued to or held by employees, officers, directors or consultants of the Corporation or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right, which agreements were authorized by the Board of Directors.

3. Liquidation Rights.

(a) Senior Preferred Stock Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary (a "**Liquidation Event**"), the holders of Senior Preferred Stock shall be entitled to receive, prior and in preference to any Distribution of any of the assets or surplus funds of the Corporation to the holders of Series AA Preferred Stock and Common Stock by reason of their ownership of such stock, an amount per share for each share of Senior Preferred Stock held by them equal to the sum of (i) the Liquidation Preference for such share of Senior Preferred Stock and (ii) all declared and unpaid dividends on such share of Senior Preferred Stock (the "**Senior Preferred Liquidation Preference**"). If upon such Liquidation Event, the assets of the Corporation legally available for Distribution to the holders of Senior Preferred Stock are insufficient to permit the payment to such holders of the full Senior Preferred Liquidation Preference, then the entire assets of the Corporation legally available for Distribution shall be distributed with equal priority and pro rata among the holders of the Senior Preferred Stock ratably and in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Section 3(a).

(b) Series AA Preferred Stock Liquidation Preference. After payment or setting aside for payment to the holders of Senior Preferred Stock the Senior Preferred Liquidation Preference, the holders of Series AA Preferred Stock shall be entitled to receive, prior and in preference to any Distribution of any of the assets or surplus funds of the Corporation to the holders of Common Stock by reason of their ownership of such stock, an amount per share for each share of Series AA Preferred Stock held by them equal to the sum of (i) the Liquidation Preference for such share of Series AA Preferred Stock and (ii) all declared and unpaid dividends on such share of Series AA Preferred Stock (the "**Series AA Liquidation Preference**"). If upon Liquidation Event and after payment or setting aside for payment to the holders of Senior Preferred Stock the Senior Preferred Liquidation Preference, the assets of the Corporation legally available for Distribution to the holders of Series AA Preferred Stock are insufficient to permit the payment to such holders of the full Series AA Liquidation Preference, then the entire assets of the Corporation legally available for Distribution shall be distributed with equal priority and pro rata among the holders of the Series AA Preferred Stock ratably and in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Section 3(b).

(c) Remaining Assets. After the payment or setting aside for payment to the holders of Senior Preferred Stock the Senior Preferred Liquidation Preference and to the holders of Series AA Preferred Stock the Series AA Liquidation Preference, the entire remaining assets of the Corporation legally available for Distribution shall be distributed with equal priority and *pro rata* among the holders of the Preferred Stock and Common Stock then outstanding in proportion to the number of shares of Common Stock held by them, with each share of Preferred Stock being treated for this purpose as if it had been converted to Common Stock at the then applicable Conversion Rate.

(d) Reorganization. For purposes of this Section 3, unless otherwise agreed by holders of at least a majority of the outstanding shares of Preferred Stock, a Liquidation Event shall be deemed to be occasioned by, and to include, the Corporation's sale, conveyance or otherwise disposal of all or substantially all of its assets, the exclusive license of substantially all of the

Company's intellectual property, or the acquisition of this Corporation by another entity by means of merger or consolidation (whether effected by amendment of the Corporation's Certificate of Incorporation or otherwise) resulting in the exchange of the outstanding shares of this Corporation for securities or consideration issued, or caused to be issued, by the acquiring corporation or its subsidiary, pursuant to which the stockholders of the Corporation prior to such consolidation or merger hold less than 50% of the voting equity of the surviving or resulting entity.

(e) Valuation of Non-Cash Consideration. If any assets of the Corporation distributed to stockholders in connection with a Liquidation Event are other than cash, then the value of such assets shall be their fair market value as determined in good faith by the Board of Directors, except that any publicly-traded securities to be distributed to stockholders in a Liquidation Event shall be valued as follows:

(i) If the securities are then traded on a national securities exchange or national quotation system, then the value of the securities shall be deemed to be to the average of the closing prices of the securities on such exchange or system over the ten (10) trading day period ending five (5) trading days prior to the Distribution;

(ii) if the securities are actively traded over-the-counter, then the value of the securities shall be deemed to be the average of the closing bid prices of the securities over the ten (10) trading day period ending five (5) trading days prior to the Distribution.

In the event of a merger or other acquisition of the Corporation by another entity, the Distribution date shall be deemed to be the date such transaction closes.

For the purposes of this Section 3(e), "**trading day**" shall mean any day which the exchange or system on which the securities to be distributed are traded is open and "**closing prices**" or "**closing bid prices**" shall be deemed to be: (i) for securities traded primarily on the New York Stock Exchange, the American Stock Exchange or Nasdaq, the last reported trade price or sale price, as the case may be, at 4:00 p.m., New York time, on that day and (ii) for securities listed or traded on other exchanges, markets and systems, the market price as of the end of the regular hours trading period that is generally accepted as such for such exchange, market or system. If, after the date hereof, the benchmark times generally accepted in the securities industry for determining the market price of a stock as of a given trading day shall change from those set forth above, the fair market value shall be determined as of such other generally accepted benchmark times.

(f) In the event of a deemed liquidation, dissolution or winding up of the Corporation as described in Section 3(d) above, each holder of Preferred Stock shall be entitled to receive at the closing (and at each date after the closing on which additional amounts (such as earnout payments, escrow amounts or other contingent payments) are paid to stockholders of the Corporation as a result of the transaction) in cash, securities or other property (valued as provided in Section 3(e) above) an amount equal to the greater of: (1) the amount specified in Sections 3(a)-(c) above, as applicable; or (2) the amount that the holders of Preferred Stock would have been entitled to receive had they converted their shares of Preferred Stock into Common Stock immediately prior to such event at the then effective conversion price (taking into account all amounts previously paid to such holder under this Section 3).

4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

(a) Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the office of the Corporation or any transfer agent for the Preferred Stock, into that number of fully-paid, nonassessable shares of Common Stock determined by multiplying each share of Preferred Stock by the Conversion Rate (as defined below) then in effect for such Preferred Stock. The "**Conversion Rate**" for each such series shall be the quotient obtained by dividing the Original Issue Price for the relevant series of Preferred Stock by the Conversion Price for such series of Preferred Stock, calculated to the nearest hundredth. Upon any decrease or increase in the Conversion Price for any series of Preferred Stock, as described in this Section 4, the Conversion Rate for such series shall be appropriately increased or decreased.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into fully-paid, non-assessable shares of Common Stock at the then effective Conversion Rate for such share (i) immediately prior to the closing of a firm commitment underwritten public offering on the NASDAQ National Market or New York Stock Exchange pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "**Securities Act**"), covering the offer and sale of the Corporation's Common Stock, provided that the offering price per share of Common Stock (prior to underwriting commissions and offering expenses) is not less than $3.58 (as appropriately adjusted for Recapitalizations) and the aggregate gross proceeds (prior to underwriting commissions and offering expenses) to the Corporation are not less than $25,000,000 (a "**Qualified IPO**") or (ii) upon the receipt by the Corporation of a written request for such conversion from the holders of at least a majority of the Preferred Stock then outstanding, or, if later, the effective date for conversion specified in such election (each of the events referred to in (i) and (ii) are referred to herein as an "**Automatic Conversion Event**").

(c) Mechanics of Conversion. No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then fair market value of a share of Common Stock as determined by the Board of Directors. For such purpose, all shares of Preferred Stock held by each holder of Preferred Stock shall be aggregated, and, upon conversion, any resulting fractional share of Common Stock shall be paid in cash. Before any holder of Preferred Stock shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, they shall either (A) surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for the Preferred Stock or (B) notify the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and execute an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates, and shall give written notice to the Corporation at such office that they elect to convert the same; provided, however, that on the date of an Automatic Conversion Event, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent; provided further, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such Automatic Conversion Event unless either the certificates evidencing such shares of Preferred Stock are delivered to the Corporation or its transfer agent as provided above, or the holder notifies the Corporation or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. On the date of the occurrence of an Automatic Conversion Event, each holder of record of shares of Preferred Stock shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, notwithstanding that the certificates representing such shares of Preferred Stock shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any holder of record of shares of Preferred Stock, or that the certificates evidencing such shares of Common Stock shall not then be actually delivered to such holder.

The Corporation shall, as soon as practicable after such delivery, or after such agreement and indemnification, issue and deliver at such office to such holder of Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock, plus any declared and unpaid dividends on the converted Preferred Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date; provided, however, that if the conversion is in connection with an underwritten offer of securities registered pursuant to the Securities Act or a merger, sale or liquidation of the Corporation, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing of such transaction, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such transaction.

(d) Adjustments to Conversion Price for Diluting Issues.

(i) Special Definition. For purposes of this Section 4(d), "**Additional Shares of Common**" shall mean all shares of Common Stock issued (or, pursuant to Section 4(d)(iii), deemed to be issued) by the Corporation after the filing of this Amended and Restated Certificate of Incorporation, other than:

(1) shares of Common Stock issued or issuable upon conversion of Preferred Stock;

(2) shares of Common Stock (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein) issued or issuable to officers, directors and employees of, or consultants to, the Corporation pursuant to stock grants, option plans, purchase plans or other employee stock incentive programs or arrangements approved by the Board of Directors of the Corporation, or upon exercise of options or warrants granted to such parties pursuant to any such plan or arrangement (provided that any options for such shares that expire or terminate unexercised or any restricted stock repurchased by the Corporation at cost shall not be counted toward such maximum number unless and until such shares are regranted as new stock grants (or as new options) pursuant to the terms of any such plan, incentive program or arrangement); provided, further that a greater number of shares of Common Stock may be issued pursuant to such plans, incentive programs or arrangements if approved by the Board of Directors of the Corporation, including at least two (2) of the Preferred Directors;

(3) shares of Common Stock, Options or Convertible Securities issued to financial institutions or lessors in connection with commercial credit arrangements, equipment financings, commercial property lease transactions or similar transactions approved unanimously by the Board of Directors of the Corporation;

(4) shares of Common Stock issued or issuable upon the exercise or conversion of Options or Convertible Securities outstanding as of the date of the filing of this Certificate of Incorporation.

(5) shares of Common Stock issued in a Qualified IPO;

(6) shares of Common Stock issued or issuable as a dividend or Distribution on Preferred Stock or pursuant to any event for which adjustment is made pursuant to paragraph 4(e), 4(f) or 4(g) and 4(h) hereof;

(7) shares of Common Stock, Options or Convertible Securities issued in connection with bona fide acquisitions, mergers or similar transactions, the terms of which are approved by the Board of Directors of the Corporation, including a majority of the directors designated by the holders of Preferred Stock;

(8) shares of Common Stock issued or issuable to any entity as a component of any business relationship with such entity for the purpose of (A) joint venture, technology licensing or development activities, (B) distribution, supply or manufacture of the Corporation's products or services or (C) any other arrangements involving corporate partners that are primarily for purposes other than raising capital, the terms of which business relationship with such entity are approved unanimously by the Board of Directors of the Corporation; and

(9) any other shares of Common Stock issued or issuable, provided that holders of at least a majority of the outstanding shares of Preferred Stock agree that such shares shall not constitute Additional Shares of Common.

(ii) No Adjustment of Conversion Price. No adjustment in the Conversion Price of a particular series of Preferred Stock shall be made in respect of the issuance of Additional Shares of Common unless the consideration per share (as determined pursuant to Section 4(d)(v)) for an Additional Share of Common issued or deemed to be issued by the Corporation is less than the Conversion Price in effect on the date of, and immediately prior to such issue, for such series of Preferred Stock.

(iii) Deemed Issue of Additional Shares of Common. In the event the Corporation at any time or from time to time after the date of the filing of this Certificate of Incorporation shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities, the conversion or exchange of such Convertible Securities or, in the case of Options for Convertible Securities, the exercise of such Options and the conversion or exchange of the underlying securities, shall be deemed to have been issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which shares are deemed to be issued:

(1) no further adjustment in the Conversion Price of any series of Preferred Stock shall be made upon the subsequent issue of Convertible Securities or shares of Common Stock in connection with the exercise of such Options or conversion or exchange of such Convertible Securities;

(2) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Corporation or in the number of shares of Common Stock issuable upon the exercise, conversion or exchange thereof (other than a change pursuant to the anti-dilution provisions of such Options or Convertible Securities such as this Section 4(d) or pursuant to Recapitalization provisions of such Options or Convertible Securities such as Sections 4(e), 4(f), 4(g) and 4(h) hereof), the Conversion Price of each series of Preferred Stock and any subsequent adjustments based thereon shall be recomputed to reflect such change as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);

(3) no readjustment pursuant to clause (2) above shall have the effect of increasing the Conversion Price of a series of Preferred Stock to an amount above the Conversion Price that would have resulted from any other issuances of Additional Shares of Common and any other adjustments provided for herein between the original adjustment date and such readjustment date;

(4) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price of each series of Preferred Stock computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

(a) in the case of Convertible Securities or Options for Common Stock, the only Additional Shares of Common issued were the shares of Common Stock, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Corporation for the issue of such exercised Options plus the consideration actually received by the Corporation upon such exercise or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Corporation upon such conversion or exchange, and

(b) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Corporation for the Additional Shares of Common deemed to have been then issued was the consideration actually received by the Corporation for the issue of such exercised Options, plus the consideration deemed to have been received by the Corporation (determined pursuant to Section 4(d)(v)) upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

(5) if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this Section 4(d)(iii) as of the actual date of their issuance.

(iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common. In the event the Corporation shall issue Additional Shares of Common (including Additional Shares of Common deemed to be issued pursuant to Section 4(d)(iii)) without consideration or for a consideration per share less than the applicable Conversion Price of a Series of Preferred Stock in effect on the date of and immediately prior to such issue, then, the Conversion Price of the affected Series of Preferred Stock shall be reduced, concurrently with such issue, to a price (calculated to the nearest cent) determined by multiplying such Conversion Price by a fraction, (x) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of shares which the aggregate consideration received by the Corporation for the total number of Additional Shares of Common so issued would purchase at such Conversion Price, and (y) the denominator of which shall be the number of shares of Common Stock outstanding immediately prior to such issue plus the number of such Additional Shares of Common so issued. Notwithstanding the foregoing, the Conversion Price shall not be reduced at such time if the amount of such reduction would be less than $0.01, but any such amount shall be carried forward, and a reduction will be made with respect to such amount at the time of, and together with, any subsequent reduction which, together with such amount and any other amounts so carried forward, equal $0.01 or more in the aggregate. For the purposes of this Subsection 4(d)(iv), all shares of Common Stock issuable upon conversion of all outstanding shares of Preferred Stock and the exercise and/or conversion of any other outstanding Convertible Securities and all outstanding Options shall be deemed to be outstanding.

(v) Determination of Consideration. For purposes of this subsection 4(d), the consideration received by the Corporation for the issue (or deemed issue) of any Additional Shares of Common shall be computed as follows:

(1) Cash and Property. Such consideration shall:

(a) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with such issuance;

(b) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(c) in the event Additional Shares of Common are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (a) and (b) above, as reasonably determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common deemed to have been issued pursuant to Section 4(d)(iii) shall be determined by dividing

(a) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(b) the maximum number of shares of Common Stock issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities (as set forth in the instruments relating thereto, other than a change pursuant to the anti-dilution provisions of such Options or Convertible Securities such as this Section 4(d) or pursuant to Recapitalization provisions of such Options or Convertible Securities such as Sections 4(e), 4(f), 4(g) and 4(h) hereof).

(e) Adjustments for Subdivisions or Combinations of Common Stock. In the event the outstanding shares of Common Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Common Stock, the Conversion Price of each series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Common Stock shall be combined (by reclassification or otherwise) into a lesser number of shares of Common Stock, the Conversion Prices of each series of Preferred Stock in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(f) Adjustments for Subdivisions or Combinations of Preferred Stock. In the event the outstanding shares of Preferred Stock or a series of Preferred Stock shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of shares of Preferred Stock, the Original Issue Price and Liquidation Preference of the affected series of Preferred Stock in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding shares of Preferred Stock or a series of Preferred Stock shall be combined (by reclassification or otherwise)

into a lesser number of shares of Preferred Stock, the Original Issue Price and Liquidation Preference of the affected series of Preferred Stock in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

(g) Adjustment for Common Stock Dividends and Distributions. If the Corporation, at any time or from time to time after the date of filing of this Certificate of Incorporation, makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in shares of Common Stock, in each such event the Conversion Price then in effect for each series of Preferred Stock shall be decreased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect for such series of Preferred Stock by a fraction (i) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issues or the close of business on such record date and (ii) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; provided, however, that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price for each series of Preferred Stock shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this Section 4(g) to reflect the actual payment of such dividend or distribution.

(h) Adjustments for Reclassification, Exchange and Substitution. Subject to Section 3 above, if at any time or from time to time, the Common Stock issuable upon conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by recapitalization, capital reorganization, reclassification or otherwise (other than a subdivision, combination of shares or merger or sale of assets provided for above or in Section 3), then, in any such event, in lieu of the number of shares of Common Stock which the holders would otherwise have been entitled to receive, each holder of such Preferred Stock shall have the right thereafter to convert such shares of Preferred Stock into a number of shares of such other class or classes of stock which a holder of the number of shares of Common Stock deliverable upon conversion of such series of Preferred Stock immediately before that change would have been entitled to receive in such reorganization or reclassification, all subject to further adjustment as provided herein with respect to such other shares. In addition, to the extent applicable in any reorganization or recapitalization, provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such reorganization or recapitalization.

(i) No Impairment. The Corporation will not through any reorganization, transfer of assets, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation but will at all times in good faith assist in the carrying out of all the provisions of this Section 4 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of Preferred Stock against impairment. Notwithstanding the foregoing, nothing in this Section 4(i) shall prohibit the Corporation from amending its Certificate of Incorporation with the requisite consent of its stockholders and the Board of Directors.

(j) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Stock.

(k) Waiver of Adjustment of Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Stock may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of at least a majority of the then outstanding shares of such series. Any such waiver pursuant to the foregoing shall bind all future holders of shares of such series of Preferred Stock.

(l) Notices of Record Date. In the event that this Corporation shall propose at any time:

(i) to declare any dividend or Distribution upon its Common Stock, whether in cash, property, stock or other securities, whether or not a regular cash dividend and whether or not out of earnings or earned surplus;

(ii) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series of other rights;

(iii) to effect any reclassification or recapitalization of its Common Stock outstanding involving a change in the Common Stock; or

(iv) to voluntarily liquidate or dissolve or to enter into any transaction deemed to be a liquidation, dissolution or winding up of the Corporation pursuant to Section 3(c);

then, in connection with each such event, this Corporation shall send to the holders of the Preferred Stock at least 10 days' prior written notice of the date on which a record shall be taken for such dividend, Distribution (and specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote in respect of the matters referred to in (ii) and (iii) above.

Such written notice shall be given by first class mail (or express courier), postage prepaid, addressed to the holders of Preferred Stock at the address for each such holder as shown on the books of the Corporation and shall be deemed given on the date such notice is mailed.

The notice provisions set forth in this section may be shortened or waived prospectively or retrospectively by the vote or written consent of the holders of at least a majority of the Preferred Stock, voting together as a single class.

(m) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

5. Voting.

(a) Restricted Class Voting. Except as otherwise expressly provided herein or as required by law, the holders of Preferred Stock and the holders of Common Stock shall vote together and not as separate classes.

(b) No Series Voting. Other than as provided herein or required by law, there shall be no series voting.

(c) Preferred Stock. Each holder of Preferred Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which the shares of Preferred Stock held by such holder could be converted at the then effective Conversion Rate immediately after the close of business on the record date fixed for a stockholders meeting or the effective date of a written consent. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted), shall be disregarded. The holders of shares of Preferred Stock shall be entitled to vote on all matters on which the Common Stock shall be entitled to vote and may act by written consent in the same manner as the Common Stock. Holders of Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation.

(d) Election of Directors. The holders of Series A Preferred Stock, voting as a separate class either by written consent or at a special meeting, shall be entitled to elect two (2) members of the Corporation's Board of Directors (the "**Series A Directors**") at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors and to remove from office such director(s) and to fill any vacancy caused by the resignation, death or removal of such director(s). The holders of Series B Preferred Stock, voting as a separate class either by written consent or at a special meeting, shall be entitled to elect one (1) member of the Corporation's Board of Directors (the "**Series B Director**") at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors and to remove from office such director and to fill any vacancy caused by the resignation, death or removal of such director. The holders of Series C Preferred Stock, voting as a separate class either by written consent or at a

special meeting, shall be entitled to elect one (1) member of the Corporation's Board of Directors (the "**Series C Director**" and together with the Series A Directors and Series B Director, the "**Preferred Directors**" and each a "**Preferred Director**") at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors and to remove from office such director and to fill any vacancy caused by the resignation, death or removal of such director. The holders of Common Stock, voting as a separate class either by written consent or at a special meeting, shall be entitled to elect two (2) members of the Corporation's Board of Directors at each meeting or pursuant to each consent of the Corporation's stockholders for the election of directors and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors. Any additional members of the Corporation's Board of Directors authorized by the Bylaws shall be elected by the mutual consent of the holders of a majority of the outstanding Common Stock and Preferred Stock, voting together as a single class.

(e) Common Stock. Each holder of shares of Common Stock shall be entitled to one vote for each share thereof held.

(f) Cumulative Voting. If, and only for so long as, Section 2115 of the California General Corporation Law purports to make Section 708 subdivisions (a), (b) and (c) of the California General Corporation Law applicable to the Corporation, the Corporation's stockholders shall have the right to cumulate their votes in connection with the election of directors as provided by Section 708 subdivisions (a), (b) and (c) of the California General Corporation Law.

6. Amendments and Changes.

(a) As long as 1,000,000 shares of the Preferred Stock shall be issued and outstanding, the Corporation shall not, without first obtaining the approval (by vote or written consent as provided by law) of the holders of at least a majority of the outstanding shares of the Preferred Stock, voting as a single class, take any of the following actions (whether by amendment or restatement of the Certificate of Incorporation, by agreement of merger, consolidation, business combinations, recapitalization, reincorporation or other corporate transaction):

(i) amend, alter, waive or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation, if such action would alter the rights, preferences, privileges or powers of, or restrictions provided for the benefit of the Preferred Stock or any series thereof, subject to 6(b) below;

(ii) authorize, create or issue (by reclassification or otherwise) any new class or series of stock, or any security convertible into such class of series of stock, having rights, preferences or privileges senior to or on a parity with any series of Preferred Stock;

(iii) increase or decrease (other than by redemption or conversion) the total number of authorized shares of any series of Preferred Stock or Common Stock;

(iv) take any action that results in any merger, other corporate reorganization, sale of stock or enter into any transaction or series of related transactions deemed to be a Liquidation Event pursuant to Section 3 above;

(v) increase or decrease the authorized size of the Board of Directors set forth in the Bylaws or elsewhere;

(vi) take any action that results in the payment or declaration of a dividend on any shares of Common Stock or Preferred Stock;

(vii) redeem, retire, purchase or otherwise acquire any share or shares of Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for the Corporation or any subsidiary at a price not greater than the amount paid by such person for such shares pursuant to agreements under which this Corporation has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment;

(viii) take any action that results in the exclusive licensing to others of intellectual property that is material to the Corporation's business; or

(ix) authorize or create any debt security that causes Company's aggregate indebtedness to exceed $2,000,000, other than equipment leases or bank lines of credit which are approved by the Board of Directors.

(b) Notwithstanding Section 6(a)(i) above, any action (whether by amendment or restatement of the Certificate of Incorporation, by agreement of merger, consolidation, business combinations, recapitalization, reincorporation or other corporate transaction) that alters the rights, preferences, privileges or powers of the Series C Preferred Stock shall require the approval (by vote or written consent) of at least a majority of the outstanding Series C Preferred shares, voting as a separate class.

7. Notices. Any notice required by the provisions of this Article V to be given to the holders of Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at such holder's address appearing on the books of the Corporation.

8. No Reissuance of Preferred Stock. No share or shares of Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued.

ARTICLE VI

The Corporation is to have perpetual existence.

ARTICLE VII

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Elections of directors need not be by written ballot unless a stockholder demands election by written ballot at the meeting and before voting begins or unless the Bylaws of the Corporation shall so provide.

ARTICLE VIII

The number of directors which constitute the Board of Directors of the Corporation shall be designated in the Bylaws of the Corporation.

ARTICLE IX

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, alter, amend or repeal the Bylaws of the Corporation.

ARTICLE X

1. To the fullest extent permitted by the Delaware General Corporation Law as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director. If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

2. The Corporation shall have the power to indemnify, to the extent permitted by the Delaware General Corporation Law, as it presently exists or may hereafter be amended from time to time, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

3. Neither any amendment nor repeal of this Article X, nor the adoption of any provision of this Corporation's Certificate of Incorporation inconsistent with this Article X, shall eliminate or reduce the effect of this Article X, in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article X, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE XI

To the maximum extent permitted from time to time under the law of the State of Delaware, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time being presented to its officers, directors or stockholders, other than (i) those officers, directors or stockholders who are employees of the Corporation and (ii) those opportunities demonstrated by the Corporation to have been presented to such officers, directors or stockholders expressly as a result of their activities as a director, officer or stockholder of the Corporation. No amendment or repeal of this ARTICLE XI shall apply to or have any effect on the liability or alleged liability of any officer, director or stockholder of the Corporation for or with respect to any opportunities which such officer, director or stockholder becomes aware prior to such amendment or repeal.

ARTICLE XII

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE XIII

The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the Common Stock and Preferred Stock of the corporation entitled to vote pursuant to Article V Section 5 hereof, voting together as a single class on an-as converted to Common Stock basis, irrespective of the provisions of Section 242(b)(2) of the DGCL.

*****

IN WITNESS WHEREOF, Restoration Robotics, Inc. caused this Amended and Restated Certificate of Incorporation to be signed by James McCollum, a duly authorized officer of the Corporation, on April 14, 2015.

/s/ James McCollum

James McCollum, Chief Executive Officer

CERTIFICATE OF AMENDMENT TO THE

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF

RESTORATION ROBOTICS, INC.

Restoration Robotics, Inc. (the "**Corporation**"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "**General Corporation Law**"), hereby certifies as follows:

1. The name of the Corporation is Restoration Robotics, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on November 22, 2002 under the name Restoration Robotics, Inc.

2. Article IV of the Amended and Restated Certificate of Incorporation of the Corporation is amended to read in its entirety as follows:

"The total number of shares of stock that the Corporation shall have authority to issue is 586,644,444 shares, consisting of 350,490,000 shares of Common Stock, $0.0001 par value per share, and 236,154,444 shares of Preferred Stock, $0.0001 par value per share, 25,092,906 shares of which are designated "**Series A Preferred Stock**", 38,461,538 shares of which are designated "**Series B Preferred Stock**", 170,100,000 shares of which are designated "**Series C Preferred Stock**" and 2,500,000 shares of which are designated as "**Series AA Preferred Stock**."."

3. The foregoing amendment to the Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 228 and Section 242 of the General Corporation Law.

4. All other provisions of the Amended and Restated Certificate of Incorporation shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has caused this Certificate of Amendment to the Amended and Restated Certificate of Incorporation to be duly executed as of the 30th day of August, 2016.

RESTORATION ROBOTICS, INC.

By: /s/ Ryan Rhodes
Ryan Rhodes
Chief Executive Officer

BYLAWS

OF

RESTORATION ROBOTICS, INC.

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Exhibit 3.4

BYLAWS

OF

RESTORATION ROBOTICS, INC.

ARTICLE I

CORPORATE OFFICES

1.1 **Registered Office.**

The registered office of the corporation shall be in the City of Wilmington, County of New Castle, State of Delaware. The name of the registered agent of the corporation at such location is The Corporation Trust Company.

1.2 **Other Offices.**

The Board of Directors may at any time establish other offices at any place or places where the corporation is qualified to do business.

ARTICLE II

MEETINGS OF STOCKHOLDERS

2.1 **Place Of Meetings.**

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board of Directors. In the absence of any such designation, stockholders' meetings shall be held at the registered office of the corporation.

2.2 **Annual Meeting.**

The annual meeting of stockholders shall be held on such date, time and place, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors each year. At the meeting, directors shall be elected and any other proper business may be transacted.

2.3 **Special Meeting.**

A special meeting of the stockholders may be called at any time by the Board of Directors, the chairman of the board, the president or by one or more stockholders holding shares in the aggregate entitled to cast not less than ten percent of the votes at that meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the president or the chairman of the board, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the board, the president, any vice president, or the secretary of the corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The officer receiving the request shall cause notice to be promptly given to the stockholders entitled to vote, in accordance with the provisions of Sections 2.4 and 2.5 of this Article II, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after the receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 2.3 shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

2.4 **Notice Of Stockholders' Meetings.**

All notices of meetings with stockholders shall be in writing and shall be sent or otherwise given in accordance with Section 2.5 of these Bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place (if any), date and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.5 **Manner Of Giving Notice; Affidavit Of Notice.**

Written notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic mail or other electronic transmission, in the manner provided in Section 232 of the Delaware General Corporation Law. An affidavit of the secretary or an assistant secretary or of the transfer agent of the corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.6 **Quorum.**

The holders of a majority of the shares of stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum is not present or represented at any meeting of the stockholders, then either (a) the chairman of the meeting or (b) holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, shall have power to adjourn the meeting to another place (if any), date or time.

2.7 **Adjourned Meeting; Notice.**

When a meeting is adjourned to another place (if any), date or time, unless these Bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place (if any), thereof and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or a new record date is affixed for the adjourned meeting, notice of the place (if any), date and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.8 **Organization; Conduct of Business.**

(a) Such person as the Board of Directors may have designated or, in the absence of such a person, the President of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as Chairman of the meeting. In the absence of the Secretary of the Corporation, the Secretary of the meeting shall be such person as the Chairman of the meeting appoints.

(b) The Chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including the manner of voting and the conduct of business. The date and time of opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

2.9 **Voting.**

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.12 of these Bylaws, subject to the provisions of Sections 217 and 218 of the General Corporation Law of Delaware (relating to voting rights of fiduciaries, pledgors and joint owners of stock and to voting trusts and other voting agreements).

Except as may be otherwise provided in the certificate of incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder. All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively.

2.10 **Waiver Of Notice.**

Whenever notice is required to be given under any provision of the General Corporation Law of Delaware or of the certificate of incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice unless so required by the certificate of incorporation or these Bylaws.

2.11 **Stockholder Action By Written Consent Without A Meeting.**

Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action that may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, is (i) signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and (ii) delivered to the Corporation in accordance with Section 228(a) of the Delaware General Corporation Law.

Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the date the earliest dated consent is delivered to the Corporation, a written consent or consents signed by a sufficient number of holders to take action are delivered to the Corporation in the manner prescribed in this Section. A telegram, cablegram, electronic mail or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for purposes of this Section to the extent permitted by law. Any such consent shall be delivered in accordance with Section 228(d)(l) of the Delaware General Corporation Law.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing (including by electronic mail or other electronic transmission as permitted by law). If the action which is consented to is such as would have required the filing of a certificate under any section of the General Corporation Law of Delaware if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written notice and written consent have been given as provided in Section 228 of the General Corporation Law of Delaware.

2.12 **Record Date For Stockholder Notice; Voting; Giving Consents.**

In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action.

If the Board of Directors does not so fix a record date:

(a) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(b) The record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent (including consent by electronic mail or other electronic transmission as permitted by law) is delivered to the corporation.

(c) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, if such adjournment is for thirty (30) days or less; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

2.13 **Proxies.**

Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by an instrument in writing or by an electronic transmission permitted by law filed with the secretary of the corporation, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be deemed signed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the stockholder or the stockholder's attorney-in-fact. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212(e) of the General Corporation Law of Delaware.

ARTICLE III

DIRECTORS

3.1 **Powers.**

Subject to the provisions of the General Corporation Law of Delaware and any limitations in the certificate of incorporation or these Bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

3.2 **Number Of Directors.**

Upon the adoption of these bylaws, the number of directors constituting the entire Board of Directors shall be three (3). Thereafter, this number may be changed by a resolution of the Board of Directors or of the stockholders, subject to Section 3.4 of these Bylaws. No reduction of the authorized number of directors shall have the effect of removing any director before such director's term of office expires.

3.3 **Election, Qualification And Term Of Office Of Directors.**

Except as provided in Section 3.4 of these Bylaws, directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. Directors need not be stockholders unless so required by the certificate of incorporation or these Bylaws, wherein other qualifications for directors may be prescribed. Each director, including a director elected to fill a vacancy, shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Elections of directors need not be by written ballot.

3.4 **Resignation And Vacancies.**

Any director may resign at any time upon written notice to the attention of the Secretary of the corporation. When one or more directors so resigns and the resignation is effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Unless otherwise provided in the certificate of incorporation or these Bylaws:

(a) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

(b) Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

If at any time, by reason of death or resignation or other cause, the corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these Bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the General Corporation Law of Delaware.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board (as constituted immediately prior to any such increase), then the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten (10) percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the General Corporation Law of Delaware as far as applicable.

3.5 **Place Of Meetings; Meetings By Telephone.**

The Board of Directors of the corporation may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 **Regular Meetings.**

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

3.7 **Special Meetings; Notice.**

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairman of the board, the president, any vice president, the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. If the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. If the notice is delivered personally by facsimile, by electronic transmission, by telephone or by telegram, it shall be delivered at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose or the place of the meeting, if the meeting is to be held at the principal executive office of the corporation. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

3.8 **Quorum.**

At all meetings of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.9 **Waiver Of Notice.**

Whenever notice is required to be given under any provision of the General Corporation Law of Delaware or of the certificate of incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors, or members of a committee of directors, need be specified in any written waiver of notice unless so required by the certificate of incorporation or these Bylaws.

3.10 **Board Action By Written Consent Without A Meeting.**

Unless otherwise restricted by the certificate of incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3.11 **Fees And Compensation Of Directors.**

Unless otherwise restricted by the certificate of incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. No such compensation shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

3.12 **Approval Of Loans To Officers.**

The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

3.13 **Removal Of Directors.**

Unless otherwise restricted by statute, by the certificate of incorporation or by these Bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; provided, however, that if the stockholders of the corporation are entitled to cumulative voting, if less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

3.14 **Chairman Of The Board Of Directors.**

The corporation may also have, at the discretion of the Board of Directors, a chairman of the Board of Directors who shall not be considered an officer of the corporation.

ARTICLE IV

COMMITTEES

4.1 **Committees Of Directors.**

The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate 1 or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, or in these Bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporate Law of Delaware to be submitted to stockholders for approval or (ii) adopting, amending or repealing any Bylaw of the corporation.

4.2 **Committee Minutes.**

Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

4.3 **Meetings And Action Of Committees.**

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Section 3.5 (place of meetings and meetings by telephone), Section 3.6 (regular meetings), Section 3.7 (special meetings and notice), Section 3.8 (quorum), Section 3.9 (waiver of notice), and Section 3.10 (action without a meeting) of these Bylaws, with such changes in the context of such provisions as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board of Directors and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE V

OFFICERS

5.1 **Officers.**

The officers of the corporation shall be a president, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the Board of Directors, a chief executive officer, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and any such other officers as may be appointed in accordance with the provisions of Section 5.3 of these Bylaws. Any number of offices may be held by the same person.

5.2 **Appointment Of Officers.**

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 or 5.5 of these Bylaws, shall be appointed by the Board of Directors, subject to the rights, if any, of an officer under any contract of employment.

5.3 **Subordinate Officers.**

The Board of Directors may appoint, or empower the chief executive officer or the president to appoint, such other officers and agents as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

5.4 **Removal And Resignation Of Officers.**

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board of Directors at any regular or special meeting of the board or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom the power of removal is conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 **Vacancies In Offices.**

Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

5.6 **Chief Executive Officer.**

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board, if any, the chief executive officer of the corporation (if such an officer is appointed) shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the corporation. He or she shall preside at all meetings of the stockholders and, in the absence or nonexistence of a chairman of the board, at all meetings of the Board of Directors and shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these bylaws.

5.7 **President.**

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the chairman of the board (if any) or the chief executive officer, the president shall have general supervision, direction, and control of the business and other officers of the corporation. He or she shall have the general powers and duties of management usually vested in the office of president of a corporation and such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.8 **Vice Presidents.**

In the absence or disability of the chief executive officer and president, the vice presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a vice president designated by the Board of Directors, shall perform all the duties of the president and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors, these Bylaws, the president or the chairman of the board.

5.9 **Secretary.**

The secretary shall keep or cause to be kept, at the principal executive office of the corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and stockholders. The minutes shall show the time and place of each meeting, the names of those present at directors' meetings or committee meetings, the number of shares present or represented at stockholders' meetings, and the proceedings thereof.

The secretary shall keep, or cause to be kept, at the principal executive office of the corporation or at the office of the corporation's transfer agent or registrar, as determined by resolution of the Board of Directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation.

The secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required to be given by law or by these Bylaws. He or she shall keep the seal of the corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

5.10 **Chief Financial Officer.**

The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the president, the chief executive officer, or the directors, upon request, an account of all his or her transactions as chief financial officer and of the financial condition of the corporation, and shall have other powers and perform such other duties as may be prescribed by the Board of Directors or the bylaws.

5.11 **Representation Of Shares Of Other Corporations.**

The chairman of the board, the chief executive officer, the president, any vice president, the chief financial officer, the secretary or assistant secretary of this corporation, or any other person authorized by the Board of Directors or the chief executive officer or the president or a vice president, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

5.12 **Authority And Duties Of Officers.**

In addition to the foregoing authority and duties, all officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the Board of Directors or the stockholders.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

6.1 **Indemnification Of Directors And Officers.**

The corporation shall, to the maximum extent and in the manner permitted by the General Corporation Law of Delaware, indemnify each of its directors and officers against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the corporation. For purposes of this Section 6.1, a "director" or "officer" of the corporation includes any person (a) who is or was a director or officer of the corporation, (b) who is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was a director or officer of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

6.2 **Indemnification Of Others.**

The corporation shall have the power, to the maximum extent and in the manner permitted by the General Corporation Law of Delaware, to indemnify each of its employees and agents (other than directors and officers) against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the corporation. For purposes of this Section 6.2, an "employee" or "agent" of the corporation (other than a director or officer) includes any person (a) who is or was an employee or agent of the corporation, (b) who is or was serving at the request of the corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was an employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation.

6.3 **Payment Of Expenses In Advance.**

Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to Section 6.1 or for which indemnification is permitted pursuant to Section 6.2 following authorization thereof by the Board of Directors shall be paid by the corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that the indemnified party is not entitled to be indemnified as authorized in this Article VI.

6.4 **Indemnity Not Exclusive.**

The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that such additional rights to indemnification are authorized in the certificate of incorporation

6.5 **Insurance.**

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of the General Corporation Law of Delaware.

6.6 **Conflicts.**

No indemnification or advance shall be made under this Article VI, except where such indemnification or advance is mandated by law or the order, judgment or decree of any court of competent jurisdiction, in any circumstance where it appears:

(a) That it would be inconsistent with a provision of the certificate of incorporation, these Bylaws, a resolution of the stockholders or an agreement in effect at the time of the accrual of the alleged cause of the action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

ARTICLE VII

RECORDS AND REPORTS

7.1 **Maintenance And Inspection Of Records.**

The corporation shall, either at its principal executive offices or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these Bylaws as amended to date, accounting books, and other records.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in Delaware or at its principal place of business.

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in each such stockholder's name, shall be open to the examination of any such stockholder for a period of at least ten (10) days prior to the meeting in the manner provided by law. The stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

7.2 **Inspection By Directors.**

Any director shall have the right to examine the corporation's stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The Court may summarily order the corporation to permit the director to inspect any and all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the Court may deem just and proper.

ARTICLE VIII

GENERAL MATTERS

8.1 **Checks.**

From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the corporation, and only the persons so authorized shall sign or endorse those instruments.

8.2 **Execution Of Corporate Contracts And Instruments.**

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.3 **Stock Certificates; Partly Paid Shares.**

The shares of a corporation shall be represented by certificates, provided that the Board of Directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by the chairman or vice-chairman of the Board of Directors, or the president or vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of such corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, upon the books and records of the corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

8.4 **Special Designation On Certificates.**

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

8.5 **Lost Certificates.**

Except as provided in this Section 8.5, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

8.6 **Construction; Definitions.**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Delaware General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

8.7 **Dividends.**

The directors of the corporation, subject to any restrictions contained in (a) the General Corporation Law of Delaware or (b) the certificate of incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock.

The directors of the corporation may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

8.8 **Fiscal Year.**

The fiscal year of the corporation shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

8.9 **Seal.**

The corporation may adopt a corporate seal, which may be altered at pleasure, and may use the same by causing it or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

8.10 **Transfer Of Stock.**

Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction in its books.

8.11 **Stock Transfer Agreements.**

The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the General Corporation Law of Delaware.

8.12 **Registered Stockholders.**

The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

8.13 **Facsimile Signature**

In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

ARTICLE IX

AMENDMENTS

The Bylaws of the corporation may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that the corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal Bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal Bylaws.

CERTIFICATE OF ADOPTION OF BYLAWS

OF

RESTORATION ROBOTICS, INC.

ADOPTION BY INCORPORATOR

The undersigned person appointed in the certificate of incorporation to act as the Incorporator of Restoration Robotics, Inc. hereby adopts the foregoing bylaws as the Bylaws of the corporation.

Executed this 22nd day of November, 2002.

/s/ Cynthia L. Aldridge
Cynthia L. Aldridge, Incorporator

CERTIFICATE BY SECRETARY OF ADOPTION BY INCORPORATOR

The undersigned hereby certifies that the undersigned is the duly elected, qualified, and acting Secretary of Restoration Robotics, Inc., and that the foregoing Bylaws were adopted as the Bylaws of the corporation on November 22, 2002, by the person appointed in the certificate of incorporation to act as the Incorporator of the corporation.

Executed this 22nd day of November, 2002.

/s/ Edward Y. Kim
Edward Y. Kim, Secretary

CERTIFICATE OF AMENDMENT OF BYLAWS

OF

RESTORATION ROBOTICS, INC.

The undersigned, Edward Y. Kim, hereby certifies that:

1. He is the duly elected and incumbent Secretary of Restoration Robotics, Inc., a Delaware corporation (the "Company").

2. By action of the Board of Directors of the Company duly adopted pursuant to Action by Unanimous Written Consent dated as of June 17, 2005, effective upon the Closing of the Series A Preferred Stock financing, Article III Section 3.2 of the Bylaws of the Company was amended to read in its entirety as follows:

> "Upon the adoption of these bylaws, the number of directors constituting the entire Board of Directors shall be seven (7). Thereafter, this number may be changed by a resolution of the Board of Directors or of the stockholders, subject to Section 3.4 of these Bylaws. No reduction of the authorized number of directors shall have the effect of removing any director before such director's term of office expires."

3. To the undersigned's knowledge, the matters set forth in this certificate are true and correct.

Dated: July 1, 2005

/s/ Edward Y. Kim

Edward Y. Kim, Secretary

MANUFACTURING AGREEMENT FOR SYSTEMS

This **MANUFACTURING AGREEMENT FOR SYSTEMS** (hereinafter referred to as **"Agreement")** is made and entered into as of the 1st day of MARCH 2016, (hereinafter **"Effective Date"),** by and between Evolve Manufacturing Technologies Inc. (hereinafter **"Seller")** having a principal place of business at 47300 Bayside Parkway, Fremont, CA 94538 and Restoration Robotics, Inc., (hereinafter **"Buyer"),** having a principal place of business at 128 Baytech Drive, San Jose, CA 95134. Seller and Buyer are collectively referred to herein as the **"Parties"** and individually as a **"Party".**

WITNESSETH:

WHEREAS, Buyer and Seller desire to enter into a Manufacturing Agreement for Systems pursuant to which Buyer wishes to engage Seller to manufacture certain products, which include subassemblies and components; and

NOW THEREFORE, in consideration of the premises and undertakings hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. TERM

1.1. The term of this Agreement shall commence upon the Effective Date, and shall continue for twenty four (24) months **("Initial Term")** and shall automatically renew for additional twelve (12) month periods **("Renewal Term")** unless either Party gives one hundred eighty (180) days advance notice of its intent to terminate pursuant to Section 12. The Initial Term, together with any Renewal Term, is referred to as the **"Term".**

2. TERMS OF SALE

2.1. **Forecast; Orders.**

(a) During the Term of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the products, including the subassemblies and components, from time to time (the "**Products**").

(b) Buyer shall provide Seller, on a monthly basis, a rolling twelve (12) month forecast indicating Buyer's monthly Product requirements. The first ninety (90) days of the forecast will constitute Buyer's written purchase order for Products to be delivered during such ninety (90) day period. The remainder of the forecast beyond ninety (90) days is binding only with respect to Buyer's liability for materials in Section 2.4 and elsewhere in this Agreement.

(c) Each purchase order shall reference this Agreement and the applicable Specifications (defined below), specify the quantity, model number, revision level, delivery date(s) and description of Products to be purchased. Buyer may use its standard purchase order form for any notice to be provided under this Agreement provided that each purchase order accepted by Seller shall constitute a firm and binding contract, consisting of the terms of: (1) this Agreement, (2) exhibits to this Agreement, (3) any terms conspicuously typewritten on the face of the purchase order that are not inconsistent with the terms of this Agreement, and (4) any terms in Seller's written acceptance that are not inconsistent with this Agreement and that are subsequently agreed to by Buyer in writing. Such terms in Seller's written acceptance are subject to review and acceptance by Buyer.

(d) Purchase orders and purchase order amendments shall normally be deemed accepted by Seller, provided that Seller may reject any purchase order or purchase order amendment that is outside of the flexibility parameters provided in Section 2.3 below, (b) if the fees reflected in the purchase order are inconsistent with the Parties' agreement with respect to the fees; (c) if the purchase order represents a significant deviation from the forecast for the same quarterly period in the previous year, unless such

deviation is within the parameters of Section 2.3; or (d) if a purchase order would extend Seller's liability beyond Buyer's approved credit line. Seller will use commercially reasonable efforts to notify Buyer of the acceptance or rejection of an order within five (5) business days of its receipt. This Agreement sets forth the terms and conditions applicable to all purchase orders issued during the term of this Agreement, irrespective of whether this Agreement is referenced by the purchase orders. The terms and conditions of this Agreement replace in their entirety any and all of the pre-printed purchase order terms and conditions appearing on Buyer's purchase order forms.

2.2. Precedence. In the event of any conflict between the terms of this Agreement and the terms of any exhibit or purchase order, the order of precedence is as follows:

1. The terms of this Agreement;
2. The terms of any exhibits to this Agreement; and
3. The terms on the face of Buyer's purchase order.
4. The terms of Seller's written acceptance (if any) of Buyer's purchase order, as described in Section 2.1 above.

2.3. Increases, Rescheduling and Cancellation.

(a) Subject to Section 2.4 below, Buyer may increase, reschedule, or cancel the quantity of any Products specified in a purchase order by delivering to Seller, by email, mail or facsimile, a written change order in accordance with the provisions of this Section 2.3, or in connection with an ECO (defined below) (hereinafter **"Change Order").** No Change Order shall be effective until it is actually received and accepted by Seller's authorized representative.

(b) Subject to Section 2.4 below, Buyer may increase the quantity of any Product specified in a purchase order from the quantity originally set forth for the same period in the forecast provided by Buyer by delivering to Seller a Change Order, which is actually received and accepted by an authorized representative of Seller, which acceptance may or may not be granted in Seller's sole discretion. Quantities of the Products ordered for any calendar month may not exceed the original purchase order quantity without the prior written consent of Seller, which consent shall not be unreasonably withheld. In any event, Seller reserves the right to ship the increased quantities separately from the original order quantities. In addition, Seller will use reasonable commercial efforts to meet any quantity increases, which are subject to materials and capacity availability. If Seller agrees to accept a reschedule to pull in a delivery date or an increase in quantities in excess of the purchase order and if there are extra costs to meet such reschedule or increase, Seller will inform Buyer for its acceptance and approval in advance.

(c) Subject to Section 2.4 below, Buyer may reschedule all or any portion of a purchase order by delivering to Seller a Change Order, which is actually received and accepted by an authorized representative of Seller, within the number of days as specified below before the originally scheduled shipment date for the Product; provided, however, that in no event shall Buyer reschedule any quantities decreased or rescheduled in a manner contrary to the terms in this Agreement.

Number of Working Days Advance Notice	Percentage of Schedule Shipment that may be Decreased (up to)	Percentage of Schedule Shipment that may be Increased (up to)
0 - 30	0%	0%
31 - 60	0%	15%
61 - 90	15%	30%
91 - 120	50%	75%
121 or more days	100%	100%

2.4. **Materials Procurement; Buyer Responsibility for Materials.** Buyer is responsible, under the conditions provided in this Agreement, for all materials and inventory purchased by Seller under this Agreement in the event that Seller purchases and receives material for purchase orders that Seller is not allowed to build and ship to dates in purchase orders as accepted by Seller due to any Change Order outside of the parameters set forth in Section 2.3 above, or due to any ECR requested by Buyer as further provided in this Agreement.

(a) Buyer's forecast and Buyer's purchase orders accepted by Seller and the schedule of Long Lead Materials that is set forth in Appendix A (the "**Long Lead Time Materials List**"), as amended from time to time by the Parties including through written correspondence, are authorization for Seller to purchase, without Buyer's prior approval (a) all inventory and materials required to manufacture the Products covered by such purchase orders and forecast based on the lead time to procure the materials plus the manufacturing cycle time required from the delivery of the materials to Seller's facility to the completion of the manufacture, assembly and test processes (the "**Lead Time**") (the "**Long Lead Time Materials**"); and (b) certain special inventory and materials required to manufacture the Products covered by Buyer's forecast that have Lead Times exceeding the period covered by the accepted purchase orders for the Products or that may only be purchased in quantities that exceed the amounts covered by the accepted purchase orders for the Products, or which are purchased in economic order quantities required to achieve Buyer's requested pricing (referred to elsewhere herein as minimum order quantity materials or "**MOQ**"). All Long Lead Time Materials known as of the date of this Agreement will be documented on the Long Lead Time Materials List, which will be approved by Buyer within 10 days of this Agreement.

(b) Buyer may direct Seller to purchase certain materials from vendors specifically identified by Buyer **("Buyer Controlled Materials")** on terms and conditions negotiated by Buyer with such vendor **("Buyer Controlled Materials Terms").** Buyer acknowledges that the Buyer Controlled Materials Terms will directly impact Seller's ability to perform under this Agreement and to provide Buyer with the flexibility Buyer is requiring pursuant to the terms of this Agreement. In the event that Seller reasonably believes that the Buyer Controlled Materials Terms will create an additional cost that is not covered by this Agreement, then Seller will notify Buyer and the Parties will agree to either (a) compensate Seller for such additional costs, (b) amend this Agreement to conform to the Buyer Controlled Materials Terms or (c) amend the Buyer Controlled Materials Terms to conform to this Agreement, in each case at no additional charge to Seller. Buyer agrees to provide copies to Seller of all Buyer Controlled Materials Terms upon the execution of this Agreement and promptly upon execution of any new agreements with vendors for Buyer Controlled Materials. Buyer agrees not to make any modifications or additions to the Buyer Controlled Materials Terms or enter into new Buyer Controlled Materials supply agreements with vendors that will negatively impact Seller's procurement activities under this Agreement.

(c) In the event Buyer consigns components, materials, or supplies to be used by Seller in the manufacture of the Product **("Consigned Materials"),** Buyer agrees to consign adequate quantities to timely manufacture Products and agrees to cover any reasonable production-related attrition at Buyer's sole expense. Title to Consigned Materials remains at all times with Buyer and Seller has no obligation to purchase the Consigned Materials. Seller shall ensure that such Consigned Materials will be allocated part numbers to indicate Buyer's ownership. Seller will bear responsibility for any damage or loss of Consigned Materials related to nonproduction causes such as handling or storage while they are on Seller's premises.

(d) The rescheduling or cancellation of an order shall not affect any Products that have been shipped by Seller prior to or on the date the Seller received the written notice of cancellation, nor Buyer's obligation to purchase any Products in excess of the percentages shown in Section 2.3(c) above.

(e) All reschedules to push out delivery dates that are outside of the parameters set forth in the table in Section 2.3(c) require Seller's prior written approval, which, in its sole discretion, may or may not be granted. In addition, if Seller notifies Buyer that any inventory or materials has remained in Seller's possession for more than ninety (90) days after an approved reschedule, then Buyer agrees to immediately purchase any affected inventory and materials upon receipt of the notice by paying the following costs (the "**Costs**"): (i) 110% of the cost of all affected inventory and materials in Seller's possession and not returnable to the vendor or not usable for any other active customer, whether in raw form or work in process, less the salvage value thereof, (ii) 105% of the cost of all affected inventory

and materials on order and not cancelable, (iii) any vendor cancellation charges incurred with respect to the affected inventory and materials accepted for cancellation or return by the vendor, (iv) the then current fees for any affected Product, and (v) reasonable expenses incurred by Seller related to labor and equipment specifically put in place to support the purchase orders and forecasts that are affected by such reschedule or cancellation (as applicable). In addition, any finished Products that have already been manufactured to support the original delivery schedule will be treated as cancelled.

(f) If Seller notifies Buyer that such Product or inventory and materials has remained in Seller's possession for more than thirty (30) days since such cancellation, then Buyer agrees to purchase from Seller such Product and inventory and materials by paying the Costs. If the quantity forecasted for in any period is less than the previous quantity forecasted over the same quarterly period from the previous year, then that amount will be considered canceled or rescheduled and Buyer will be responsible for any inventory or materials purchased or ordered by Seller to support the forecast as further provided in this Section 2.4. Products that have been ordered by Buyer and that have not been picked up in accordance with the agreed upon shipment dates shall be considered cancelled and Buyer will be responsible for such Products in the same manner as set forth in this Section 2.4. For purposes of calculating the amount of inventory and materials in the event a purchase order quantity is considered cancelled, the lead time for the purposes of this subsection 2.4(f) shall be calculated as the lead time at the time of (i) procurement of the inventory or materials; (ii) cancellation of the purchase order, or (iii) termination of this Agreement, whichever is longer.

(g) Prior to invoicing Buyer for the amounts due pursuant to Section 2.4, Seller will use reasonable commercial efforts, for a period of thirty (30) days, to return unused inventory and materials, cancel pending orders for such inventory, and mitigate the amounts payable by Buyer. Buyer shall pay amounts due under this Section 2.4 within ten (10) days of receipt of an invoice. Seller will ship the Products, inventory and materials paid for by Buyer under this Section 2.4 to Buyer promptly upon said payment by Buyer. In the event Buyer does not pay within ten (10) days, Seller will be entitled to dispose of such Product, inventory and materials in a commercially reasonable manner and credit to Buyer any monies received from third parties. Seller shall then submit an invoice for the balance of the amount due and Buyer agrees to pay said amount within ten (10) days of its receipt of the invoice.

(h) For the avoidance of doubt, Seller's failure to invoice Buyer for any of the charges set forth in this Section 2.4 does not constitute a waiver of Seller's right to charge Buyer for the same event or other similar events in the future, unless previously agreed by an authorized representative of Seller.

3. STATEMENT OF WORK

3.1. Forward Production

(a) **Manufacturing Standards.** Products shall be manufactured and assembled in compliance with Seller's quality system that must comply with ISO 13485:2003, workmanship standards IPC610 – D Class B, and Buyer's Specifications (defined below). If Buyer's Specifications and Seller's workmanship standards conflict, Buyer's Specifications shall take precedence. Buyer may require that Seller purchase specific material or parts for the manufacture or assembly of the Products, or change the manufacturing process provided Buyer agrees in advance, in writing, to any adjustments, if any, to the price of the Products caused by the requirement to use a specific part, material, or manufacturing process and to purchase from Seller any Products, inventory or materials which are in excess of Buyer's purchase order or forecast or have been made obsolete by the change. Seller will provide any results of FDA, FDB or ISO audits, findings and corrective action plans directly related to Buyers products.

(b) **Specifications.** Buyer shall provide Seller with all written specifications necessary or useful for manufacturing the Product including the bill of materials **("BOM"),** as exhibits to this Agreement (the **"Specifications"),** except where the Specifications are standards issued by a national or international standards body.

(c) **Configuration Control.** Seller shall not make or incorporate any change in the specifications for the Products without prior written approval of the Buyer, which shall be obtained through Buyer's established Engineering Change Order("**ECO**") process. All components used in production of Buyer's Products are listed on Buyer's Approved Vendors List (hereinafter "**AVL**"), with Buyer's part number and approved vendors for that component. It is the responsibility of Seller to obtain an up-to-date copy of the AVL. Seller must put procedures in place within their quality system to ensure that all components purchased for use in production of Buyer's Products are purchased from vendors listed on the AVL and otherwise in compliance with the AVL.

(d) **Testing and Troubleshooting**

3.1.d.1. Seller will perform testing, troubleshooting and repair test failures per the Buyer's test specifications. However, for those assemblies that are deemed as "no problem found," the Buyer agrees to provide test engineering assistance to the extent required to repair the assembly or to identify the assembly as not repairable and to accept the assembly "as is" since no manufacturing or component defect could be determined.

3.1.d.2. Seller does not have any responsibility whatsoever for design defects.

(e) **Certifications.** Seller will be responsible for obtaining and maintaining in current and good standing, at its expense, any licenses, or permits, and any regulatory or government approvals necessary for the performance by Seller of its obligations and exercise of its rights under this Agreement, including, without limitation, the manufacture of Products. At Buyer's request, Seller will provide Buyer with reasonable copies of all such licenses, permits, and approvals to any governmental, quasi-governmental, or other regulatory or self-regulatory authorities.

(f) **Subcontracting.** Seller may not subcontract or assign any of its obligations under this Agreement to a third party without Buyer's prior written consent, which shall not be unreasonably withheld.

3.2. Reverse Logistics (consists of products meant for service and refurbishment)

(a) Seller to provide end to end service for RMA process including spare parts, field replacement units and any other need per the Buyer's requirements.

(b) Reverse logistics material, labor, handling and profit costs will not be differentiated from Forward Production.

3.3. **Insurance.** Buyer will procure and maintain at its expense comprehensive general liability insurance with a reputable insurer in amounts of not less than $5 million per incident and $10 million annual aggregate for products liability and completed operations coverage, and $1 million per incident and $2 million annual aggregate for all other coverages. Such comprehensive general liability insurance will (i) provide product liability coverage, (ii) provide broad form contractual liability coverage extending to Buyer's indemnification obligations under this Agreement, (iii) contain no products or completed operations exclusions, (iv) be an occurrence form and (v) name Seller and its affiliates as an additional insured. Buyer will maintain such insurance at all times during the Term of this Agreement and for a period of at least two (2) years thereafter. Buyer will provide Seller with written evidence of such insurance upon the request of Seller, and will provide Seller with written notice at least thirty (30) days prior to any cancellation, non-renewal, reduction or other material change in such insurance.

Seller will procure and maintain at its expense comprehensive general liability insurance with an insurer having an A.M. Best rating of A-7 or greater in amounts of not less than $1 million per incident and $2 million annual aggregate for products liability and completed operations coverage, and $1 million per incident and $2 million annual aggregate for all other coverages. Such comprehensive general liability insurance will (i) provide product liability coverage, (ii) provide broad form contractual liability coverage extending to Seller's indemnification obligations under this Agreement, (iii) contain no products or completed operations exclusions, (iv) be an occurrence form and (v) name Buyer and its affiliates as an additional insured. Seller will maintain such insurance at all times during the Term of this Agreement and for a period of at least two (2) years thereafter. Seller will provide Buyer with written evidence of such insurance upon the request of Buyer and will provide Buyer with written notice at least thirty (30) days prior to any cancellation, non-renewal, reduction or other material change in such insurance.

4. CHANGES

4.1. Seller Changes.

(a) Seller shall not incorporate any engineering change to the Products without Buyer's prior written consent in accordance with Buyer's established ECO process. Seller shall notify Buyer of any engineering change proposed by Seller to the Products, and shall supply a written description of the expected effect of the engineering change on the Products, including the possible effect on price, performance, safety, reliability and serviceability as part of the proposed engineering change. Buyer, at its discretion, may elect to incorporate or not to incorporate any Seller-proposed engineering change to the Product design. If any Seller-proposed engineering change is accepted by Buyer and is incorporated into the Product design resulting in reduced Product price, Seller and Buyer will share in the resulting cost savings, based on the following schedule:

0-60 days	100% to Seller
61-120 days	50% to Seller: 50% to Buyer
after 120 days	100% to Buyer

(b) If a Seller-proposed engineering change is accepted by Buyer, the Parties agree to amend the unit price and purchase order accordingly, and the new product price shall apply to all Products delivered hereunder which include the Seller-proposed engineering change. Seller agrees that any and all Seller-proposed engineering changes shall belong to and be the exclusive property of the Buyer. Once the proposed engineering change is accepted by Buyer, Buyer assumes all liabilities for excess and obsolete inventory and materials resulting from such change that cannot be re-purposed by Seller as if such change had been proposed and adopted by the Buyer.

(c) Buyer owns all the intellectual property rights related to the Products and all such rights in any enhancements, improvements, derivatives thereof and changes thereto. Seller hereby assigns to Buyer any and all intellectual property rights in and to Seller-proposed engineering changes to the Products. Seller reserves all rights not expressly granted to Buyer hereunder.

4.2. Buyer Changes.

(a) Buyer may make engineering changes to the Products from time to time during the Term of this Agreement by written notification to Seller describing the details of the engineering change. Drawings, designs, and/or specifications required for the change shall also be supplied by Buyer. Buyer shall assume all liability for obsolete materials and products as if they were canceled pursuant to Section 2.3 as a result of an engineering change. Once the Parties have agreed upon any resulting unit price change as determined in Section 4.2(b), Seller shall incorporate the proposed engineering change into the Products on a schedule to be agreed to by the Parties. Seller shall not proceed to implement any proposed engineering change without Buyer's written authorization.

(b) Within five (5) businessdays of Buyer's notification of a proposed engineering change, Seller shall provide Buyer with a written quotation, which includes any proposed increase or decrease in the unit price of the Products and excess and obsolete material. The Parties shall make a good faith effort to agree upon any change, which may apply to the unit price of the Product within thirty (30) days from the date of Buyer's notification of the proposed engineering change, and this Agreement shall be amended accordingly. Buyer assumes all liabilities for excess and obsolete inventory and materials resulting from such change. Upon relief of all existing inventory, the associated cost savings will be provided to the Buyer.

(c) Buyer owns all the intellectual property rights related to the Products and all such rights in any enhancements, improvements, derivatives thereof and changes thereto. Buyer reserves all rights not expressly granted to Seller hereunder.

5. TOOLING AND TEST FIXTURES

Seller shall order and purchase all of the process tooling, assembly tools and test fixtures necessary or appropriate to manufacture the Products, except for tools consigned by Buyer and listed in Exhibit B. Seller must obtain Buyer's approval before purchase of all tooling and fixtures necessary to manufacture the Products. Upon obtaining such approval from Buyer, Seller's receipt and use of Buyer-approved tooling and test fixtures shall be deemed as Buyer's acceptance of the process tooling, assembly tools and test fixtures. Upon termination of this Agreement and no later than 10 days after the date that Seller completes any agreed transition services pursuant to this Agreement, Seller shall ship to Buyer, FOB, Seller's Manufacturing Plant, and at the expense of Buyer, all of the process tooling and test fixtures paid for by the Buyer or consigned to Seller. The tools must be packaged such that they will not be damaged during transport back to the Buyer.

6. PURCHASE PRICE AND PAYMENT TERMS

(a) **Purchase Price.** The prices for the Products shall be mutually agreed upon by both Parties. If, during the Term of this Agreement, changed prices are put into effect by mutual written agreement of the Parties, such prices shall apply only to all purchase orders issued by Buyer after the effective date of the changed prices.

(b) **Payment Terms.** The purchase price for the Products, and all other related charges contemplated by this Agreement shall be due and payable thirty (30) days after the date of Seller's invoice. All non-recurring engineering ("**NRE**") charges approved by Buyer shall be due and payable thirty (30) days after date of Seller's invoice.

(c) **Credit Line.** Seller, in its sole discretion, shall determine the amount of credit line to be granted to Buyer.

7. PACKAGING. SHIPPING AND DELIVERY

7.1. Packaging. All Products shall be packaged for shipment per Buyer specifications, government regulations and other applicable standards.

7.2. Shipping.

(a) All shipments shall be made FOB FCA shipping point at Seller's Manufacturing Plant. Title to Products and risk of loss, damage or destruction shall pass from Seller to Buyer upon Seller's delivery of the Products to the common carrier specified by the Buyer, or, if no instructions are given, Seller shall select the most appropriate carrier. Any such loss, injury or destruction shall not release Buyer from any obligation under this Agreement.

(b) All shipments made to Seller for Buyer's consigned or supplied material shall be made FOB FCA shipping point at Seller's factory.

7.3. Delivery.

(a) All orders shall be shipped complete. Seller shall immediately give Buyer oral and written advice of any prospective failure to ship the specified quantity of Products in time to meet the scheduled delivery date. Should only a portion of the Products be available for shipment by the delivery date, Seller shall consult with Buyer to obtain delivery instructions. Where Buyer allows Seller to make partial shipments, the shipments shall be applied against completion of the oldest open purchase order first.

(b) If Seller ships any Product by a method other than as specified in the corresponding purchase order, Seller shall pay any resulting increase in the cost of freight incurred over the cost of freight which would have been incurred had Seller complied with Buyer's shipping instructions.

(c) If, due to Seller's failure to make a timely shipment, the specified method of transportation would not permit Seller to meet the scheduled delivery date, the Products affected shall be shipped by air transportation or other expedient means acceptable to Buyer. Seller shall pay for any resulting increase in the freight cost over that which Buyer would have been required to pay if the specified method of transportation was used.

(d) If Seller ships more Products than ordered in the purchase order, the amount of over-shipment may, at Buyer's option, either be kept by Buyer for credit against future shipments or returned to Seller at Seller's expense.

(e) Seller shall obtain Buyer's approval before making any delivery more than five (5) working days prior to the scheduled delivery date. If Seller ships more than five (5) working days in advance of the scheduled delivery date without Buyer's approval, Buyer may return the Products to Seller at Seller's expense.

8. ACCEPTANCE

8.1. **Acceptance.** Acceptance of the Products shall be based upon the Product specifications. The Products shall be deemed irrevocably accepted unless Buyer gives Seller written notice of the failure to conform to the Product specifications within fifteen (15) working days of receiving the Products from Seller.

8.2. **Rejection.** Buyer shall give Seller written notice of any rejection based upon the condition, quality, quantity or grade of the Products. Failure to give such written notice within fifteen (15) working days of receipt shall constitute irrevocable acceptance of the Products. If Buyer provides the written notice specified in Section 8.1 and rejects Products within the fifteen (15) working day acceptance period, Seller, at its sole option, shall either repair or replace any Products, which fail to meet the Product Specifications. Seller agrees to pay all reasonable shipping costs related to the return of such Products to Seller and the shipping costs related to redelivering the replacement Products to Buyer and/or Buyer's customers. The mode of shipment shall be via a standard commercial carrier.

9. WARRANTIES, REMEDIES AND LIMITATION OF LIABILITY

9.1. **Warranty.**

(a) Seller warrants to Buyer and any end users of the Product that, for a period of twelve (12) months from the date of delivery to the Buyer FOB Destination, each Product shall be free from defects, latent or otherwise, in materials and workmanship and shall have been produced in accordance with the manufacturing processes specified by Buyer and shall (a) conform, in all material respects, to the Specifications, standards, drawings, samples, descriptions, quality requirements, statements of work, and fit, form, and function requirements furnished, specified or approved by Buyer for the Products, (b) conform with Seller's quality standards, (c) comply with all applicable laws. Seller also warrants that each of the Products shall be new and conveyed by Seller to Buyer with good title, free and clear of all encumbrances. **"Encumbrance"** means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership. During such warranty period, Seller shall, at its sole discretion and at its expense, repair or replace the defective Products. Buyer's exclusive remedy for breach of warranty shall be as set forth in this Section 9.1; provided that Seller shall repair or replace any affected Products for any recall of Products that results from any workmanship-related cause that could have been identified at the time of manufacture through the Buyer specified inspection and test procedures. Seller will use commercially reasonable efforts to obtain and pass through to Buyer a warranty with regard to the materials that the materials conform to the vendor's specifications and/or with the Specifications and that the materials are free from defects in workmanship.

(b) An **"Epidemic Failure"** will be considered to exist when return rate data indicates that five percent (5%) of Products shipped during any twelve (12) consecutive months has been proven to exhibit the substantially same major functional, mechanical, or appearance defect. Seller and Buyer will agree to a reasonable plan and allocation of costs to carry out the repair or replacement of affected Products shipped during said twelve-month period. Upon agreement, Seller will pay any claims for such costs by Seller if the problem is a result of a breach by Seller of its express limited warranty set forth in Section 9.1(a).

9.2. LIMITATION OF WARRANTY. EXCEPT AS EXPRESSLY STATED IN SECTION 8.1 AND 9.1, SELLER HEREBY DISCLAIMS ANY OTHER WARRANTIES OR CONDITIONS ON THE PERFORMANCE OF THE WORK OR THE PRODUCTS, EXPRESS, IMPLIED, STATUTORY, OR IN ANY OTHER PROVISION OF THIS AGREEMENT OR COMMUNICATION WITH BUYER, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR NON-INFRINGEMENT. SELLER SHALL NOT BE RESPONSIBLE FOR ANY DEFECT CAUSED BY PRODUCT MISUSE.

9.3. NO OTHER LIABILITY. EXCEPT WITH REGARD TO A BREACH OF SECTION 14 BELOW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY "COVER" DAMAGES (INCLUDING INTERNAL COVER DAMAGES WHICH THE PARTIES AGREE MAY NOT BE CONSIDERED "DIRECT" DAMAGES), OR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND OR NATURE ARISING OUT OF THIS AGREEMENT OR THE SALE OF PRODUCTS, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING THE POSSIBILITY OF NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE, AND EVEN IF ANY OF THE LIMITED REMEDIES IN THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.

THE FOREGOING SECTION 9 STATES THE ENTIRE LIABILITY OF THE PARTIES TO EACH OTHER CONCERNING INFRINGEMENT OF PATENT, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS.

10. INDEMNIFICATION

10.1 Seller shall defend, indemnify and hold harmless Buyer, Buyer's officers, directors, employees, and Buyer's Affiliates, subsidiaries, successors and assigns from and against all claims, demands, liabilities, losses, costs, fees, expenses (including reasonable attorney fees), damages and injuries of any kind or nature suffered or incurred as a result of a third party claim arising in connection with or resulting from: (i) personal injury, death or property damages to the extent it is incurred due to defects (other than defects caused by a Restoration Robotics design of the Products) in the Products Manufactured by Supplier pursuant to this Agreement, including Supplier's failure to comply with the Specifications, (ii) breach by Supplier of representations and warranties provided in this Agreement, or Supplier' failure to comply with federal, state or local laws, (ii) gross negligence or wrongful intentional act of Supplier or its representatives, employees or agents.

10.2 Buyer shall defend, indemnify and hold harmless Seller, Seller's officers, directors, employees, and Seller's Affiliates, subsidiaries, successors and assigns from and against all claims, demands, liabilities, losses, costs, fees, expenses (including reasonable attorney fees), damages and injuries of any kind or nature suffered or incurred as a result of a third party claim arising in connection with or resulting from: (i) personal injury, death or property damages to the extent it is incurred due to defects caused by a Restoration Robotics design of the Products, (ii) Buyer's failure to comply with federal, state or local laws, (iii) gross negligence or wrongful intentional act of Buyer or its representatives, employees or agents, or (iv) infringement of United States patent but only to the extent such infringement is caused by the Restoration Robotics design. Notwithstanding the above, under no circumstances will Buyer have any indemnification obligations under this Section 10.2(iv) for any patent infringement claim based on any off-the-shelf Products, components or a la carte items supplied by Supplier to Buyer, or for any third-party claims under this subsection 10.2 to the extent such claims result from 1) use or combination of the Products with other items such as other equipment, processes, programming applications or materials not furnished by Buyer, 2) use of any Products not in accordance with Buyer's written Specifications; or 3) modifications to Products not made by or at the express written direction of Buyer.

10.3 If Seller's rights to Manufacture the Products under the terms of this Agreement are, or in Buyer's opinion are likely to be, enjoined due to the type of claim specified in Section 10.2(iv) (*infringement of United States patent),* then Buyer may, at its sole option and expense: (i) obtain for Supplier the right to continue to Manufacture such Product under the terms of this Agreement; (ii) replace or modify an infringing Product or portion thereof with a substantially functional equivalent so that it is no longer infringes; or (iii) if neither option (i) nor (ii) above cannot be accomplished despite Buyer's reasonable efforts, then Buyer may terminate this Agreement in whole or, if practicable, with respect to the infringing Product or component. THE FOREGOING PROVISIONS OF THIS SECTION 10.3 SET FORTH BUYER'S SOLE AND EXCLUSIVE LIABILITY AND SUPPLIER'S SOLE AND EXCLUSIVE REMEDY FOR ANY THIRD-PARTY CLAIMS OF INFRINGEMENT.

10.4 A Party (the "Indemnitee") that intends to claim indemnification under this Section 10 shall promptly notify in writing the other Party (the "Indemnitor") of any loss, claim, damage, liability or action in respect of which the Indemnitee intends to claim such indemnification, and provide Indemnitor an opportunity to elect to take over, settle or defend the same through counsel of the Indemnitor's own choice (but reasonably acceptable to the Indemnitee) and under the Indemnitor's sole discretion and at the Indemnitor's own expense, and will make available to the Indemnitor in the event of such election, all defenses against such claims or actions, known or available to the Indemnitee. However, the Indemnitee shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense. The Indemnitor and the Indemnitee shall cooperate fully in all aspects of any investigation, defense, pre-trial activities, trial, compromise, settlement, or discharge of any claim in respect of which indemnity is sought pursuant to this Agreement, including, without limitation, providing the other Party with reasonable access to employees and officers (including, without limitation, as witnesses) and other information.

10.5 The indemnity obligations in this Section 10 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the consent of the Indemnitor. However, if the Indemnitor receives a settlement offer that the Indemnitor rejects, the Indemnitor shall be responsible for any damages finally awarded or settlement amounts entered into to the extent based upon such claim. In no event shall the Indemnitor be entitled to settle any of the above-mentioned claims that could materially adversely affect the Indemnitee without the Indemnitee's consent, provided however, that the Indemnitor may settle or compromise any such claim without a written consent of the Indemnitee only when such settlement or compromise includes an unconditional release of the Indemnitee.

10.6 In the event a claim is based partially on an indemnified claim described in this Section 10 and partially on a non-indemnified claim, or is based partially on a claim indemnified by Buyer and partially on a claim indemnified by Supplier, any payments and reasonable attorney fees incurred in connection with such claims are to be apportioned between the Parties in accordance with the degree of cause attributable to each Party. In the event either Party is adjudged to have been grossly negligent or to have acted with willful misconduct in connection with such claim, such Party will not be entitled to be indemnified and held harmless under this Section 10.

11. STOP WORK

In the event that Buyer fails to make timely payment at least sixty (60) days after the due date on any undisputed purchase order according to its payment terms and for as long as such payment remains overdue and payable, Seller shall be permitted to stop work on any and all outstanding purchase orders issued by Buyer, without penalty to Seller. Except in the event of termination by Seller pursuant to Section 12.1 or Section 12.2 below, Seller shall be obligated to re-commence work on outstanding purchase orders upon Buyer bringing overdue payment(s) current.

12. TERMINATION

12.1. This Agreement may be terminated at any time upon the mutual written agreement of both Parties hereto.

(a) Either Buyer or Seller may terminate this Agreement at any time upon one hundred twenty (120) days' notice consistent with the terms in Section 1.1; provided, that either Buyer or Seller may terminate this Agreement at any time upon one hundred eighty (180) days' notice during the Initial Term if Buyer's quarterly forecasted demand for Products with substantially the same mix of products and SKUs as the preceding period falls below 75% of Buyer's historical forecasted demand for the same period in the previous year.

(b) Buyer may terminate this Agreement at any time upon one hundred eighty (180) days' notice to Seller in the event of a change of control of Restoration Robotics. For purposes of this Agreement, **"Change of Control",** with respect to a Party, means the occurrence of any of the following events: (a) any consolidation or merger of the Party with or into any other entity in which holders of the Party's outstanding equity interests immediately before such consolidation or merger do not, immediately after such consolidation or merger, retain equity interests representing a majority of the voting power of the surviving entity or equity interests representing a majority of the voting power of an entity that wholly owns, directly or indirectly, the surviving entity, (b) the sale, transfer or assignment of securities of the Party representing a majority of the voting power of all of Party's outstanding voting securities to an acquiring party or group, or (c) the sale of all or substantially all of Party's assets. For the avoidance of doubt, an initial public offering of Buyer's equity interests is not considered a Change of Control for the purposes of this Section 12 or the Agreement.

(c) If Seller terminates, such termination must include the following: (a) formal written notification of intent to terminate and (b) a transition plan that provides for a period of one hundred eighty (180) days from Buyer's receipt of the written notification of termination from Seller which includes (i) Product coverage for Buyer, and (ii) reasonable assistance to Buyer to transition Product manufacturing to Buyer or a third party.

(d) Upon termination by either Party for any reason (including pursuant to Sections 12.2 and 12.3 below, Buyer agrees to purchase, and Seller agrees to sell, all materials, components and work-in-process, including Inventory and Products, provided that Products to be purchased shall not exceed a maximum of three months future build quantities, plus long lead components and/or components that Buyer authorized Seller to purchase as follows:

1. Purchase all finished Products produced for valid purchase orders at the stated unit price; and
2. Purchase any work-in-process materials mutually agreed upon by both Parties during the Term of the Agreement; and
3. Purchase all materials at actual cost, including MOQ and excess inventory, procured by Seller or which are not cancelable or returnable (NCNR) to the vendor; and
4. Reimburse Seller for any reasonable cancellation and/or related costs from its vendors as a result of Buyer's cancellation; and
5. Reimburse Seller for any verifiable and actual charges incurred because the cancellation caused Seller to not attain the annual usage supplied by Seller's vendor and utilized in establishing material prices quoted under this Agreement. Seller must obtain written approval from an authorized representative of the Buyer before Seller agrees to a termination or cancellation fee if (i) Buyer is obligated to pay any cancellation or termination fee and (ii) such fee exceeds $1,000 per vendor.
6. MOQ and NCNR Purchases: For certain Products removed from production due to Buyer's request to cease production of such Products, Buyer is responsible for the cost of any excess inventory required to be purchased by Seller to MOQ or NCNR requirements. MOQs are the result of procurement processes where Seller must buy full reels, tubed and packaged components. MOQ will be designated as such in advance and excess liability exposure will be shared with Buyer on a regular basis. If a MOQ or NCNR is to exceed $1,000 in excess cost, written approval must be obtained from Buyer.
7. All MOQ and NCNR purchase orders placed by Seller must be approved in writing by Buyer or Buyer's authorized parties.

Seller agrees not to begin new production, or purchase more materials or components, without receiving written approval from Buyer, following receipt of a written notice of termination from Buyer. The cost for Products will be in accordance with the established pricing in effect at the time of termination. The cost of components will be limited to the actual purchase price paid by Seller for the components, plus mutually agreed upon material handling charges or supplier related charges, if any.

12.2. Termination for Cause by Seller. Seller shall have the right to cancel this Agreement and/or any active purchase orders:

(a) Upon Buyer's failure to pay outstanding invoices within ninety (90) days from the date of the invoice according to the payment terms set forth in Section 6(b); or

(b) Upon thirty (30) days advance written notice to Buyer regarding Buyer's material nonperformance or repudiation of any other substantive obligations of this Agreement (other than failure to pay any invoice) and Buyer's failure to cure such nonperformance or repudiation within ninety (90) days after the written notice is received, or such additional cure period as the Seller may authorize in writing; or

(c) Upon written notice from the Seller in the event Buyer has elected to close or dissolve its operation or is wound up and dissolved, becomes insolvent, or repeatedly fails to pay its debts as they become due, makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy or for reorganization or is adjudicated as bankrupt or insolvent, or has a liquidator or trustee appointed over its affairs and such appointment shall not have been terminated and discharged within thirty (30) days thereof.

12.3. Termination for Cause by Buyer. Buyer shall have the right to cancel this Agreement and/or any active purchase orders:

(a) Upon thirty (30) days advance written notice to Seller regarding Seller's material nonperformance or repudiation of any substantive obligations of this Agreement and Seller's failure to cure such nonperformance or repudiation within thirty (30) days after the written notice is received or such additional cure period as Buyer may authorize in writing; or

(b) Upon written notice from Buyer in the event Seller has elected to close or dissolve its operation or is wound up and dissolved, becomes insolvent, or repeatedly fails to pay its debts as they become due, makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy or for reorganization, or is adjudicated as bankrupt or insolvent, or has a liquidator or trustee appointed over its affairs and such appointment shall not have been terminated and discharged within thirty (30) days thereof.

13. OTHER

Notwithstanding any provisions to the contrary, Sections 5, 6, 9, 10, 12.1(c), and 14 shall survive the termination of this Agreement. Except for a termination as described in Sections 12.2, the provisions of this Agreement will continue to apply to purchase orders accepted by Seller prior to the effective date of such termination or expiration. This Agreement shall constitute the entire agreement of the Parties with respect to the subject matter herein, supersedes any prior agreement or understanding, whether written or oral, relating thereto, and can be amended only by a writing that is executed and delivered by both Parties hereto. This Agreement shall be governed by the laws of the State of California notwithstanding the conflict of laws provisions of the State of California. Further, to the extent that either Party waives any right hereunder, it shall not be deemed to have waived any other right hereunder. Finally, this Agreement shall be binding upon successors and assigns of each Party hereto and may only be assigned with the prior written consent of the other Party.

14. CONFIDENTIALITY. "Confidential Information" means information or material, whether of technical nature, business nature or otherwise, including trade secrets, pertaining to any aspects of Buyer's business which is commercially valuable to Buyer and not generally known or readily ascertainable. Confidential Information includes, without limitation, any and all technical and non-technical information including techniques, sketches, designs, drawings, models, inventions, know-how, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulae; information related to the current, existing or contemplated or proposed Buyer's products and services; information concerning research, experimental work, development, design details and specifications, engineering, financial information, procurement requirements, purchasing, manufacturing, customer

lists and information, business forecasts, sales and merchandising, pricing, marketing plans and information, as well as the terms of this Agreement; and any information or data developed pursuant to the performance of the Services. Confidential Information shall not include information which: (a) is or becomes public knowledge without any action by, or involvement of, Seller, as evidenced by written records of Seller; (b) is disclosed by Seller with the specific, prior written approval of Buyer; (c) is independently developed by Seller without use of Buyer's Confidential Information; (d) is rightfully received by Seller from a third party who is authorized to make such disclosure without requiring confidentiality treatment; or (e) is disclosed publicly pursuant to any judicial or governmental order, provided that Seller gives Buyer sufficient prior notice to contest such order. All Confidential Information provided pursuant to this Agreement shall not be distributed, disclosed or disseminated in any way or form by Seller to anyone except its own employees who have a reasonable need to know such Confidential Information and who have been advised of the confidential nature and required to observe the terms and conditions hereof; nor shall Confidential Information be used by Seller for its own purpose, except for the purposes of exercising its rights or fulfilling its obligations under the Agreement. Neither Party shall communicate or otherwise disclose to the other Party, during the Term of this Agreement, confidential or proprietary information of third parties. Upon request of Buyer, copies and embodiments of all Confidential Information shall be promptly returned to Buyer by Seller, unless such copies are required to support existing Buyer's purchase orders under the terms of this Agreement. Upon termination of this Agreement for any reason, Seller shall promptly return or deliver to Buyer all Confidential Information provided by Buyer, including all copies thereof, unless such copies are required to support existing Buyer's purchase orders under the terms of this Agreement. Both Parties agree and acknowledge the existence of a confidentiality agreement entered into on April 24, 2015 between Buyer and Seller **("Confidentiality Agreement").** To the extent any terms in this Section 14 conflicts with the provisions in the Confidentiality Agreement, the terms of the Confidentiality Agreement shall control.

15. AUDIT.

During the Term of this Agreement, Buyer's employees or independent auditors selected by Buyer and reasonably acceptable to Seller shall be provided reasonable access to facilities at which Products are manufactured and packaged to enable such employees or independent auditors to audit manufacturing and packaging performance, including an analysis of Seller's conformity with manufacturing, packaging and quality requirements, including those mandated by the applicable regulatory authorities and Seller's compliance with this Agreement. Such audits will be conducted during normal business hours and in a manner so as not to unreasonably disrupt Seller's operations. Buyer will provide Seller with reasonable prior written notice of an audit. Seller will cooperate in the audit, will provide the information reasonably required to conduct the audit available on a timely basis and will assist the designated employees of Buyer or its independent auditors as reasonably necessary.

16. ASSIGNMENT AND CHANGE OF CONTROL

Buyer and Seller hereby agree that neither Party may assign or transfer this Agreement or any interest herein or any rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld or delayed; provided, however, that Buyer may assign its rights and obligations to an entity controlling, controlled by or under common control with Buyer, or to Buyer's successor in interest, or to any party to which Buyer sells the portion of its business which relates to the Products.

17. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the duly authorized representatives of Buyer and Seller have executed this Agreement on the dates shown below:

SELLER:

EVOLVE

By: /s/ Noreen King
Noreen King
Chief Executive Officer

BUYER:

RESTORATION ROBOTICS, INC.

By: /s/ Gabe Zingaretti
Gabe Zingaretti
COO

Exhibit A
Statement of Work
RFQ's, Quotes and Purchase prices are based on Restoration Robotics Device master Records data on the RFQ, Quote and Purchase Order Date

Exhibit B

Tools, equipment and Fixtures

Name of Equipment, Instrument, or Fixture

Fixture, Mechanism Test, FXT-46756
Fixture, Top Cover Test, FXT-46708
Fixture, Display Programmer Test, FXT-46714
Air Compressor Assembly, ASY-45750
Vacuum Pump Assembly, ASY-45925
Fixture, Air and Vacuum Test, FXT-46790
Fixture, PIX Test, FXT-46757
Fixture, Programmer, PICKit3, FXT-46770
Assembly, Cable, IEC (Female) to Nema 6-20P (Male), ASY-46963
Assembly, Cable, IEC (Female) to Nema L6-20P (Male), Plug, ASY-46964
Assembly, Cable, Nema 6-20P (Male) Plug to Nema L6-20P (Female), Connector, ASY-46965
AC Power Source, APT 5010, PRT-46924
Receptacle, Adapter box, Line Leakage, PRT-46925
Hi-Pot Return Lead, PRT-46948
40 Amp Ground Bond, HC Lead, PRT-46949
40 Amp Ground Bond, HC Return Lead, PRT-46950
6-in-1 Electrical Safety Compliance Analyzer, PRT-46951
Fixture, E-Stop Tester, FXT-46335
Ball Plunger Installation Tool, PRT-23691
Fixture, Laser Alignment, PRT-23610
Base, Spindle Bearing Installation Tool, PRT-23688
Spindle Bearing Installation Tool, PRT-23689
Fixture, Gen-9 Slide Assy, PRT-23612
Alignment Peg—BFW Nut, PRT-22725
Fixture, Power Distribution Unit (PDU) Test, FXT-46822
Fixture, Shutdown Tester, FXT-46775
Fixture, Power Distribution Unit (PDU) 110V Ground Test, FXT-46823
Fixture, Power Distribution Unit (PDU) 208V Ground Test, FXT-46824
Fixture, Power Distribution Unit (PDU) Multi-Jumper Test, FXT-46825
Jumper, PDU, ESTOP Control, PRT-45534
Jumper, PDU, On/Off Control, PRT-45535
Jumper, PDU, UPS I/O, PRT-45536
Fixture, Power Distribution Unit (PDU) Lamp with Plug Adapter Test, FXT-47037
Fixture, Power Distribution Unit (PDU) 220VAC to 110VAC Transformer Test, FXT-47038
USB-based Authenticator, Formatted (Dongle), PRT-47158
NI PCI-6601 Digital Adapter Test Box, FXT-47306
NI PCI-6220 Analog Adapter Test Box, FXT-47307

MANUFACTURING AGREEMENT FOR CONSUMABLES

This **MANUFACTURING AGREEMENT FOR CONSUMABLES** (hereinafter referred to as "**Agreement**") is made and entered into as of the 1st day of April 2016, (hereinafter "**Effective Date**"), by and between Evolve Manufacturing Technologies Inc. (hereinafter "**Seller**") having a principal place of business at 47300 Bayside Parkway, Fremont, CA 94538 and Restoration Robotics, Inc., (hereinafter "**Buyer**"), having a principal place of business at 128 Baytech Drive, San Jose, CA 95134. Seller and Buyer are collectively referred to herein as the "**Parties**" and individually as a "**Party**".

WITNESSETH:

WHEREAS, Buyer and Seller desire to enter into a Manufacturing Agreement for Consumables pursuant to which Buyer wishes to engage Seller to manufacture certain products, which include subassemblies and components; and

NOW THEREFORE, in consideration of the premises and undertakings hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. TERM

1.1. The term of this Agreement shall commence upon the Effective Date, and shall continue for twenty four (24) months ("**Initial Term**") and shall automatically renew for additional twelve (12) month periods ("**Renewal Term**") unless either Party gives one hundred eighty (180) days advance notice of its intent to terminate pursuant to Section 12. The Initial Term, together with any Renewal Term, is referred to as the "**Term**".

2. TERMS OF SALE

2.1. **Forecast; Orders**.

(a) During the Term of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the products, including the subassemblies and components, from time to time (the "**Products**").

(b) Buyer shall provide Seller, on a monthly basis, a rolling twelve (12) month forecast indicating Buyer's monthly Product requirements. The first ninety (90) days of the forecast will constitute Buyer's written purchase order for Products to be delivered during such ninety (90) day period. The remainder of the forecast beyond ninety (90) days is binding only with respect to Buyer's liability for materials in Section 2.4 and elsewhere in this Agreement.

(c) Each purchase order shall reference this Agreement and the applicable Specifications (defined below), specify the quantity, model number, revision level, delivery date(s) and description of Products to be purchased. Buyer may use its standard purchase order form for any notice to be provided under this Agreement provided that each purchase order accepted by Seller shall constitute a firm and binding contract, consisting of the terms of: (1) this Agreement, (2) exhibits to this Agreement, (3) any terms conspicuously typewritten on the face of the purchase order that are not inconsistent with the terms of this Agreement, and (4) any terms in Seller's written acceptance that are not inconsistent with this Agreement and that are subsequently agreed to by Buyer in writing. Such terms in Seller's written acceptance are subject to review and acceptance by Buyer.

(d) Purchase orders and purchase order amendments shall normally be deemed accepted by Seller, provided that Seller may reject any purchase order or purchase order amendment that is outside of the flexibility parameters provided in Section 2.3 below, (b) if the fees reflected in the purchase order are inconsistent with the Parties' agreement with respect to the fees; (c) if the purchase order represents a significant deviation from the forecast for the same quarterly period in the previous year, unless such

deviation is within the parameters of Section 2.3; or (d) if a purchase order would extend Seller's liability beyond Buyer's approved credit line. Seller will use commercially reasonable efforts to notify Buyer of the acceptance or rejection of an order within five (5) business days of its receipt. This Agreement sets forth the terms and conditions applicable to all purchase orders issued during the term of this Agreement, irrespective of whether this Agreement is referenced by the purchase orders. The terms and conditions of this Agreement replace in their entirety any and all of the pre-printed purchase order terms and conditions appearing on Buyer's purchase order forms.

2.2. **Precedence**. In the event of any conflict between the terms of this Agreement and the terms of any exhibit or purchase order, the order of precedence is as follows:

1. The terms of this Agreement;
2. The terms of any exhibits to this Agreement; and
3. The terms on the face of Buyer's purchase order.
4. The terms of Seller's written acceptance (if any) of Buyer's purchase order, as described in Section 2.1 above.

2.3. **Increases, Rescheduling and Cancellation.**

(a) Subject to Section 2.4 below, Buyer may increase, reschedule, or cancel the quantity of any Products specified in a purchase order by delivering to Seller, by email, mail or facsimile, a written change order in accordance with the provisions of this Section 2.3, or in connection with an ECO (defined below) (hereinafter "**Change Order**"). No Change Order shall be effective until it is actually received and accepted by Seller's authorized representative.

(b) Subject to Section 2.4 below, Buyer may increase the quantity of any Product specified in a purchase order from the quantity originally set forth for the same period in the forecast provided by Buyer by delivering to Seller a Change Order, which is actually received and accepted by an authorized representative of Seller, which acceptance may or may not be granted in Seller's sole discretion. Quantities of the Products ordered for any calendar month may not exceed the original purchase order quantity without the prior written consent of Seller, which consent shall not be unreasonably withheld. In any event, Seller reserves the right to ship the increased quantities separately from the original order quantities. In addition, Seller will use reasonable commercial efforts to meet any quantity increases, which are subject to materials and capacity availability. If Seller agrees to accept a reschedule to pull in a delivery date or an increase in quantities in excess of the purchase order and if there are extra costs to meet such reschedule or increase, Seller will inform Buyer for its acceptance and approval in advance.

(c) Subject to Section 2.4 below, Buyer may reschedule all or any portion of a purchase order by delivering to Seller a Change Order, which is actually received and accepted by an authorized representative of Seller, within the number of days as specified below before the originally scheduled shipment date for the Product; provided, however, that in no event shall Buyer reschedule any quantities decreased or rescheduled in a manner contrary to the terms in this Agreement.

Number of Working Days Advance Notice	Percentage of Schedule Shipment that may be Decreased (up to)	Percentage of Schedule Shipment that may be Increased (up to)
0 - 30	0%	0%
31 - 60	0%	15%
61 - 90	15%	30%
91 - 120	50%	75%
121 or more days	100%	100%

2.4. **Materials Procurement; Buyer Responsibility for Materials.** Buyer is responsible, under the conditions provided in this Agreement, for all materials and inventory purchased by Seller under this Agreement in the event that Seller purchases and receives material for purchase orders that Seller is not allowed to build and ship to dates in purchase orders as accepted by Seller due to any Change Order outside of the parameters set forth in Section 2.3 above, or due to any ECR requested by Buyer as further provided in this Agreement.

(a) Buyer's forecast and Buyer's purchase orders accepted by Seller and the schedule of Long Lead Materials that is set forth in Appendix A (the "**Long Lead Time Materials List**"), as amended from time to time by the Parties including through written correspondence, are authorization for Seller to purchase, without Buyer's prior approval (a) all inventory and materials required to manufacture the Products covered by such purchase orders and forecast based on the lead time to procure the materials plus the manufacturing cycle time required from the delivery of the materials to Seller's facility to the completion of the manufacture, assembly and test processes (the "**Lead Time**") (the "**Long Lead Time Materials**"); and (b) certain special inventory and materials required to manufacture the Products covered by Buyer's forecast that have Lead Times exceeding the period covered by the accepted purchase orders for the Products or that may only be purchased in quantities that exceed the amounts covered by the accepted purchase orders for the Products, or which are purchased in economic order quantities required to achieve Buyer's requested pricing (referred to elsewhere herein as minimum order quantity materials or "**MOQ**"). All Long Lead Time Materials known as of the date of this Agreement will be documented on the Long Lead Time Materials List, which will be approved by Buyer within 10 days of this Agreement.

(b) Buyer may direct Seller to purchase certain materials from vendors specifically identified by Buyer ("**Buyer Controlled Materials**") on terms and conditions negotiated by Buyer with such vendor ("**Buyer Controlled Materials Terms**"). Buyer acknowledges that the Buyer Controlled Materials Terms will directly impact Seller's ability to perform under this Agreement and to provide Buyer with the flexibility Buyer is requiring pursuant to the terms of this Agreement. In the event that Seller reasonably believes that the Buyer Controlled Materials Terms will create an additional cost that is not covered by this Agreement, then Seller will notify Buyer and the Parties will agree to either (a) compensate Seller for such additional costs, (b) amend this Agreement to conform to the Buyer Controlled Materials Terms or (c) amend the Buyer Controlled Materials Terms to conform to this Agreement, in each case at no additional charge to Seller. Buyer agrees to provide copies to Seller of all Buyer Controlled Materials Terms upon the execution of this Agreement and promptly upon execution of any new agreements with vendors for Buyer Controlled Materials. Buyer agrees not to make any modifications or additions to the Buyer Controlled Materials Terms or enter into new Buyer Controlled Materials supply agreements with vendors that will negatively impact Seller's procurement activities under this Agreement.

(c) In the event Buyer consigns components, materials, or supplies to be used by Seller in the manufacture of the Product ("**Consigned Materials**"), Buyer agrees to consign adequate quantities to timely manufacture Products and agrees to cover any reasonable production-related attrition at Buyer's sole expense. Title to Consigned Materials remains at all times with Buyer and Seller has no obligation to purchase the Consigned Materials. Seller shall ensure that such Consigned Materials will be allocated part numbers to indicate Buyer's ownership. Seller will bear responsibility for any damage or loss of Consigned Materials related to nonproduction causes such as handling or storage while they are on Seller's premises.

(d) The rescheduling or cancellation of an order shall not affect any Products that have been shipped by Seller prior to or on the date the Seller received the written notice of cancellation, nor Buyer's obligation to purchase any Products in excess of the percentages shown in Section 2.3(c) above.

(e) All reschedules to push out delivery dates that are outside of the parameters set forth in the table in Section 2.3(c) require Seller's prior written approval, which, in its sole discretion, may or may not be granted. In addition, if Seller notifies Buyer that any inventory or materials has remained in Seller's possession for more than ninety (90) days after an approved reschedule, then Buyer agrees to immediately purchase any affected inventory and materials upon receipt of the notice by paying the following costs (the "**Costs**"): (i) 110% of the cost of all affected inventory and materials in Seller's possession and not returnable to the vendor or not usable for any other active customer, whether in raw

form or work in process, less the salvage value thereof, (ii) 105% of the cost of all affected inventory and materials on order and not cancelable, (iii) any vendor cancellation charges incurred with respect to the affected inventory and materials accepted for cancellation or return by the vendor, (iv) the then current fees for any affected Product, and (v) reasonable expenses incurred by Seller related to labor and equipment specifically put in place to support the purchase orders and forecasts that are affected by such reschedule or cancellation (as applicable). In addition, any finished Products that have already been manufactured to support the original delivery schedule will be treated as cancelled.

(f) If Seller notifies Buyer that such Product or inventory and materials has remained in Seller's possession for more than thirty (30) days since such cancellation, then Buyer agrees to purchase from Seller such Product and inventory and materials by paying the Costs. If the quantity forecasted for in any period is less than the previous quantity forecasted over the same quarterly period from the previous year, then that amount will be considered canceled or rescheduled and Buyer will be responsible for any inventory or materials purchased or ordered by Seller to support the forecast as further provided in this Section 2.4. Products that have been ordered by Buyer and that have not been picked up in accordance with the agreed upon shipment dates shall be considered cancelled and Buyer will be responsible for such Products in the same manner as set forth in this Section 2.4. For purposes of calculating the amount of inventory and materials in the event a purchase order quantity is considered cancelled, the lead time for the purposes of this subsection 2.4(f) shall be calculated as the lead time at the time of (i) procurement of the inventory or materials; (ii) cancellation of the purchase order, or (iii) termination of this Agreement, whichever is longer.

(g) Prior to invoicing Buyer for the amounts due pursuant to Section 2.4, Seller will use reasonable commercial efforts, for a period of thirty (30) days, to return unused inventory and materials, cancel pending orders for such inventory, and mitigate the amounts payable by Buyer. Buyer shall pay amounts due under this Section 2.4 within ten (10) days of receipt of an invoice. Seller will ship the Products, inventory and materials paid for by Buyer under this Section 2.4 to Buyer promptly upon said payment by Buyer. In the event Buyer does not pay within ten (10) days, Seller will be entitled to dispose of such Product, inventory and materials in a commercially reasonable manner and credit to Buyer any monies received from third parties. Seller shall then submit an invoice for the balance of the amount due and Buyer agrees to pay said amount within ten (10) days of its receipt of the invoice.

(h) For the avoidance of doubt, Seller's failure to invoice Buyer for any of the charges set forth in this Section 2.4 does not constitute a waiver of Seller's right to charge Buyer for the same event or other similar events in the future, unless previously agreed by an authorized representative of Seller.

3. STATEMENT OF WORK

3.1. Forward Production

(a) **Manufacturing Standards.** Products shall be manufactured and assembled in compliance with Seller's quality system that must comply with ISO 13485:2003, workmanship standards IPC610 – D Class B, and Buyer's Specifications (defined below). If Buyer's Specifications and Seller's workmanship standards conflict, Buyer's Specifications shall take precedence. Buyer may require that Seller purchase specific material or parts for the manufacture or assembly of the Products, or change the manufacturing process provided Buyer agrees in advance, in writing, to any adjustments, if any, to the price of the Products caused by the requirement to use a specific part, material, or manufacturing process and to purchase from Seller any Products, inventory or materials which are in excess of Buyer's purchase order or forecast or have been made obsolete by the change. Seller will provide any results of FDA, FDB or ISO audits, findings and corrective action plans directly related to Buyers products.

(b) **Specifications.** Buyer shall provide Seller with all written specifications necessary or useful for manufacturing the Product including the bill of materials ("**BOM**"), as exhibits to this Agreement (the "**Specifications**"), except where the Specifications are standards issued by a national or international standards body.

(c) **Configuration Control.** Seller shall not make or incorporate any change in the specifications for the Products without prior written approval of the Buyer, which shall be obtained through Buyer's established Engineering Change Order("**ECO**") process. All components used in production of Buyer's Products are listed on Buyer's Approved Vendors List (hereinafter "**AVL**"), with Buyer's part number and approved vendors for that component. It is the responsibility of Seller to obtain an up-to-date copy of the AVL. Seller must put procedures in place within their quality system to ensure that all components purchased for use in production of Buyer's Products are purchased from vendors listed on the AVL and otherwise in compliance with the AVL.

(d) **Testing and Troubleshooting**

3.1.d.1. Seller will perform testing, troubleshooting and repair test failures per the Buyer's test specifications. However, for those assemblies that are deemed as "no problem found," the Buyer agrees to provide test engineering assistance to the extent required to repair the assembly or to identify the assembly as not repairable and to accept the assembly "as is" since no manufacturing or component defect could be determined.

3.1.d.2. Seller does not have any responsibility whatsoever for design defects.

(e) Identification and Traceability. Seller shall maintain all records for the identification and traceability of products manufactured by Seller during all stages of receipt, production and distribution, as applicable to the Food and Drug Administration Code of Federal Regulations 21CFR820.60 and 21CFR820.65 for Quality Systems and any other applicable government rules and regulations.

(f) **Certifications**. Seller will be responsible for obtaining and maintaining in current and good standing, at its expense, any licenses, or permits, and any regulatory or government approvals necessary for the performance by Seller of its obligations and exercise of its rights under this Agreement, including, without limitation, the manufacture of Products. At Buyer's request, Seller will provide Buyer with reasonable copies of all such licenses, permits, and approvals to any governmental, quasi-governmental, or other regulatory or self-regulatory authorities.

(g) **Subcontracting**. Seller may not subcontract or assign any of its obligations under this Agreement to a third party without Buyer's prior written consent, which shall not be unreasonably withheld.

3.2. **Reverse Logistics (consists of products meant for service and refurbishment)**

(a) Seller to provide end to end service for RMA process including spare parts, field replacement units and any other need per the Buyer's requirements. Seller warrants and represents that all of Seller's employees handling returned products contaminated with blood or other potentially biohazardous materials have been properly trained pursuant to the Occupational Safety and Health Administration's guidelines and any other applicable industry safety standard for handling and disposal of medical devices, consumables, and parts thereof.

(b) Reverse logistics material, labor, handling and profit costs will not be differentiated from Forward Production.

3.3. **Insurance**. Buyer will procure and maintain at its expense comprehensive general liability insurance with a reputable insurer in amounts of not less than $5 million per incident and $10 million annual aggregate for products liability and completed operations coverage, and $1 million per incident and $2 million annual aggregate for all other coverages. Such comprehensive general liability insurance will (i) provide product liability coverage, (ii) provide broad form contractual liability coverage extending to Buyer's indemnification obligations under this Agreement, (iii) contain no products or completed operations exclusions, (iv) be an occurrence form and (v) name Seller and its affiliates as an additional insured. Buyer will maintain such insurance at all times during the Term of this Agreement and for a period of at least two (2) years thereafter. Buyer will provide Seller with written evidence of such insurance upon the request of Seller, and will provide Seller with written notice at least thirty (30) days prior to any cancellation, non-renewal, reduction or other material change in such insurance.

Seller will procure and maintain at its expense comprehensive general liability insurance with an insurer having an A.M. Best rating of A-7 or greater in amounts of not less than $1 million per incident and $2 million annual aggregate for products liability and completed operations coverage, and $1 million per incident and $2 million annual aggregate for all other coverages. Such comprehensive general liability insurance will (i) provide product liability coverage, (ii) provide broad form contractual liability coverage extending to Seller's indemnification obligations under this Agreement, (iii) contain no products or completed operations exclusions, (iv) be an occurrence form and (v) name Buyer and its affiliates as an additional insured. Seller will maintain such insurance at all times during the Term of this Agreement and for a period of at least two (2) years thereafter. Seller will provide Buyer with written evidence of such insurance upon the request of Buyer and will provide Buyer with written notice at least thirty (30) days prior to any cancellation, non-renewal, reduction or other material change in such insurance.

4. CHANGES

4.1. **Changes Generally.** All documentation, approved ECOs, configuration histories, inspection data, and acceptance test reports related to changes made pursuant to this Section 4 must be periodically archived and Restoration Robotics reserves the right to audit Supplier's records and technical documentation to verify compliance (for example, in the event of an FDA compliance audit). Upon termination of the Agreement, for any reason, Supplier agrees to and shall provide Restoration Robotics with a complete technical documentation package within thirty (30) days from the date of termination.

4.2. **Seller Changes**.

(a) Seller shall not incorporate any engineering change to the Products without Buyer's prior written consent in accordance with Buyer's established ECO process. Seller shall notify Buyer of any engineering change proposed by Seller to the Products, and shall supply a written description of the expected effect of the engineering change on the Products, including the possible effect on price, performance, safety, reliability and serviceability as part of the proposed engineering change. Buyer, at its discretion, may elect to incorporate or not to incorporate any Seller-proposed engineering change to the Product design. If any Seller-proposed engineering change is accepted by Buyer and is incorporated into the Product design resulting in reduced Product price, Seller and Buyer will share in the resulting cost savings, based on the following schedule:

0-60 days	100% to Seller
61-120 days	50% to Seller: 50% to Buyer
after 120 days	100% to Buyer

(b) If a Seller-proposed engineering change is accepted by Buyer, the Parties agree to amend the unit price and purchase order accordingly, and the new product price shall apply to all Products delivered hereunder which include the Seller-proposed engineering change. Seller agrees that any and all Seller-proposed engineering changes shall belong to and be the exclusive property of the Buyer. Once the proposed engineering change is accepted by Buyer, Buyer assumes all liabilities for excess and obsolete inventory and materials resulting from such change that cannot be re-purposed by Seller as if such change had been proposed and adopted by the Buyer.

(c) Buyer owns all the intellectual property rights related to the Products and all such rights in any enhancements, improvements, derivatives thereof and changes thereto. Seller hereby assigns to Buyer any and all intellectual property rights in and to Seller-proposed engineering changes to the Products. Seller reserves all rights not expressly granted to Buyer hereunder.

4.3. **Buyer Changes.**

(a) Buyer may make engineering changes to the Products from time to time during the Term of this Agreement by written notification to Seller describing the details of the engineering change. Drawings, designs, and/or specifications required for the change shall also be supplied by Buyer. Buyer shall

assume all liability for obsolete materials and products as if they were canceled pursuant to Section 2.3 as a result of an engineering change. Once the Parties have agreed upon any resulting unit price change as determined in Section 4.2(b), Seller shall incorporate the proposed engineering change into the Products on a schedule to be agreed to by the Parties. Seller shall not proceed to implement any proposed engineering change without Buyer's written authorization.

(b) Within five (5) businessdays of Buyer's notification of a proposed engineering change, Seller shall provide Buyer with a written quotation, which includes any proposed increase or decrease in the unit price of the Products and excess and obsolete material. The Parties shall make a good faith effort to agree upon any change, which may apply to the unit price of the Product within thirty (30) days from the date of Buyer's notification of the proposed engineering change, and this Agreement shall be amended accordingly. Buyer assumes all liabilities for excess and obsolete inventory and materials resulting from such change. Upon relief of all existing inventory, the associated cost savings will be provided to the Buyer.

(c) Buyer owns all the intellectual property rights related to the Products and all such rights in any enhancements, improvements, derivatives thereof and changes thereto. Buyer reserves all rights not expressly granted to Seller hereunder.

5. TOOLING AND TEST FIXTURES

Seller shall order and purchase all of the process tooling, assembly tools and test fixtures necessary or appropriate to manufacture the Products, except for tools consigned by Buyer and listed in Exhibit B. Seller must obtain Buyer's approval before purchase of all tooling and fixtures necessary to manufacture the Products. Upon obtaining such approval from Buyer, Seller's receipt and use of Buyer-approved tooling and test fixtures shall be deemed as Buyer's acceptance of the process tooling, assembly tools and test fixtures. Upon termination of this Agreement and no later than 10 days after the date that Seller completes any agreed transition services pursuant to this Agreement, Seller shall ship to Buyer, FOB, Seller's Manufacturing Plant, and at the expense of Buyer, all of the process tooling and test fixtures paid for by the Buyer or consigned to Seller. The tools must be packaged such that they will not be damaged during transport back to the Buyer.

6. PURCHASE PRICE AND PAYMENT TERMS

(a) **Purchase Price.** The prices for the Products shall be mutually agreed upon by both Parties. If, during the Term of this Agreement, changed prices are put into effect by mutual written agreement of the Parties, such prices shall apply only to all purchase orders issued by Buyer after the effective date of the changed prices.

(b) **Payment Terms**. The purchase price for the Products, and all other related charges contemplated by this Agreement shall be due and payable thirty (30) days after the date of Seller's invoice. All non-recurring engineering ("**NRE**") charges approved by Buyer shall be due and payable thirty (30) days after date of Seller's invoice.

(c) **Credit Line**. Seller, in its sole discretion, shall determine the amount of credit line to be granted to Buyer.

7. PACKAGING. SHIPPING AND DELIVERY

7.1. **Packaging.** All Products shall be packaged for shipment per Buyer specifications, government regulations and other applicable standards.

7.2. **Shipping**.

(a) All shipments shall be made FOB FCA shipping point at Seller's Manufacturing Plant. Title to Products and risk of loss, damage or destruction shall pass from Seller to Buyer upon Seller's delivery of the Products to the common carrier specified by the Buyer, or, if no instructions are given, Seller shall select the most appropriate carrier. Any such loss, injury or destruction shall not release Buyer from any obligation under this Agreement.

(b) All shipments made to Seller for Buyer's consigned or supplied material shall be made FOB FCA shipping point at Seller's factory.

7.3. **Delivery.**

(a) All orders shall be shipped complete. Seller shall immediately give Buyer oral and written advice of any prospective failure to ship the specified quantity of Products in time to meet the scheduled delivery date. Should only a portion of the Products be available for shipment by the delivery date, Seller shall consult with Buyer to obtain delivery instructions. Where Buyer allows Seller to make partial shipments, the shipments shall be applied against completion of the oldest open purchase order first.

(b) If Seller ships any Product by a method other than as specified in the corresponding purchase order, Seller shall pay any resulting increase in the cost of freight incurred over the cost of freight which would have been incurred had Seller complied with Buyer's shipping instructions.

(c) If, due to Seller's failure to make a timely shipment, the specified method of transportation would not permit Seller to meet the scheduled delivery date, the Products affected shall be shipped by air transportation or other expedient means acceptable to Buyer. Seller shall pay for any resulting increase in the freight cost over that which Buyer would have been required to pay if the specified method of transportation was used.

(d) If Seller ships more Products than ordered in the purchase order, the amount of over-shipment may, at Buyer's option, either be kept by Buyer for credit against future shipments or returned to Seller at Seller's expense.

(e) Seller shall obtain Buyer's approval before making any delivery more than five (5) working days prior to the scheduled delivery date. If Seller ships more than five (5) working days in advance of the scheduled delivery date without Buyer's approval, Buyer may return the Products to Seller at Seller's expense.

8. ACCEPTANCE

8.1. **Acceptance**. Acceptance of the Products shall be based upon the Product specifications. The Products shall be deemed irrevocably accepted unless Buyer gives Seller written notice of the failure to conform to the Product specifications within fifteen (15) working days of receiving the Products from Seller.

8.2. **Rejection**. Buyer shall give Seller written notice of any rejection based upon the condition, quality, quantity or grade of the Products. Failure to give such written notice within fifteen (15) working days of receipt shall constitute irrevocable acceptance of the Products. If Buyer provides the written notice specified in Section 8.1 and rejects Products within the fifteen (15) working day acceptance period, Seller, at its sole option, shall either repair or replace any Products, which fail to meet the Product Specifications. Seller agrees to pay all reasonable shipping costs related to the return of such Products to Seller and the shipping costs related to redelivering the replacement Products to Buyer and/or Buyer's customers. The mode of shipment shall be via a standard commercial carrier.

9. WARRANTIES, REMEDIES AND LIMITATION OF LIABILITY

9.1. **Warranty**.

(a) Seller warrants to Buyer and any end users of the Product that, for a period of twelve (12) months from the date of delivery to the Buyer FOB Destination, each Product shall be free from defects, latent or otherwise, in materials and workmanship and shall have been produced in accordance with the manufacturing processes specified by Buyer and shall (a) conform, in all material respects, to the Specifications, standards, drawings, samples, descriptions, quality requirements, statements of work, and fit, form, and function requirements furnished, specified or approved by Buyer for the Products, (b) conform with Seller's quality standards, (c) comply with all applicable laws. Seller also warrants that each of the Products shall be new and conveyed by Seller to Buyer with good title, free and clear of all encumbrances. **"Encumbrance"** means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership. During such warranty period, Seller shall, at its sole discretion and at its expense, repair or replace the defective Products. Buyer's exclusive remedy for breach of warranty shall be as set forth in this Section 9.1; provided that Seller shall repair or replace any affected Products for any recall of Products that results from any workmanship-related cause that could have been identified at the time of manufacture through the Buyer specified inspection and test procedures. Seller will use commercially reasonable efforts to obtain and pass through to Buyer a warranty with regard to the materials that the materials conform to the vendor's specifications and/or with the Specifications and that the materials are free from defects in workmanship.

(b) An "**Epidemic Failure**" will be considered to exist when return rate data indicates that five percent (5%) of Products shipped during any twelve (12) consecutive months has been proven to exhibit the substantially same major functional, mechanical, or appearance defect. Seller and Buyer will agree to a reasonable plan and allocation of costs to carry out the repair or replacement of affected Products shipped during said twelve-month period. Upon agreement, Seller will pay any claims for such costs by Seller if the problem is a result of a breach by Seller of its express limited warranty set forth in Section 9.1(a).

9.2. **LIMITATION OF WARRANTY**. EXCEPT AS EXPRESSLY STATED IN SECTION 8.1 AND 9.1, SELLER HEREBY DISCLAIMS ANY OTHER WARRANTIES OR CONDITIONS ON THE PERFORMANCE OF THE WORK OR THE PRODUCTS, EXPRESS, IMPLIED, STATUTORY, OR IN ANY OTHER PROVISION OF THIS AGREEMENT OR COMMUNICATION WITH BUYER, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR NON-INFRINGEMENT. SELLER SHALL NOT BE RESPONSIBLE FOR ANY DEFECT CAUSED BY PRODUCT MISUSE.

9.3. **NO OTHER LIABILITY. EXCEPT WITH REGARD TO A BREACH OF SECTION 14 BELOW, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY "COVER" DAMAGES (INCLUDING INTERNAL COVER DAMAGES WHICH THE PARTIES AGREE MAY NOT BE CONSIDERED "DIRECT" DAMAGES), OR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND OR NATURE ARISING OUT OF THIS AGREEMENT OR THE SALE OF PRODUCTS, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING THE POSSIBILITY OF NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE, AND EVEN IF ANY OF THE LIMITED REMEDIES IN THIS AGREEMENT FAIL OF THEIR ESSENTIAL PURPOSE.**

THE FOREGOING SECTION 9 STATES THE ENTIRE LIABILITY OF THE PARTIES TO EACH OTHER CONCERNING INFRINGEMENT OF PATENT, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS.

10. INDEMNIFICATION

10.1 Seller shall defend, indemnify and hold harmless Buyer, Buyer's officers, directors, employees, and Buyer's Affiliates, subsidiaries, successors and assigns from and against all claims, demands, liabilities, losses, costs, fees, expenses (including reasonable attorney fees), damages and injuries of any kind or nature suffered or incurred as a result of a third party claim arising in connection with or resulting from: (i) personal injury, death or property

damages to the extent it is incurred due to defects (other than defects caused by a Restoration Robotics design of the Products) in the Products Manufactured by Supplier pursuant to this Agreement, including Supplier's failure to comply with the Specifications, (ii) breach by Supplier of representations and warranties provided in this Agreement, or Supplier' failure to comply with federal, state or local laws, (ii) gross negligence or wrongful intentional act of Supplier or its representatives, employees or agents.

10.2 Buyer shall defend, indemnify and hold harmless Seller, Seller's officers, directors, employees, and Seller's Affiliates, subsidiaries, successors and assigns from and against all claims, demands, liabilities, losses, costs, fees, expenses (including reasonable attorney fees), damages and injuries of any kind or nature suffered or incurred as a result of a third party claim arising in connection with or resulting from: (i) personal injury, death or property damages to the extent it is incurred due to defects caused by a Restoration Robotics design of the Products, (ii) Buyer's failure to comply with federal, state or local laws, (iii) gross negligence or wrongful intentional act of Buyer or its representatives, employees or agents, or (iv) infringement of United States patent but only to the extent such infringement is caused by the Restoration Robotics design. Notwithstanding the above, under no circumstances will Buyer have any indemnification obligations under this Section 10.2(iv) for any patent infringement claim based on any off-the-shelf Products, components or a la carte items supplied by Supplier to Buyer, or for any third-party claims under this subsection 10.2 to the extent such claims result from 1) use or combination of the Products with other items such as other equipment, processes, programming applications or materials not furnished by Buyer, 2) use of any Products not in accordance with Buyer's written Specifications; or 3) modifications to Products not made by or at the express written direction of Buyer.

10.3 If Seller's rights to Manufacture the Products under the terms of this Agreement are, or in Buyer's opinion are likely to be, enjoined due to the type of claim specified in Section 10.2(iv) (*infringement of United States patent*), then Buyer may, at its sole option and expense: (i) obtain for Supplier the right to continue to Manufacture such Product under the terms of this Agreement; (ii) replace or modify an infringing Product or portion thereof with a substantially functional equivalent so that it is no longer infringes; or (iii) if neither option (i) nor (ii) above cannot be accomplished despite Buyer's reasonable efforts, then Buyer may terminate this Agreement in whole or, if practicable, with respect to the infringing Product or component. THE FOREGOING PROVISIONS OF THIS SECTION 10.3 SET FORTH BUYER'S SOLE AND EXCLUSIVE LIABILITY AND SUPPLIER'S SOLE AND EXCLUSIVE REMEDY FOR ANY THIRD-PARTY CLAIMS OF INFRINGEMENT.

10.4 A Party (the "Indemnitee") that intends to claim indemnification under this Section 10 shall promptly notify in writing the other Party (the "Indemnitor") of any loss, claim, damage, liability or action in respect of which the Indemnitee intends to claim such indemnification, and provide Indemnitor an opportunity to elect to take over, settle or defend the same through counsel of the Indemnitor's own choice (but reasonably acceptable to the Indemnitee) and under the Indemnitor's sole discretion and at the Indemnitor's own expense, and will make available to the Indemnitor in the event of such election, all defenses against such claims or actions, known or available to the Indemnitee. However, the Indemnitee shall have the right to participate in the defense against the indemnified claims with counsel of its choice at its own expense. The Indemnitor and the Indemnitee shall cooperate fully in all aspects of any investigation, defense, pre-trial activities, trial, compromise, settlement, or discharge of any claim in respect of which indemnity is sought pursuant to this Agreement, including, without limitation, providing the other Party with reasonable access to employees and officers (including, without limitation, as witnesses) and other information.

10.5 The indemnity obligations in this Section 10 shall not apply to amounts paid in settlement of any loss, claim, damage, liability or action if such settlement is effected without the consent of the Indemnitor. However, if the Indemnitor receives a settlement offer that the Indemnitor rejects, the Indemnitor shall be responsible for any damages finally awarded or settlement amounts entered into to the extent based upon such claim. In no event shall the Indemnitor be entitled to settle any of the above-mentioned claims that could materially adversely affect the Indemnitee without the Indemnitee's consent, provided however, that the Indemnitor may settle or compromise any such claim without a written consent of the Indemnitee only when such settlement or compromise includes an unconditional release of the Indemnitee.

10.6 In the event a claim is based partially on an indemnified claim described in this Section 10 and partially on a non-indemnified claim, or is based partially on a claim indemnified by Buyer and partially on a claim indemnified by Supplier, any payments and reasonable attorney fees incurred in connection with such claims are to be apportioned between the Parties in accordance with the degree of cause attributable to each Party. In the event either Party is adjudged to have been grossly negligent or to have acted with willful misconduct in connection with such claim, such Party will not be entitled to be indemnified and held harmless under this Section 10.

11. STOP WORK

In the event that Buyer fails to make timely payment at least sixty (60) days after the due date on any undisputed purchase order according to its payment terms and for as long as such payment remains overdue and payable, Seller shall be permitted to stop work on any and all outstanding purchase orders issued by Buyer, without penalty to Seller. Except in the event of termination by Seller pursuant to Section 12.1 or Section 12.2 below, Seller shall be obligated to re-commence work on outstanding purchase orders upon Buyer bringing overdue payment(s) current.

12. TERMINATION

12.1. This Agreement may be terminated at any time upon the mutual written agreement of both Parties hereto.

(a) Either Buyer or Seller may terminate this Agreement at any time upon one hundred twenty (120) days' notice consistent with the terms in Section 1.1; provided, that either Buyer or Seller may terminate this Agreement at any time upon one hundred eighty (180) days' notice during the Initial Term if Buyer's quarterly forecasted demand for Products with substantially the same mix of products and SKUs as the preceding period falls below 75% of Buyer's historical forecasted demand for the same period in the previous year.

(b) Buyer may terminate this Agreement at any time upon one hundred eighty (180) days' notice to Seller in the event of a change of control of Restoration Robotics. For purposes of this Agreement, "**Change of Control**", with respect to a Party, means the occurrence of any of the following events: (a) any consolidation or merger of the Party with or into any other entity in which holders of the Party's outstanding equity interests immediately before such consolidation or merger do not, immediately after such consolidation or merger, retain equity interests representing a majority of the voting power of the surviving entity or equity interests representing a majority of the voting power of an entity that wholly owns, directly or indirectly, the surviving entity, (b) the sale, transfer or assignment of securities of the Party representing a majority of the voting power of all of Party's outstanding voting securities to an acquiring party or group, or (c) the sale of all or substantially all of Party's assets. For the avoidance of doubt, an initial public offering of Buyer's equity interests is not considered a Change of Control for the purposes of this Section 12 or the Agreement.

(c) If Seller terminates, such termination must include the following: (a) formal written notification of intent to terminate and (b) a transition plan that provides for a period of one hundred eighty (180) days from Buyer's receipt of the written notification of termination from Seller which includes (i) Product coverage for Buyer, and (ii) reasonable assistance to Buyer to transition Product manufacturing to Buyer or a third party.

(d) Upon termination by either Party for any reason (including pursuant to Sections 12.2 and 12.3 below, Buyer agrees to purchase, and Seller agrees to sell, all materials, components and work-in-process, including Inventory and Products, provided that Products to be purchased shall not exceed a maximum of three months future build quantities, plus long lead components and/or components that Buyer authorized Seller to purchase as follows:

1. Purchase all finished Products produced for valid purchase orders at the stated unit price; and
2. Purchase any work-in-process materials mutually agreed upon by both Parties during the Term of the Agreement; and
3. Purchase all materials at actual cost, including MOQ and excess inventory, procured by Seller or which are not cancelable or returnable (NCNR) to the vendor; and
4. Reimburse Seller for any reasonable cancellation and/or related costs from its vendors as a result of Buyer's cancellation; and

5. Reimburse Seller for any verifiable and actual charges incurred because the cancellation caused Seller to not attain the annual usage supplied by Seller's vendor and utilized in establishing material prices quoted under this Agreement. Seller must obtain written approval from an authorized representative of the Buyer before Seller agrees to a termination or cancellation fee if (i) Buyer is obligated to pay any cancellation or termination fee and (ii) such fee exceeds $1,000 per vendor.

6. MOQ and NCNR Purchases: For certain Products removed from production due to Buyer's request to cease production of such Products, Buyer is responsible for the cost of any excess inventory required to be purchased by Seller to MOQ or NCNR requirements. MOQs are the result of procurement processes where Seller must buy full reels, tubed and packaged components. MOQ will be designated as such in advance and excess liability exposure will be shared with Buyer on a regular basis. If a MOQ or NCNR is to exceed $1,000 in excess cost, written approval must be obtained from Buyer.

7. All MOQ and NCNR purchase orders placed by Seller must be approved in writing by Buyer or Buyer's authorized parties.

Seller agrees not to begin new production, or purchase more materials or components, without receiving written approval from Buyer, following receipt of a written notice of termination from Buyer. The cost for Products will be in accordance with the established pricing in effect at the time of termination. The cost of components will be limited to the actual purchase price paid by Seller for the components, plus mutually agreed upon material handling charges or supplier related charges, if any.

12.2. **Termination for Cause by Seller.** Seller shall have the right to cancel this Agreement and/or any active purchase orders:

(a) Upon Buyer's failure to pay outstanding invoices within ninety (90) days from the date of the invoice according to the payment terms set forth in Section 6(b); or

(b) Upon thirty (30) days advance written notice to Buyer regarding Buyer's material nonperformance or repudiation of any other substantive obligations of this Agreement (other than failure to pay any invoice) and Buyer's failure to cure such nonperformance or repudiation within ninety (90) days after the written notice is received, or such additional cure period as the Seller may authorize in writing; or

(c) Upon written notice from the Seller in the event Buyer has elected to close or dissolve its operation or is wound up and dissolved, becomes insolvent, or repeatedly fails to pay its debts as they become due, makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy or for reorganization or is adjudicated as bankrupt or insolvent, or has a liquidator or trustee appointed over its affairs and such appointment shall not have been terminated and discharged within thirty (30) days thereof.

12.3. **Termination for Cause by Buyer.** Buyer shall have the right to cancel this Agreement and/or any active purchase orders:

(a) Upon thirty (30) days advance written notice to Seller regarding Seller's material nonperformance or repudiation of any substantive obligations of this Agreement and Seller's failure to cure such nonperformance or repudiation within thirty (30) days after the written notice is received or such additional cure period as Buyer may authorize in writing; or

(b) Upon written notice from Buyer in the event Seller has elected to close or dissolve its operation or is wound up and dissolved, becomes insolvent, or repeatedly fails to pay its debts as they become due, makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy or for reorganization, or is adjudicated as bankrupt or insolvent, or has a liquidator or trustee appointed over its affairs and such appointment shall not have been terminated and discharged within thirty (30) days thereof.

13. OTHER

Notwithstanding any provisions to the contrary, Sections 5, 6, 9, 10, 12.1(c), and 14 shall survive the termination of this Agreement. Except for a termination as described in Sections 12.2, the provisions of this Agreement will continue to apply to purchase orders accepted by Seller prior to the effective date of such termination or expiration. This Agreement shall constitute the entire agreement of the Parties with respect to the subject matter herein, supersedes any prior agreement or understanding, whether written or oral, relating thereto, and can be amended only by a writing that is executed and delivered by both Parties hereto. This Agreement shall be governed by the laws of the State of California notwithstanding the conflict of laws provisions of the State of California. Further, to the extent that either Party waives any right hereunder, it shall not be deemed to have waived any other right hereunder. Finally, this Agreement shall be binding upon successors and assigns of each Party hereto and may only be assigned with the prior written consent of the other Party.

14. **CONFIDENTIALITY**. "Confidential Information" means information or material, whether of technical nature, business nature or otherwise, including trade secrets, pertaining to any aspects of Buyer's business which is commercially valuable to Buyer and not generally known or readily ascertainable. Confidential Information includes, without limitation, any and all technical and non-technical information including techniques, sketches, designs, drawings, models, inventions, know-how, processes, apparatus, equipment, algorithms, software programs, software source documents, and formulae; information related to the current, existing or contemplated or proposed Buyer's products and services; information concerning research, experimental work, development, design details and specifications, engineering, financial information, procurement requirements, purchasing, manufacturing, customer lists and information, business forecasts, sales and merchandising, pricing, marketing plans and information, as well as the terms of this Agreement; and any information or data developed pursuant to the performance of the Services. Confidential Information shall not include information which: (a) is or becomes public knowledge without any action by, or involvement of, Seller, as evidenced by written records of Seller; (b) is disclosed by Seller with the specific, prior written approval of Buyer; (c) is independently developed by Seller without use of Buyer's Confidential Information; (d) is rightfully received by Seller from a third party who is authorized to make such disclosure without requiring confidentiality treatment; or (e) is disclosed publicly pursuant to any judicial or governmental order, provided that Seller gives Buyer sufficient prior notice to contest such order. All Confidential Information provided pursuant to this Agreement shall not be distributed, disclosed or disseminated in any way or form by Seller to anyone except its own employees who have a reasonable need to know such Confidential Information and who have been advised of the confidential nature and required to observe the terms and conditions hereof; nor shall Confidential Information be used by Seller for its own purpose, except for the purposes of exercising its rights or fulfilling its obligations under the Agreement. Neither Party shall communicate or otherwise disclose to the other Party, during the Term of this Agreement, confidential or proprietary information of third parties. Upon request of Buyer, copies and embodiments of all Confidential Information shall be promptly returned to Buyer by Seller, unless such copies are required to support existing Buyer's purchase orders under the terms of this Agreement. Upon termination of this Agreement for any reason, Seller shall promptly return or deliver to Buyer all Confidential Information provided by Buyer, including all copies thereof, unless such copies are required to support existing Buyer's purchase orders under the terms of this Agreement. Both Parties agree and acknowledge the existence of a confidentiality agreement entered into on April 24, 2015 between Buyer and Seller ("**Confidentiality Agreement**"). To the extent any terms in this Section 14 conflicts with the provisions in the Confidentiality Agreement, the terms of the Confidentiality Agreement shall control.

15. **RECORD RETENTION; AUDIT**.

15.1 Seller shall keep adequate and current records of any development and content of all work product under this Agreement. Seller shall deliver all such records and other information, papers, manuals, drawings and documents coming into Seller's possession or created by Seller in connection with providing services under this Agreement, as well as all tangible Restoration Robotics property (including, but not limited to, computer hardware and software, samples, prototypes, Tools, equipment, descriptions or video presentations, records and notebooks) to Buyer promptly upon termination of this Agreement. Seller shall establish and maintain complete and accurate books, records and a reasonable accounting system that readily identifies Seller's assets, financial health, costs of goods, and the ability for Seller to comply and fulfill Seller's obligations under this Agreement. Supplier shall keep such books and records available for inspection during the Term of this Agreement and for a period of three (3) years following termination of this Agreement.

15.2 During the Term of this Agreement, Buyer's employees or independent auditors selected by Buyer and reasonably acceptable to Seller shall be provided reasonable access to facilities at which Products are manufactured and packaged to enable such employees or independent auditors to audit manufacturing and packaging performance, including an analysis of Seller's conformity with manufacturing, packaging and quality requirements, including those mandated by the applicable regulatory authorities and Seller's compliance with this Agreement. Such audits will be conducted during normal business hours and in a manner so as not to unreasonably disrupt Seller's operations. Buyer will provide Seller with reasonable prior written notice of an audit. Seller will cooperate in the audit, will provide the information reasonably required to conduct the audit available on a timely basis and will assist the designated employees of Buyer or its independent auditors as reasonably necessary.

16. ASSIGNMENT AND CHANGE OF CONTROL

Buyer and Seller hereby agree that neither Party may assign or transfer this Agreement or any interest herein or any rights or obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld or delayed; provided, however, that Buyer may assign its rights and obligations to an entity controlling, controlled by or under common control with Buyer, or to Buyer's successor in interest, or to any party to which Buyer sells the portion of its business which relates to the Products.

17. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the duly authorized representatives of Buyer and Seller have executed this Agreement on the dates shown below:

SELLER:	**BUYER:**
EVOLVE	**RESTORATION ROBOTICS, INC.**
By: /s/ Noreen King	By: /s/ Gabe Zingaretti
Noreen King	Gabe Zingaretti
Chief Executive Officer	COO

Exhibit A

Statement of Work

RFQ's, Quotes and Purchase prices are based on Restoration Robotics Device master Records data on the RFQ, Quote and Purchase Order Date

Exhibit B

Tools, equipment and Fixtures*

* *A list will be compiled and maintained by both parties during the Term of the Agreement.*

Exhibit 10.3

COMPONENT PRICING AGREEMENT

This Component Pricing Agreement (this "**Agreement**") is between Restoration Robotics, Inc., a Delaware corporation with a principal address at 128 Baytech Drive, San Jose, California 95134 ("**Restoration Robotics**") and Evolve Manufacturing Technologies Inc., a company having a place of business at 47300 Bayside Parkway, Fremont, CA 94538 ("**Component Supplier**") and is effective as of August 1, 2016 (the "**Effective Date**"). Restoration Robotics and Component Supplier may be each referred to herein as a "**Party**" or collectively as the "**Parties.**"

WHEREAS, Component Supplier purchases certain products from certain vendors (each, a "**RR Manufacturer**", and collectively the "**RR Manufacturers**") for the manufacturing of products for Restoration Robotics (such products, "**RR Products**").

WHEREAS, Restoration Robotics purchases RR Products from Component Supplier.

WHEREAS, the Parties wish to define certain pricing parameters for such components to ensure that the pricing therefor is consistent between the RR Manufacturers.

NOW THEREFOR, the Parties agree as follows:

1. **Component Pricing**. The Parties agree that, for the period from the Effective Date until the one (1) year anniversary thereof, Component Supplier shall supply all orders of the components and associated quantities as listed in Exhibit A attached to this Agreement, ordered from RR Manufacturers for the manufacture of RR Products at a unit price not to exceed the pricing set forth in Exhibit A. Restoration Robotics agrees to purchase from Component Supplier the total quantity of components listed in Exhibit A (the "Total Quantity") and Component Supplier agrees and acknowledges that Restoration Robotics' maximum liability under this Agreement shall not exceed the cost of purchasing the Total Quantity. Restoration Robotics may, at its sole option, determine the quantities of each component listed in Exhibit A provided that Restoration Robotics purchases the Total Quantity. Component Supplier agrees and acknowledges that all costs related to NRE, setup, or other production related costs associated with the components listed in Exhibit A are included in the unit prices stated for the components listed in Exhibit A. Component Supplier shall not charge Restoration Robotics any production related costs or any other charges not specified in Exhibit A.

2. **Parties' Relationship**. For clarity, this is a pricing agreement only, and Component Supplier acknowledges that supply, quality and all other terms shall be governed by Component Supplier's relationship with the RR Manufacturers. It is understood that nothing herein constitutes an agreement for exclusivity on the part of any of the parties.

3. **Governing Law**. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the United States and the State of Delaware, without reference to conflict of laws principles and excluding the 1980 U.N. Convention on Contracts for the International Sale of Goods.

4. **Assignment**. Neither Party may assign this Agreement without the prior written consent of the other; provided, however, that Restoration Robotics may assign to a party that succeeds to all or substantially all of Restoration Robotics' business or assets relating to this Agreement whether by sale, merger, operation of law or otherwise; provided that such assignee or transferee promptly agrees in writing to be bound by the terms and conditions of this Agreement.

5. **Severability**. If any provision of this Agreement is found by a court of competent jurisdiction to be unenforceable, that provision shall be severed and the remainder of this Agreement shall continue in full force and effect.

6. **Notices**. Any notices required or permitted hereunder shall be given to the appropriate Party at the address listed on the first page of the Agreement, or such other address as the Party shall specify in writing pursuant

to this notice provision. Any notice required or permitted to be given hereunder must be in writing and will be deemed to have been received by its recipient on the business day it is personally delivered or delivered by a recognized overnight delivery service at the following address (or at such other address as such Party specifies to the other Party in writing), or on the day sent by facsimile transmission if confirmation of transmission is received and a confirmatory copy is sent by US mail within one business day. If sent by certified or registered mail postage prepaid and return receipt requested, such notice will be deemed to have been received on the fifth business day after mailing, addressed to such Party at such address

7. **Counterparts; Electronic Signature**. This Agreement may be executed in one or more counterparts, or by electronic signature on a PDF document, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

8. **Non-Waiver**. No failure or delay of one of the Parties to insist upon strict performance of any of its rights or powers under this Agreement shall operate as a waiver thereof, nor shall any other single or partial exercise of such right or power preclude any other further exercise of any rights or remedies provided by law.

ACCEPTED AND AGREED TO:

RESTORATION ROBOTICS

By: /s/ Gabe Zingaretti
Name: Gabe Zingaretti
Title: COO

COMPONENT SUPPLIER

By: /s/ Noreen King
Name: Noreen King
Title: CEO

EXHIBIT A

Product Cost

P/N	Order Qty	Material ($)	Labor ($45/hr)	Material OH ($) (12%)	Cleanroom Cost	Sub-Total ($)	Evolve Margin (10%)	Total ($) per unit	Ext Total ($)
FP-45173	4,000	$101.69	$ 23.21	$ 12.20	$ 7.50	$ 144.61	$14.46	$159.07	$ 636,263.32
or	6,000	$101.69	$ 22.73	$ 12.20	$ 3.00	$ 139.62	$13.96	$153.58	$ 921,477.48
FP-45174	9,000	$101.69	$ 22.40	$ 12.20	$ 2.00	$ 138.29	$13.83	$152.12	$1,369,098.72
FP-100766	4,000	$108.25	$ 23.21	$ 12.99	$ 7.50	$ 151.95	$15.20	$167.15	$ 668,591.00
or	6,000	$108.25	$ 22.73	$ 12.99	$ 3.00	$ 146.97	$14.70	$161.66	$ 969,969.00
FP-100482	9,000	$108.25	$ 22.40	$ 12.99	$ 2.00	$ 145.64	$14.56	$160.20	$1,441,836.00
	1,500	$ 40.00	$ 14.80	$ 4.80	$ 10.00	$ 69.60	$ 6.96	$ 76.56	$ 114,840.00
FP-47060	4,000	$ 39.00	$ 13.99	$ 4.68	$ 7.50	$ 65.17	$ 6.52	$ 71.68	$ 286,737.00
	6,000	$ 38.79	$ 13.83	$ 4.65	$ 3.00	$ 60.27	$ 6.03	$ 66.30	$ 397,780.68
	9,000	$ 38.79	$ 13.72	$ 4.65	$ 2.00	$ 59.16	$ 5.92	$ 65.08	$ 585,698.52

Sterilization Cost

P/N	Sterilization ($) per run	Evolve Margin (8%)	Transportation To/From Facility	Total ($) per run
FP-45173	$ 1,200.00	$ 96.00	$ 170.00	$1,466.00
or	$ 1,200.00	$ 96.00	$ 170.00	$1,466.00
FP-45174	$ 1,200.00	$ 96.00	$ 170.00	$1,466.00
	$ 900.00	$ 72.00	$ 170.00	$1,142.00
FP-47060	$ 900.00	$ 72.00	$ 170.00	$1,142.00
	$ 900.00	$ 72.00	$ 170.00	$1,142.00

Quarterly Dose Audit Cost

P/N	Dose Audit Kit Cost ($)	Dose Audit Lab Cost ($)	Evolve Margin (8%)	Transportation To Lab	Total ($) per quarter
FP-100651 or FP-100652	$2,455.12	$ 5,356.00	$ 428.48	$ 262.50	$8,502.10
FP-46447	$1,231.38	$ 5,356.00	$ 428.48	$ 262.50	$7,278.36

Shipping to Legacy

P/N	Shipping Cost
FP-45173 or FP-45174 FP-47060	$165 per trip

NOTES:

i. Quote is FOB Evolve Manufacturing (Fremont, CA)

ii. Quote is valid for 30 days from issuance date of this quotation.

iii. Terms NET 30 days.

iv. Workmanship warranty 12 months from ship date.

vi. Customer will be responsible for excess/obsolete material resulting from change orders or end of program

vii. Sterilization, Quarterly Dose Audit and Shipping charges will be invoiced as incurred, separate from Finished Product.

FIRST AMENDMENT
TO
COMPONENT PRICING AGREEMENT

This First Amendment ("First Amendment") is made and entered into as of August 30, 2017 ("First Amendment Effective Date"), by and between **RESTORATION ROBOTICS, INC**. ("RR" or "Restoration Robotics") and **EVOLVE MANUFACTURING TECHNOLOGIES INC.** ("Component Supplier"), and amends that certain Component Pricing Agreement, dated August 1, 2016, between RR and Component Supplier ("Agreement").

WHEREAS, RR and Component Supplier wish to amend the Agreement, in accordance with the terms and conditions of this First Amendment;

WHEREAS, the capitalized terms not otherwise defined herein will have the meanings ascribed to them in the Agreement; and

WHEREAS, RR and Component Supplier agree that, with the exception of any agreements that are presently active under the Agreement, which remain in full force, this First Amendment modifies the Agreement between the parties commencing as of the First Amendment Effective Date.

NOW THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and subject to the terms and conditions set forth herein, the parties hereby agree as follows:

1. **Section 1, "Component Pricing" of the Agreement is hereby amended by deleting the existing Section 1, "Component Pricing" and inserting the following in lieu thereof:**

Component Pricing. The Parties agree that, for the period from the Effective Date until the two (2) year anniversary thereof, Component Supplier shall supply all orders of the components and associated quantities as listed in Exhibit A attached to this Agreement, ordered from RR Manufacturers for the manufacture of RR Products at a unit price not to exceed the pricing set forth in Exhibit A. Restoration Robotics agrees to purchase from Component Supplier the total quantity of components listed in Exhibit A (the "Total Quantity") and Component Supplier agrees and acknowledges that Restoration Robotics' maximum liability under this Agreement shall not exceed the cost of purchasing the Total Quantity. Restoration Robotics may, at its sole option, determine the quantities of each component listed in Exhibit A provided that Restoration Robotics purchases the Total Quantity. Component Supplier agrees and acknowledges that all costs related to NRE, setup, or other production related costs associated with the components listed in Exhibit A are included in the unit prices stated for the components listed in Exhibit A. Component Supplier shall not charge Restoration Robotics any production related costs or any other charges not specified in Exhibit A.

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representatives to execute, this First Amendment as of the First Amendment Effective Date.

EVOLVE MANUFACTURING

TECHNOLOGIES INC.

Signature: /s/ Noreen King
Name: Noreen King
Date: 8-28-17

RESTORATION ROBOTICS, INC.

Signature: /s/ Charlotte Holland
Name: Charlotte Holland
Date: Aug 30, 2017

Exhibit 10.5

Legacy Baytech Park

Lease Agreement

Basic Lease Information

Lease Date:	April 16, 2012
Landlord:	LEGACY PARTNERS I SAN JOSE, LLC, a Delaware limited liability company
Landlord's Address:	c/o Legacy Partners Commercial, Inc. 4000 East Third Avenue, Suite 600 Foster City, California 94404-4805
Tenant:	RESTORATION ROBOTICS, INC., a Delaware corporation
Tenant's Address:	Restoration Robotics, Inc. 1383 Shorebird Way Mountain View, California 94043 Attention: Vice President – Legal (Prior to the Commencement Date) and Restoration Robotics, Inc. 128 Baytech Drive San Jose, California 95134-2302 Attention: Vice President – Legal (After the Commencement Date)
Premises:	Approximately 23,155 rentable square feet as shown on Exhibit A
Premises Address:	128 Baytech Drive San Jose, California 95134-2302
	Building 120-128: Approximately 47,250 rentable square feet **Lot:** APN 015-030-93 **Legacy Baytech Park ("Park"):** Approximately 187,742 rentable square feet
Term:	The commencement date of the Lease ("Commencement Date") shall occur on the earlier to occur of (i) the later of: (a) August 1, 2012, or (b) the date the Tenant Improvements (defined in Exhibit B) are Substantially Complete (defined in Exhibit B), or (ii) the date Tenant first commences its business from the Premises, and the expiration date of the Lease ("Expiration Date") shall occur on the date that is fifty-one (51) full calendar months following the Commencement Date. The Commencement Date is anticipated to occur on August 1, 2012 ("Anticipated Commencement Date") [PROVIDED THE LEASE IS MUTUALLY EXECUTED BY APRIL 18, 2012].
Base Rent (¶3):	Nineteen Thousand Six Hundred Eight-One and 75/100 Dollars ($19,681.75) per month* ($.85 per RSF per month)
Adjustments to Base Rent:	Commencing on date that is thirteen (13) months following the Commencement Date, the monthly Base Rent shall increase to $20,607.95 ($.89 per RSF per month); Commencing on date that is twenty-five (25) months following the Commencement Date, the monthly Base Rent shall increase to $21,534.15 ($.93 per RSF per month); Commencing on date that is thirty-seven (37) months following the Commencement Date, the monthly Base Rent shall increase to $22,460.35 ($.97 per RSF per month); Commencing on date that is forty-nine (49) months following the Commencement Date, the monthly Base Rent shall increase to $23,386.55 ($1.01 per RSF per month).

*Tenant shall not be obligated to pay Base Rent for the first three (3) months of the Term so long as Tenant is not in monetary or other material default under this Lease, as more particularly described in the immediately following sentence. If, at any time, Tenant is in monetary or other material default of any term, condition or provision of this Lease beyond applicable notice and grace periods and Landlord elects to exercise any of its remedies as provided in Section 19 below, to the fullest extent permitted by law, any express or implicit waiver by Landlord of Tenant's requirement to pay Base Rent during any period of time from and after the date of this Lease shall be null and void and Tenant shall immediately pay to Landlord all Base Rent so expressly or implicitly waived by Landlord.

Advance Rent (¶3):	Twenty-Five Thousand Seven Hundred Two and 05/100 Dollars ($25,702.05)
Security Deposit (¶4):	Two Hundred Thousand Dollars ($200,000), subject to reduction as set forth in Section 4.
Tenant's Share of Operating Expenses (¶6.1):	12.33% of the Park
Tenant's Share of Tax Expenses (¶6.2):	12.33% of the Park
Tenant's Share of Common Area Utility Costs (¶7.2):	12.33% of the Park
Tenant's Share of Utility Expenses (¶7.1):	12.33% of the Park
Permitted Uses (¶9):	General office, research and development, light manufacturing, assembly, shipping and receiving, storage, but only to the extent permitted by the City of San Jose, California, and all agencies and governmental authorities having jurisdiction thereof and for no other purposes whatsoever.
Parking Spaces:	Eighty-nine (89) non-exclusive and non-designated spaces in the Park

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Broker (¶33):	Cornish & Carey Commercial for Tenant Cassidy Turley Northern California Inc. for Landlord	
Exhibits:	*Exhibit A -*	*Premises, Building, Lot and/or Park*
	Exhibit B -	*Tenant Work Letter*
	Exhibit C -	*Rules and Regulations*
	Exhibit D -	*Intentionally omitted*
	Exhibit E -	*Tenant's Initial Hazardous Materials Disclosure Certificate*
	Exhibit F -	*Change of Commencement Date - Example*
	Exhibit G -	*Form of SNDA*
	Exhibit H -	*Path of Travel for Large Equipment Removal*
Addenda:	*Addendum 1 -*	*Option to Extend the Lease Term*
	Addendum 2 -	*Rooftop Space Addendum*

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Lease Agreement

The Basic Lease Information and this Lease are, and shall be construed as, a single instrument.

1. Premises

Landlord leases the Premises to Tenant upon the terms and conditions contained herein. Tenant shall have the right to use, on a non-exclusive basis, parking areas and ancillary facilities located within the Common Areas of the Park, subject to the terms of this Lease. For purposes of this Lease, (i) as of the Lease Date, the rentable square footage area of each of the Premises, the Building and the Park shall be deemed to be the number of rentable square feet as set forth in the Basic Lease Information, (ii) the rentable square footage of the Premises may include a proportionate share of certain areas used in common by all occupants of the Building and/or the Park (for example corridors, common restrooms, an electrical room or telephone room) and (iii) the number of rentable square feet of any of the Building and the Park may subsequently change after the Lease Date commensurate with any physical modifications to any of the foregoing by Landlord, and Tenant's Share shall accordingly change provided further, however, that any change in square footage of the Premises due to a remeasurement thereof shall not increase the Rent payable by Tenant. The term "Project" means and collectively refers to the Building, Common Areas, Lot and Park.

2. Occupancy; Adjustment of Commencement Date

2.1 If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant on the Anticipated Commencement Date in the condition specified in Section 5 hereof, Landlord shall neither be subject to any liability nor shall the validity of this Lease be affected; provided, the Term and the obligation to pay Rent shall commence on the date possession is actually tendered to Tenant (subject to abatement as provided in the Basic Lease Information) and the Expiration Date shall be extended commensurately. If the commencement date and/or the expiration date and/or occupancy date of this Lease is other than the Anticipated Commencement Date and Expiration Date specified in the Basic Lease Information or Beneficial Occupancy Date specified below, the parties shall execute a written amendment to this Lease, substantially in the form of Exhibit F hereto specifying the actual commencement date, expiration date, occupancy date and the date on which Tenant is to commence paying Rent. Tenant shall execute and return such amendment to Landlord within five (5) days after Tenant's receipt thereof. If Tenant fails to execute and return the amendment within such 5-day period, Tenant shall be deemed to have approved and confirmed the dates set forth therein, provided that such deemed approval shall not relieve Tenant of its obligation to execute and return the amendment. The word "Term" means the initial term of this Lease and any valid extension(s) thereof. Notwithstanding the foregoing, if Landlord is unable to tender possession of the Premises on or before August 1, 2012 (which date shall be extended for the period of any Tenant Delays [as defined in the Tenant Work Letter] or any event of Force Majeure) (the "Delivery Termination Date"), then Tenant may terminate this Lease by delivering to Landlord a written termination notice thereof prior to the earlier of (i) the date which is ten (10) days following the Delivery Termination Date or (ii) the date upon which Landlord tenders possession of the Premises. The termination right afforded to Tenant under this Section 2 shall be Tenant's sole remedy for Landlord's failure to tender possession of the Premises on or before the Delivery Termination Date. Time is of the essence for the delivery of Tenant's termination notice under this Section 2; accordingly, if Tenant fails to timely deliver any such notice, Tenant's right to terminate this Lease under this Section 2 shall expire and be of no further force or effect as of the date Tenant fails to timely deliver such termination notice. [TENANT: AUGUST 1 DATE ABOVE IS CONTINGENT ON THE LEASE BEING FULLY-EXECUTED BY APRIL 18]

2.2 Provided that Tenant and its agents do not interfere with Landlord's construction of the Tenant Improvements, Landlord shall permit Tenant to access and enter the Premises on July 1, 2012 (the "Early Entry Date"), solely for purposes of installing Tenant's furniture, fixtures and equipment (including Cabling) in the Premises and, in addition to the foregoing, Tenant shall have the right to occupy and commence business operations in the Premises during the period (the "Beneficial Occupancy Period") from July 15,
2012 (the "Beneficial Occupancy Date") until the day before the Commencement Date. Such entry and use of the Premises by Tenant shall be at Tenant's sole risk and shall also be subject to all of the provisions of this Lease including, but not limited to, the requirement to obtain the insurance required pursuant to this Lease and to deliver insurance certificates as required herein. Notwithstanding the immediately preceding sentence, from and after the Beneficial Occupancy Date, Tenant shall pay Tenant's Share of all Additional Rent (as defined below) but Tenant shall not be required to pay Base Rent prior to the Commencement Date. Tenant acknowledges and agrees that Tenant's employees, agents, contractors, consultants, workmen, mechanics, suppliers and invitees shall fully cooperate, work in harmony and not, in any manner, interfere with Landlord or Landlord's Contractor, agents or representatives in performing work in the Building and the Premises, or interfere with the general operation of the Building. If at any time any such person representing Tenant shall not be cooperative or shall otherwise cause or threaten to cause any such disharmony or interference, including, without limitation, labor disharmony, and Tenant fails to immediately institute and maintain corrective actions as directed by Landlord, then Landlord may revoke Tenant's entry rights upon twenty-four (24) hours' prior written notice to Tenant. In addition to the foregoing, Landlord shall have the right to impose such additional conditions on Tenant's early entry as Landlord shall deem reasonably appropriate.

3. Rent

On the date that Tenant executes this Lease, Tenant shall deliver to Landlord the original executed Lease, the Advance Rent (which shall be applied against Rent payable for the first month(s) Tenant is required to pay Rent), the Security Deposit, and all insurance certificates required to be delivered under Section 12 and Exhibit B of this Lease. Tenant agrees to pay Landlord without prior notice or demand, abatement, offset, deduction or claim, in advance at Landlord's Address, on the Commencement Date and thereafter on the first (1st) day of each month throughout the Term (i) Base Rent and (ii) as Additional Rent, Tenant's Share of Operating Expenses, Tax Expenses, Common Area Utility Costs, and Utility Expenses. The term "Rent" means the aggregate of all these amounts. If Landlord permits Tenant to occupy the Premises without requiring Tenant to pay rental payments for a period of time, the waiver of the requirement to pay rental payments shall only apply to the waiver of Base Rent. If any rental payment date (including the Commencement Date) falls on a day of the month other than the first day of such month or if any rental payment is for a period which is shorter than one (1) month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which the fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated in the same manner. To the extent not already paid as part of the Advance Rent any prorated Rent shall be paid on the Commencement Date, and any prorated Rent for the final calendar month shall be paid on the first day of the calendar month in which the date of expiration or termination occurs.

4. Security Deposit

Simultaneously with Tenant's execution and delivery of this Lease, Tenant shall deliver to Landlord, as a Security Deposit for the faithful performance by Tenant of its obligations under this Lease, the amount specified in the Basic Lease Information. If Tenant is in default hereunder, Landlord may, but without obligation to do so, use all or any portion of the Security Deposit to cure the default or to compensate Landlord for all damages sustained by Landlord in connection therewith. Tenant shall, immediately on demand, pay to Landlord a sum equal to the portion of the Security Deposit so applied or used to replenish the amount of the Security Deposit held to increase such deposit to the amount initially deposited with Landlord. At the expiration or earlier termination of this Lease, within the

time period(s) prescribed by California Civil Code Section 1950.7 (or any successor law), but in no event more than forty-five (45) days after the expiration or earlier termination of this Lease, Landlord shall return the Security Deposit to Tenant, less such amounts as are reasonably necessary, as determined by Landlord, to remedy Tenant's default(s) hereunder or to otherwise restore the Premises to a clean and safe condition, reasonable wear and tear excepted. If the cost to restore the Premises exceeds the amount of the Security Deposit, Tenant shall promptly deliver to Landlord any and all of such excess sums. Landlord shall not be required to segregate the Security Deposit from other funds, and, unless required by law, interest shall not be paid on the Security Deposit. Tenant shall not have any use of, or right of offset against, the Security Deposit. Tenant waives (i) California Civil Code Section 1950.7 and any and all other laws, rules and regulations applicable to security deposits in the commercial context ("Security Deposit Laws"), and (ii) any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws. Notwithstanding anything to the contrary herein, the security deposit may additionally be retained and applied by Landlord (a) to offset Rent which is unpaid either before or after termination of this Lease, and (b) against other damages suffered by Landlord before or after termination of this Lease. So long as Tenant has not been in monetary or other material default of this Lease beyond any applicable cure period for any such default, then (a) on the date which is twenty-eight (28) months after the Commencement Date, Landlord shall reduce the Security Deposit to One Hundred Fifty Thousand Dollars ($150,000), and (b) on the date which is forty (40) months after the Commencement Date, Landlord shall reduce the Security Deposit to One Hundred Thousand Dollars ($100,000). The amounts by which the Security Deposit shall be reduced pursuant to the foregoing sentence, shall be applied by Landlord towards Tenant's installments of Rent as the same then become due.

5. Condition of Premises; Tenant Improvements

Tenant agrees (i) to accept the Premises on the Commencement Date (and by taking possession of the Premises Tenant shall be deemed to have accepted the Premises) as then being suitable for Tenant's intended use and in good operating order, condition and repair in its then existing "AS IS" condition with the exception of the following: (A) Landlord's construction of the Tenant Improvements as set forth in Exhibit B hereto, (B) latent defects that are not discoverable upon reasonable inspection; (C) the Delivery Requirements described below in this Section 5; and (D) a pre-existing crack in the lobby flooring of the Premises running from the northeast corner of the lobby to the southeast corner, for which Tenant shall not be responsible including but not limited to any repairs related to this pre-existing crack and for which Landlord shall be responsible for any repairs thereto; and (ii) that neither Landlord nor any of Landlord's agents, representatives or employees has made any representations as to the suitability, fitness or condition of the Premises for the conduct of Tenant's business or for any other purpose, including without limitation, any storage incidental thereto. The Tenant Improvements (defined in Exhibit B) shall be installed in accordance with the terms and provisions of Exhibit B. Notwithstanding anything to the contrary contained in this Section 5, on the Commencement Date, Landlord shall deliver the Premises with the roof and existing building systems and equipment (including but not limited to the HVAC, electrical, plumbing, lighting and ceiling) and the exterior freight lift in good working condition (the "Delivery Requirements"). Landlord warrants the condition of the roof, building systems and exterior freight lift for a period of six (6) months from the Commencement Date (the "Review Period"). In the event that Tenant notifies Landlord during the Review Period, in writing, of any of the foregoing items that are not in good working condition, Landlord shall cause such items to be promptly repaired at Landlord's sole cost to the extent that any deficiencies to such systems are not caused by the acts or omissions of Tenant or any of Tenant's Representatives (as defined below), or any Alterations performed by or on behalf of Tenant. If Tenant fails to timely deliver to Landlord such written notice of systems or equipment not in good working condition within the Review Period, Landlord shall have no obligation to perform any such work thereafter, except as otherwise expressly provided in the Lease.

6. Additional Rent

Landlord and Tenant intend that this Lease be a "triple net lease." The costs and expenses described in this Section 6 and all other sums, charges, costs and expenses specified in this Lease other than Base Rent are to be paid by Tenant to Landlord as additional rent (collectively, "Additional Rent").

6.1 Operating Expenses:

6.1.1 Definition of Operating Expenses: Tenant shall pay to Landlord Tenant's Share of all Operating Expenses as Additional Rent. The term "Operating Expenses" means the total amounts paid or payable by Landlord in connection with the ownership, management, maintenance, repair and operation of the Premises and Project. The term "Common Areas" means (a) all areas and facilities within the Park exclusive of the Premises and other portions of the Park leasable exclusively to other tenants and (b) the areas within the Building which are not leased exclusively to any tenant in the Building. The Common Areas include, but are not limited to, interior lobbies, main electric room, telecommunications closets, mezzanines, parking areas, access and perimeter roads, sidewalks, and landscaped areas (and Tenant acknowledges and agrees that the size and shape of the Common Areas may be altered in the event the parcel or subdivision map referenced below in this Section 6.1.1 is recorded). Operating Expenses may include, but are not limited to, Landlord's cost of: (i) repairs to, and maintenance of, the roof membrane, the non-structural portions of the roof and the non-structural elements of the perimeter exterior walls of the Building; (ii) maintaining the Common Areas of the Building and Park; (iii) annual insurance premium(s) for any and all insurance Landlord elects to obtain, including without limitation, "all risk" or "special purpose" coverage, earthquake and flood for the Project, rental value insurance, and subject to Section 25 below, any deductible; (iv) (a) modifications and/or new improvements to any portion of the Project occasioned by any rules, laws or regulations; (b) reasonably necessary replacement improvements to any portion of the Project after the Commencement Date; and (c) new improvements to the Project that are intended to reduce operating costs or improve life/safety conditions or Conservation Costs (as defined below), all of the foregoing as reasonably determined by Landlord; provided, if such costs are of a capital nature, then such costs or allocable portions thereof shall be amortized as reasonably determined by Landlord using standard commercial real estate accounting practices consistently applied by other regional institutional landlords, together with reasonable interest on the unamortized balance; (v) the management and administration of the Project, including, without limitation, a property management fee (not to exceed two and one- half percent (2.5%) of aggregate gross Rent), accounting, auditing, billing, postage, salaries and benefits for employees at or below the level of Senior Property Manager, whether located on the Project or off-site, payroll taxes and legal and accounting costs and all fees, licenses and permits related to the ownership, operation and management of the Project; (vi) preventative maintenance and repair contracts including, but not limited to, contracts for elevator systems (if any), heating, ventilation and air conditioning systems and lifts for disabled persons; (VII) security and fire protection services for any portion of the Project, if and to the extent, in Landlord's sole discretion, such services are provided; (viii) the creation and modification of any licenses, easements or other similar undertakings for the direct benefit of the Project, including, without limitation, the cost of the creation, management and operation of an owner's association to manage and operate the Park at any time and from time to time (the "Association"); (ix) supplies, materials, equipment, rental equipment and other similar items used in the operation and/or maintenance of the Project and any reasonable reserves established for replacement or repair of any Common Area improvements or equipment; (x) any and all levies, charges, fees and/or assessments payable to the Association or any other applicable owner's association or similar body; (xi) any barrier removal work or other required improvements, alterations or work to any portion of the Project generally required under the ADA (defined below) (the "ADA Work"); provided, if such ADA Work is required under the ADA due to Tenant's use of the Premises or any Alteration (defined below) made to the Premises by or on behalf of Tenant, then the cost of such ADA Work shall be borne solely by Tenant and shall not be included as part of the Operating Expenses; (xii) the repairs and maintenance items set forth in Section 11.2 below; and (xiii) costs for workers' compensation insurance, wages, withholding taxes, personal property taxes, fees for required licenses and permits, supplies, charges for management of the Building and common areas, and the costs and expenses of complying with, or participating in, conservation, recycling, sustainability, energy efficiency, waste reduction or other programs or practices implemented or enacted from time to time at the Building, including without limitation, in connection with any LEED (Leadership in Energy and Environmental

Design) rating or compliance system or program currently assigned to the Building (as opposed to Landlord's costs of obtaining such LEED or other certification or rating), including that currently coordinated through the U.S. Green Building Council or Energy Star rating and/or compliance system or program (collectively "Conservation Costs"). Landlord shall have the right, from time to time, to equitably allocate and prorate some or all of the Operating Expenses among different tenants and/or different buildings of the Project and/or on a building by building basis and Tenant acknowledges and agrees that Landlord shall have the right, in its sole and absolute discretion, to record a parcel or subdivision map with respect to the Park or a portion of the Park, the recordation of which may have the effect of increasing or decreasing Tenant's Share of Operating Expenses provided any increase in Tenant's Share due to a subdivision of the Park shall also provide for an equitable decrease in the rentable square footage of the pool of Operating Expenses payable by Tenant. In either of such events, Tenant's Share of Operating Expenses shall be commensurately revised to reflect any such increases or decreases that may result therefrom.

6.1.2 Operating Expense Exclusions: The term "Operating Expenses" shall not include: (i) costs (including permit, license, and inspection fees) incurred in renovating, improving or decorating vacant space or space for other tenants within the Project; (ii) costs (including overtime charges) incurred because Landlord or another tenant actually violated the terms and conditions of any lease within the Project; (iii) legal and auditing fees (other than those fees reasonably incurred in connection with the maintenance and operation of any portion the Project), leasing commissions, advertising expenses, and other costs incurred in connection with the original leasing of the Project or future re-leasing of any portion of the Project; (iv) depreciation of the Building or any other improvements situated within the Project; (v) any items for which Landlord is actually reimbursed; (vi) costs of repairs or other work necessitated by casualty (excluding any deductibles) and/or costs of repair or other work necessitated by the exercise of the right of eminent domain to the extent insurance proceeds or a condemnation award, as applicable, is actually received by Landlord for such purposes; provided, such costs of repairs or other work shall be paid by the parties in accordance with the provisions of Sections 25 and 26, below; (vii) other than any interest charges for capital improvements referred to in Section 6.1.1(iv) hereinabove, any interest or payments on any financing for the Building or the Park, interest and penalties incurred as a result of Landlord's late payment of any invoice (provided that Tenant pays Tenant's Share of Operating Expenses and Tax Expenses to Landlord when due as set forth herein), and any bad debt loss, rent loss or reserves for same; (viii) costs associated with the investigation and/or remediation of Hazardous Materials (hereafter defined) present in, on or about any portion of the Project, unless such costs and expenses are the responsibility of Tenant as provided in Section 27 hereof, in which event such costs and expenses shall be paid solely by Tenant in accordance with Section 27 hereof; (ix) Landlord's cost for the repairs and maintenance items set forth in Section 11.3; (x) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in the Project to the extent the same exceeds the costs of such by unaffiliated third parties on a competitive basis; or any costs included in Operating Expenses representing an amount paid to any entity related to Landlord which is in excess of the amount which would have been paid in the absence of such relationship; (xi) debt service on any mortgages and payments under a ground lease or master lease; (xii) any fines or penalties incurred due to violations by Landlord or any other tenant of any governmental rule or authority and the defense of same; (xiii) costs (including, without limitation, fines, penalties, interest, and costs of repairs, replacements, alterations and/or improvements) incurred in bringing the Building into compliance with laws (including the Americans with Disabilities Act) in effect as of the Commencement Date and as interpreted by applicable governmental authorities as of such date; (xiv) except as otherwise provided in this Lease, the cost of any capital improvements; (xv) bad debt loss, rent loss, or reserves for bad debts or rent loss; (xvi) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Park, including the costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any interest of Landlord in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and project management, or between Landlord and other tenants or occupants; (xvii) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Park unless such wages and benefits are prorated to reflect time spent on operating and managing the Park vis-a-vis time spent on matters unrelated to operating and managing the Park; (xviii) costs arising from the gross negligence or willful misconduct of Landlord or its agents, employees, vendors, contractors, or providers of materials or services; (xix) costs of performing work expressly provided under any lease to be borne at Landlord's sole expense or at no cost to Tenant; (xx) any expenses incurred for use of any portion of the Park to accommodate special events held solely for the benefit of a particular tenant of the Project; and (xxi) political or charitable contributions.

6.2 Tax Expenses: Tenant shall pay to Landlord Tenant's Share of all Tax Expenses applicable to the Project. Prior to delinquency, Tenant shall pay any and all taxes and assessments levied upon Tenant's Property (defined below in Section 10) located or installed in or about the Premises by, or on behalf of Tenant. To the extent any such taxes or assessments are not separately assessed or billed to Tenant, then Tenant shall pay the amount thereof as invoiced by Landlord. Tenant shall also reimburse and pay Landlord, as Additional Rent, within ten (10) days after demand therefor, one hundred percent (100%) of (i) any increase in real property taxes attributable to any and all Alterations (defined below in Section 10), Tenant Improvements, fixtures, equipment or other improvements of any kind whatsoever placed in, on or about the Premises for the benefit of, at the request of, or by Tenant, and (ii) taxes and assessments levied or assessed upon or with respect to the possession, operation, use or occupancy by Tenant of the Premises or any other portion of the Project. "Tax Expenses" means, without limitation, any form of tax and assessment (general, special, supplemental, ordinary or extraordinary), commercial rental tax, payments under any improvement bond or bonds, license fees, license tax, business license fee, rental tax, transaction tax or levy imposed by any authority having the direct or indirect power of tax (including any governmental, school, agricultural, lighting or other improvement district) as against any legal or equitable interest of Landlord in the Premises, Project or Park or any other tax, fee, or excise, however described, including, but not limited to, any tax resulting from the recordation of any parcel or subdivision map with respect to the Park and/or any tax imposed in substitution (partially or totally) of any tax previously included within the definition of Tax Expenses. "Tax Expenses" shall not include (a) any franchise, estate, inheritance, net income, or excess profits tax imposed upon Landlord, (b) any penalty or fee imposed solely as a result of Landlord's failure to pay Tax Expenses when due, and (c) any items included as Operating Expenses. In the event that a parcel or subdivision map with respect to the Park or a portion of the Park is recorded by Landlord, Tenant's Share of Tax Expenses shall be commensurately revised to reflect any increases or decreases that may result from the impact of such parcel or subdivision map.

6.3 Payment of Expenses: Landlord shall estimate Tenant's Share of the Operating Expenses and Tax Expenses for the calendar year in which the Lease commences. Commencing on the Commencement Date, one-twelfth (1/12th) of this estimated amount shall be paid by Tenant to Landlord, as Additional Rent, and thereafter on the first (1st) day of each month throughout the remaining months of such calendar year. Thereafter, Landlord may estimate such expenses for each calendar year during the Term of this Lease and Tenant shall pay one-twelfth (1/12th) of such estimated amount as Additional Rent on the first (1st) day of each month throughout the Term. Tenant's obligation to pay Tenant's Share of Operating Expenses and Tax Expenses shall survive the expiration or earlier termination of this Lease.

6.4 Annual Reconciliation: Landlord shall endeavor to deliver by April 1st (and shall deliver by June 1st) of each calendar year, an accounting of actual and accrued Operating Expenses and Tax Expenses; provided, failure by Landlord to give such accounting by such date shall not constitute a waiver by Landlord of its right to collect any underpayment by Tenant at any time. Within thirty (30) days of Landlord's delivery of such accounting, Tenant shall pay to Landlord the amount of any underpayment. Landlord shall credit the amount of any overpayment by Tenant toward the next estimated monthly installment(s) falling due, or if the Term of the Lease has expired, refund the amount of overpayment to Tenant within forty-five (45) days thereafter. Failure by Landlord to accurately estimate Tenant's Share of such expenses or to otherwise perform such reconciliation shall not constitute a waiver of Landlord's right to collect any underpayment at any time during the Term or after the expiration or earlier termination of this Lease.

6.5 Audit: After delivery to Landlord of at least thirty (30) days prior written notice, Tenant, at its sole cost and expense through any accountant designated by it, shall have the right to examine and/or audit the books and records evidencing such expenses for the previous one (1) calendar year, during Landlord's reasonable business hours but not more frequently than once during any calendar year. Tenant may not compensate any such accountant on a contingency fee basis. The results of any such audit (and any negotiations between the parties related thereto) shall be maintained strictly confidential by Tenant and its accounting firm and shall not be disclosed, published or otherwise disseminated to any other party other than to Landlord and its authorized agents. Landlord and Tenant each shall use its commercially reasonable efforts to cooperate in such negotiations and to promptly resolve any discrepancies between Landlord and Tenant in the accounting of such expenses.

7. Utilities and Services

Tenant shall pay the cost of all (i) water, sewer use, sewer discharge fees and sewer connection fees, gas, electricity, telephone, telecommunications, cabling and other utilities billed or metered separately to the Premises and (ii) refuse pickup and janitorial service to the Premises.

7.1 Utility Expenses: Tenant shall pay to Landlord Tenant's Share of any utility fees, use charges, or similar services that are not billed or metered separately to Tenant (collectively, "Utility Expenses"). If Landlord reasonably determines that Tenant's Share of Utility Expenses is not commensurate with Tenant's use of such services, Tenant shall pay to Landlord the amount which is attributable to Tenant's use of the utilities or similar services, as reasonably estimated and determined by Landlord, based upon objective evidence, including factors such as size of the Premises and intensity of use of such utilities by Tenant such that Tenant shall pay the portion of such charges reasonably consistent with Tenant's use of such utilities and similar services. Tenant shall also pay Tenant's Share of any assessments, charges and fees included within any tax bill for the Lot on which the Premises are situated, including without limitation, entitlement fees, allocation unit fees and sewer use fees. Notwithstanding anything to the contrary in this Section 7, if Tenant disputes Landlord's determination of Tenant's Share of Utility Expenses, Landlord shall, at Tenant's sole cost and expense, have the right, in its sole and absolute discretion, to perform all work necessary to separately meter (with PG&E meters if such utility is gas or electric) the utility usage of the Premises.

7.2 Common Area Utility Costs: Tenant shall pay to Landlord Tenant's Share of any Common Area utility fees, charges and expenses and costs for measurement meters and devices (collectively, "Common Area Utility Costs"). Tenant shall pay to Landlord one-twelfth (1/12th) of the estimated amount of Tenant's Share of the Common Area Utility Costs on the Commencement Date and thereafter on the first (1st) day of each month throughout the Term. Any reconciliation thereof shall be substantially in the same manner as set forth in Section 6.4 above. Tenant acknowledges and agrees that Tenant's Share of Common Area Utility Costs may increase or decrease in the event of the recordation of a parcel or subdivision map with respect to the Park or a portion of the Park provided any increase in Tenant's Share due to a subdivision of the Park shall also result in an equitable decrease in the rentable square footage of the pool of Common Area Utility Costs payable by Tenant.

7.3 Miscellaneous: Tenant acknowledges that the Premises may become subject to the rationing of utility services or restrictions on utility use as required by a public utility company, governmental agency or other similar entity having jurisdiction thereof. Tenant agrees that its tenancy and occupancy hereunder shall be subject to such rationing restrictions as may be imposed upon Landlord, Tenant, the Premises, or other portions of the Project, and Tenant shall in no event be excused or relieved from any covenant or obligation to be kept or performed by Tenant by reason of any such rationing or restrictions.

8. Late Charges

The sums and charges set forth in this Section 8 shall be "Additional Rent". Tenant acknowledges that late payment (the third (3rd) day of each month or any time thereafter) of Rent and all other sums due hereunder, will cause Landlord to incur costs not contemplated by this Lease. Such costs may include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any note secured by any encumbrance against the Premises, and late charges and penalties due to the late payment of real property taxes on the Premises. Therefore, if any installment of Rent or any other sum payable by Tenant is not received by Landlord within three (3) days of the due date, Tenant shall promptly pay to Landlord a late charge, as liquidated damages, in an amount equal to five percent (5%) of such delinquent amount plus interest thereon at ten percent (10%) per annum, such interest to commence thirty (30) days after the original due date for such payment, for every subsequent month or portion thereof that such sums remain unpaid. If Tenant delivers to Landlord two (2) checks for which there are not sufficient funds, Landlord may require Tenant to replace such check with a cashier's check for the amount of such check and all other charges payable hereunder. The parties agree that this late charge and the other charges referenced above represent a fair and reasonable estimate of the costs that Landlord will incur by reason of such late payment by Tenant, excluding attorneys' fees and costs. Acceptance of any late charge or other charges shall not constitute a waiver by Landlord of Tenant's default with respect to the delinquent amount, nor prevent Landlord from exercising any of the other rights and remedies available to Landlord for any other default of Tenant under this Lease.

9. Use of Premises

9.1 Loading Dock: Landlord has represented to Tenant that Tenant can move into the Premises using the loading dock of the adjoining space at 120 Baytech Drive on the opposite side of the Building, which loading dock serves adjacent premises that are anticipated to be vacant at the time of Tenant's proposed move-in. Landlord agrees to remove and then to restore and replace a portion of the wall between 120 Baytech Drive and 128 Baytech Drive in order to allow Tenant to move in using the above-mentioned loading dock. The fees, costs and expenses incurred by Landlord in connection with this Section 9.1 shall be deducted from the Tenant Improvement Allowance (as defined in the Tenant Work Letter). Further, in the event such adjacent premises at 120 Baytech Drive shall be occupied at the time of Tenant's move-in, Landlord shall be solely responsible for notifying said tenant of Tenant's rights to use the loading dock, and shall procure such tenant's cooperation to the use of the loading dock for Tenant's move-in. The Parties acknowledge that representations and obligations set forth in this Section 9.1 are integral to the Tenant's agreeing to enter into this Lease Agreement and that Tenant relies on them.

9.2 Compliance with Laws, Recorded Matters, and Rules and Regulations: The Premises shall be used solely for the permitted uses specified in the Basic Lease Information and for no other uses without Landlord's prior written consent. Landlord's consent shall not be unreasonably withheld or delayed so long as the proposed change in use (i) does not involve the use of Hazardous Materials other than as expressly permitted under the provisions of Section 27 below, (ii) does not require any additional parking spaces, and (iii) is compatible and consistent with the other uses then being made in the Project, as reasonably determined by Landlord. The use of the Premises by Tenant and its employees, representatives, agents, invitees, licensees, subtenants, customers or contractors (collectively, "Tenant's Representatives") shall be subject to, and at all times in compliance with, (a) any and all applicable laws, rules, codes, ordinances, statutes, orders and regulations as same exist from time to time throughout the Term (collectively, the "Laws"), including without limitation, the requirements of the Americans with Disabilities Act, a federal law codified at 42 U.S.C. 12101 et seq., including, but not limited to Title III thereof, all regulations and guidelines related thereto and all requirements of Title 24 of the State of California (collectively, the "ADA"), (b) any and all instruments, licenses, restrictions, easements or similar instruments, conveyances or encumbrances which are at any time required to be made by or given by Landlord relating to the initial development of the Project and/or the construction, from time to time, of any additional improvements in the Project, including without limitation, any Tenant Improvements (collectively, "Development Documents"), (c) any and all documents, easements, covenants, conditions and

restrictions, and similar instruments, together with any and all amendments and supplements thereto made, from time to time, each of which has been or hereafter is recorded in any official or public records with respect to the Premises or any other portion of the Project (collectively, "Recorded Matters"), and (d) any and all by laws, rules and regulations set forth in Exhibit C hereto, any other reasonable rules and regulations now or hereafter promulgated by Landlord, and any rules, restrictions and/or regulations imposed by the Association or any other applicable owners association or similar entity (collectively, "Rules and Regulations"). Landlord reserves to itself the right, from time to time, (1) to grant, without the consent of Tenant, such easements, rights and dedications that Landlord deems reasonably necessary, whether in connection with the recordation of a parcel or subdivision map or otherwise, provided such rights do not materially and adversely impair the access to the Premises, reduce Tenant's share of parking spaces or adversely affect the visibility of Tenant's signage; (2) to cause the recordation of parcel or subdivision maps and/or restrictions, so long as such easements, rights, dedications, maps and restrictions, as applicable, do not materially and adversely interfere with Tenant's operations in the Premises, including without limitation the access to the Premises, Tenant's share of parking spaces or the visibility of Tenant's signage; and (3) to create the Association. Subject to the foregoing, Tenant agrees to sign promptly any documents reasonably requested by Landlord to effectuate any such easements, rights, dedications, maps or restrictions, to acknowledge creation of the Association or as otherwise reasonably requested by Landlord. Tenant agrees to, and does hereby, assume full and complete responsibility (x) to ensure that the interior of the Premises are in compliance with all applicable Laws throughout the Term and (y) for the payment of all costs, fees and expenses associated with any modifications, improvements or other Alterations to the Premises and/or any other portion of the Project occasioned by the enactment of, or changes to, any Laws arising from Tenant's particular use of the Premises or Alterations or other improvements made to the Premises regardless of when such Laws became effective. Tenant shall have no right to initiate, submit an application for, or otherwise request, any land use approvals or entitlements with respect to the Premises or any other portion of the Project.

9.3 Prohibition on Use: Tenant shall not use the Premises or permit anything to be done in or about the Premises nor keep or bring anything therein which will increase the existing rate of or affect any policy of insurance upon the Building or any of its contents, or cause a cancellation of any insurance policy. No auctions may be conducted in, on or about any portion of the Premises or the Project without Landlord's prior written consent thereto. Tenant shall not do or permit anything to be done in or about the Premises which will obstruct or interfere with the rights of Landlord or other tenants or occupants of any portion of the Project. The Premises shall not be used for any unlawful purpose. Tenant shall not cause, maintain or permit any private or public nuisance in, on or about any portion of the Premises or the Project, including, but not limited to, any offensive odors, noises, fumes or vibrations. Tenant shall not damage or deface or otherwise commit or suffer to be committed any waste in, upon or about the Premises or any other portion of the Project. Tenant shall not place or store, nor permit any other person or entity to place or store, any property, equipment, materials, supplies or personal property outside of the Premises. Except to the extent provided in the Rooftop Space Addendum attached hereto, Tenant shall neither install any radio or television antenna, satellite dish, microwave or other device on the roof or exterior walls of the Building or any other portion of the Project nor make any penetrations of or to the roof of the Building. Tenant shall not interfere with radio, telecommunication, or television broadcasting or reception from or in the Building or elsewhere. Tenant shall place no loads upon the floors, walls, or ceilings in excess of the maximum designed load permitted by the applicable Uniform Building Code or which may damage the Building or outside areas within the Project. Subject to Sections 11 and 13 of the Lease, Tenant shall be permitted to bring household pets onto the Premises.

10. Alterations; and Surrender of Premises

10.1 Alterations: Tenant shall be permitted to make, at its sole cost and expense, non-structural alterations and additions to the interior of the Premises without obtaining Landlord's prior written consent, provided said alterations are not part of Tenant's Wi-Fi Network (defined hereinbelow), do not affect the Building systems or require any permit or roof penetration and the cost of such alterations does not exceed Twenty-Five Thousand Dollars ($25,000) each job and Twenty-Five Thousand Dollars ($25,000) cumulatively each calendar year (the "Permitted Improvements"). Tenant, however, shall first notify Landlord of such Permitted Improvements so that Landlord may post a Notice of Non-Responsibility on the Premises. Except for the Permitted Improvements, Tenant shall neither install any signs, fixtures, or improvements, nor make or permit any other alterations or additions (individually, an "Alteration", and collectively, "Alterations") to the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld so long as any such Alteration does not affect the Building systems, structural integrity or structural components of the Premises or Building. If any such Alteration is expressly permitted by Landlord, Tenant shall deliver at least ten (10) days prior written notice to Landlord, from the date Tenant commences construction, sufficient to enable Landlord to post and record a Notice of Non-Responsibility. Tenant shall obtain all permits or other governmental approvals prior to commencing any work and deliver a copy of same to Landlord. All Alterations shall be (i) at Tenant's sole cost and expense in accordance with plans and specifications which have been previously submitted to and approved in writing by Landlord, and shall be installed by a licensed, insured (and bonded, at Landlord's option) contractor (reasonably approved by Landlord) in compliance with all applicable Laws, Development Documents, Recorded Matters, and Rules and Regulations and (ii) performed in a good and workmanlike manner and so as not to obstruct access to any portion of the Project or any business of Landlord or any other tenant. Landlord's approval of any plans, specifications or working drawings for Tenant's Alterations shall neither create nor impose any responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with any Laws. As Additional Rent, Tenant shall reimburse Landlord, within ten (10) days after demand, for actual legal, engineering, architectural, planning and other expenses incurred by Landlord in connection with Tenant's Alterations, plus Tenant shall pay to Landlord an administration fee equal to four percent (4%) of the total cost of the Alterations (provided, for Alterations not requiring permits or roof penetrations, such administration fee shall not exceed $500). If Tenant makes any Alterations, Tenant shall carry "Builder's All Risk" insurance, in an amount approved by Landlord and such other insurance as Landlord may require. All such Alterations shall be insured by Tenant in accordance with Section 12 of this Lease immediately upon completion. Tenant shall keep the Premises and the Lot on which the Premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Tenant. Tenant shall, prior to commencing any Alterations, (a) cause its contractor(s) and/or major subcontractor(s) to provide insurance as reasonably required by Landlord, and (b) provide such assurances to Landlord, including without limitation, waivers of lien, surety company performance bonds as Landlord shall require to assure payment of the costs thereof to protect Landlord and the Project from and against any mechanic's, materialmen's or other liens.

10.1.1 Wi-Fi Network: Without limiting the generality of the foregoing, in the event Tenant desires to install wireless intranet, Internet and communications network ("Wi-Fi Network") in the Premises for the use by Tenant and its employees, then the same shall be subject to the provisions of this Section 10.1.1 (in addition to the other provisions of this Section 10). In the event Landlord consents to Tenant's installation of such Wi-Fi Network, Tenant shall, in accordance with Section 10.2 below, remove the Wi-Fi Network from the Premises prior to the termination of the Lease. Tenant shall use the Wi-Fi Network so as not to cause any interference to other tenants in the Building or to other tenants at the Park or with any other tenant's communication equipment, and not to damage the Building or Park or interfere with the normal operation of the Building or Park and Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, costs, damages, expenses and liabilities (including attorney's fees) arising out of Tenant's failure to comply with the provisions of this Section 10.1.1, except to the extent same is caused by the gross negligence or willful misconduct of Landlord and which is not covered by the insurance carried by Tenant under this Lease (or which would not be covered by the insurance required to be carried by Tenant under this Lease). Should any interference occur, Tenant shall take all necessary steps as soon as reasonably possible and no later than three (3) calendar days following such occurrence to correct such interference. If such interference continues after such three (3) day period, Tenant shall immediately cease operating such Wi-Fi Network until such interference is corrected or remedied to Landlord's satisfaction. Tenant acknowledges that Landlord has granted and/or may grant telecommunication rights to other tenants and occupants of the Building and to telecommunication service providers and in no event shall Landlord be liable to Tenant for any interference of the same with such Wi-Fi

Network. Landlord makes no representation that the Wi-Fi Network will be able to receive or transmit communication signals without interference or disturbance. Tenant shall (i) be solely responsible for any damage caused as a result of the Wi-Fi Network, (ii) promptly pay any tax, license or permit fees charged pursuant to any laws or regulations in connection with the installation, maintenance or use of the Wi-Fi Network and comply with all precautions and safeguards recommended by all governmental authorities, and (iii) pay for all necessary repairs, replacements to or maintenance of the Wi-Fi Network. Should Landlord be required to retain professionals to research any interference issues that may arise and to confirm Tenant's compliance with the terms of this Section 10.11, Landlord shall retain such professionals at commercially reasonable rates, and Tenant shall reimburse Landlord within twenty (20) days following submission to Tenant of an invoice from Landlord, which costs shall not exceed $1,000 per year (except in the event of a default by Tenant hereunder). This reimbursement obligation is independent of any rights or remedies Landlord may have in the event of a breach of default by Tenant under this Lease.

10.2 Surrender of Premises: At the expiration of the Term or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord (a) in good condition and repair (damage by acts of God, casualty, and normal wear and tear excepted), but with all interior walls cleaned, any carpets cleaned, all floors cleaned and waxed, all non-working light bulbs and ballasts replaced and all roll-up doors and plumbing fixtures in good condition and working order, and (b) in accordance with Section 27 hereof. Normal wear and tear shall not include any damage or deterioration that would have been prevented by proper maintenance by Tenant, or Tenant otherwise performing all of its obligations under this Lease, or any damage or deterioration due to or associated with prolonged hours, non-office use, unusually heavy people loads (defined as more than one person per two hundred (200) rentable square feet), unusually heavy utility use, unusually heavy floor loads, or other unusual occupancy factors. On or before the expiration or earlier termination of this Lease, Tenant shall remove (i) all of Tenant's Property (defined below) and Tenant's signage from the Premises and other portions of the Project, (ii) any Alterations Landlord may, by notice to Tenant given not later than ninety (90) days prior to the Expiration Date (except in the event of a termination of this Lease prior to the scheduled Expiration Date, in which event no advance notice shall be required), require Tenant, at Tenant's expense, to remove, and Tenant shall repair any damage caused by all of such removal activities. Notwithstanding the foregoing, in the event Tenant is unable to use the loading dock serving the adjoining premises for the purpose of vacating the Premises at the expiration of the Term (as the same may be extended), and as a result Tenant is required to remove cubicles, widen doorways, open the wall, or take other similar steps to remove Tenant's Property from the Premises, Tenant shall be required to restore any damage to the storefront and/or exterior walls of the Building resulting from the foregoing actions at Tenant's sole cost and expense. Tenant's path of travel within the Premises while removing the Tenant's Property shall be as identified and shown on Exhibit H attached hereto, and Tenant's removal of cubicles or interior walls along the path of travel shown on Exhibit H within the Premises shall be at Tenant's sole cost, and Landlord shall be responsible, at Landlord's sole cost, for the restoration of any cubicles and repairs to any interior walls along the path of travel shown on Exhibit H within the Premises. "Tenant's Property" means all equipment, trade fixtures, furnishings, all telephone, data, and other cabling and wiring (including any cabling and wiring associated with the Wi-Fi Network, if any) installed or caused to be installed by Tenant (including any cabling and wiring, installed above the ceiling of the Premises or below the floor of the Premises), inventories, goods and personal property of Tenant. Any of Tenant's Property not so removed by Tenant as required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and disposition of such property; provided, however, Tenant shall remain liable to Landlord for all costs incurred in storing and disposing of such abandoned property of Tenant. Notwithstanding anything to the contrary contained herein, Tenant shall prior to the expiration of this Lease, at Tenant's expense and in compliance with the National Electric Code and other applicable Laws, remove all electronic, fiber, phone and data cabling and related equipment that has been installed by or for the benefit of Tenant in or around the Premises (collectively, the "Cabling"); provided, however, Tenant shall not remove such Cabling if Tenant receives a written notice from Landlord at least thirty (30) days prior to the expiration of the Lease authorizing such Cabling to remain in place, in which event the Cabling shall be surrendered with the Premises upon the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Tenant shall not be required to remove any Cabling existing in the Premises prior to the date of this Lease. All Alterations except those which Landlord requires Tenant to remove at the time Landlord's consent is granted to the making of such Alterations shall remain in the Premises as the property of Landlord. Tenant shall indemnify, defend and hold the Indemnitees (hereafter defined) harmless from and against any and all Claims (defined below) (x) arising from any delay by Tenant in so surrendering the Premises including, without limitation, any Claims made against Landlord by any succeeding tenant or prospective tenant founded on or resulting from such delay and (y) suffered by Landlord due to lost opportunities to lease any portion of the Premises to any such succeeding tenant or prospective tenant.

11. Repairs and Maintenance

11.1 Tenant's Repairs and Maintenance Obligations: Except for those portions of the Building to be maintained by Landlord, as provided in Sections 11.2 and 11.3 below, Tenant shall, at its sole cost and expense, keep and maintain all parts of the Premises and such portions of the Building as are within the exclusive control of Tenant in good, clean and safe condition and repair, promptly making all necessary repairs and replacements, whether ordinary or extraordinary, with materials and workmanship of the same character, kind and quality as the original thereof, all of the foregoing in accordance with the applicable provisions of Section 10 hereof, and to the reasonable satisfaction of Landlord including, but not limited to, repairing any damage (and replacing any property so damaged) caused by Tenant or any of Tenant's Representatives, or due to or associated with prolonged hours, non-office use, unusually heavy people loads (defined as more than one person per two hundred (200) rentable square feet), unusually heavy utility use, unusually heavy floor loads, or other unusual occupancy factors, and restoring the Premises and other portions of the Project to the condition existing prior to the occurrence of such damage. Without limiting any of the foregoing, Tenant shall be solely responsible for promptly maintaining, repairing and replacing (a) all mechanical systems, heating, ventilation and air conditioning ("HVAC") systems serving the Premises, (b) all plumbing work and fixtures, (c) electrical wiring systems, fixtures and equipment exclusively serving the Premises, (d) all interior lighting (including, without limitation, light bulbs and/or ballasts) and exterior lighting exclusively serving the Premises or adjacent to the Premises, (e) all glass, windows, window frames, window casements, skylights, interior and exterior doors, door frames and door closers, (f) all roll-up doors, ramps and dock equipment, including without limitation, dock bumpers, dock plates, dock seals, dock levelers and dock lights, (g) all tenant signage, (h) lifts for disabled persons serving the Premises, (i) sprinkler systems, fire protection systems and security systems, except to the extent maintained by Landlord, and (j) all partitions, fixtures, equipment, interior painting, interior walls and floors, and floor coverings of the Premises and every part thereof (including, without limitation, any demising walls contiguous to any portion of the Premises).

11.2 Maintenance by Landlord: Subject to the provisions of Section 11.1, and further subject to Tenant's obligation under Section 6 to reimburse Landlord, in the form of Additional Rent, for Tenant's Share of the cost and expense of the following described items, Landlord shall repair and maintain the following items: fire protection services; the roof and roof coverings (provided that Tenant installs no additional air conditioning or other equipment on the roof that damages the roof coverings, in which event Tenant shall pay all costs relating to the presence of such additional equipment); the plumbing and mechanical systems serving the Building, including the boiler for the Building but excluding the plumbing, mechanical and electrical systems exclusively serving the Premises; any rail spur and rail crossing; the exterior freight lift; exterior painting of the Building; and the parking areas, pavement, landscaping, sprinkler systems, sidewalks, driveways, curbs, and lighting systems in the Common Areas. If Landlord elects to perform any repair or restoration work required to be performed by Tenant, Tenant shall reimburse Landlord upon demand for all costs and expenses incurred by Landlord in connection therewith. Tenant shall promptly report, in writing, to Landlord any defective condition known to it which Landlord is required to repair.

11.3 Landlord's Repairs and Maintenance Obligations: Subject to the provisions of Sections 11.1, 25 and 26, and except for repairs rendered necessary by the intentional or negligent acts or omissions of Tenant or any of Tenant's Representatives (in

which event(s), Tenant shall be responsible for the cost of any such repairs or replacements), Landlord shall, at Landlord's sole cost and expense, (a) keep in good repair the structural portions of the floors, foundations and exterior perimeter walls of the Building (exclusive of glass and exterior doors), and (b) replace the structural portions of the roof of the Building (excluding the roof membrane).

11.4 Tenant's Failure to Perform Repairs and Maintenance Obligations: If Tenant refuses or neglects to repair and maintain the Premises and the other areas properly as required herein and to the reasonable satisfaction of Landlord, (i) Landlord may, but without obligation to do so, at any time make such repairs or maintenance without Landlord having any liability to Tenant for any loss or damage that may accrue to Tenant's Property or to Tenant's business by reason thereof, except to the extent any damage is caused by the willful misconduct or gross negligence of Landlord or its authorized agents and representatives and (ii) Tenant shall pay to Landlord, as Additional Rent, Landlord's costs and expenses incurred therefor. Tenant's obligations under this Section 11 shall survive the expiration of the Term or earlier termination thereof. Tenant hereby waives any right to repair at the expense of Landlord under any applicable Laws now or hereafter in effect.

12. Insurance

12.1 Types of Insurance: Tenant shall maintain in full force and effect at all times during the Term, at Tenant's sole cost and expense, for the protection of Tenant and Landlord, as their interests may appear, policies of insurance issued by carriers reasonably acceptable to Landlord and its lender which afford the following coverages: (i) worker's compensation and employer's liability, as required by law; (ii) commercial general liability insurance (occurrence form) providing coverage against any and all claims for bodily injury and property damage occurring in, on or about the Premises arising out of Tenant's and Tenant's Representatives' use or occupancy of the Premises and such insurance shall (a) include coverage for blanket contractual liability, fire damage, premises, personal injury, completed operations and products liability, and (b) have a combined single limit of not less than Two Million Dollars ($2,000,000) per occurrence with a Three Million Dollar ($3,000,000) aggregate limit and excess/umbrella insurance in the amount of Three Million Dollars ($3,000,000) (if Tenant has other locations which it owns or leases, the policy shall include an aggregate limit per location endorsement); (iii) comprehensive automobile liability insurance with a combined single limit of at least $1,000,000 per occurrence for claims arising out of any company owned automobiles; (iv) "all risk" or "special purpose" property insurance, including without limitation, sprinkler leakage, covering damage to or loss of any of Tenant's Property and the Tenant Improvements located in, on or about the Premises, and in addition, coverage for flood, earthquake, and business interruption of Tenant, together with, if the property of any of Tenant's invitees, vendors or customers is to be kept in the Premises, warehouser's legal liability or bailee customers insurance for the full replacement cost of the property belonging to such parties and located in the Premises. Such insurance shall be written on a replacement cost basis (without deduction for depreciation) in an amount equal to one hundred percent (100%) of the full replacement value of the aggregate of the items referred to in this clause (iv); and (v) such other insurance or higher limits of liability as is then customarily required for similar types of buildings within the general vicinity of the Project or as may be reasonably required by any of Landlord's lenders.

12.2 Insurance Policies: Insurance required to be maintained by Tenant shall be written by companies (i) licensed to do business in the State of California, (ii) domiciled in the United States of America, and (iii) having a "General Policyholders Rating" of at least A:X (or such higher rating as may be required by a lender having a lien on the Premises) as set forth in the most current issue of "A.M. Best's Rating Guides." Any deductible amounts under any of the insurance policies required hereunder shall not exceed Five Thousand Dollars ($5,000). Tenant shall deliver to Landlord certificates of insurance and true and complete copies of any and all endorsements required herein for all insurance required to be maintained by Tenant hereunder at the time of execution of this Lease by Tenant. Tenant shall, at least fifteen (15) days prior to expiration of each policy, furnish Landlord with certificates of renewal or "binders" thereof. Each certificate shall expressly provide that such policies shall not be cancelable or otherwise subject to material modification except after thirty (30) days prior written notice to the parties named as additional insureds as required in this Lease (except for cancellation for nonpayment of premium, in which event cancellation shall not take effect until at least ten (10) days' notice has been given to Landlord). Tenant shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms of this Lease under a blanket insurance policy, provided such blanket policy expressly affords coverage for the Premises and Landlord as required by this Lease.

12.3 Additional Insureds and Coverage: Each of Landlord, Landlord's property management company or agent, and Landlord's lender(s) having a lien against the Premises or any other portion of the Project shall be named as additional insureds or loss payees (as applicable) under all of the policies required in Section 12.1(ii) and, with respect to the Tenant Improvements, in Section 12.1(iv) hereof. All such policies shall provide for severability of interest. All insurance to be maintained by Tenant shall, except for workers' compensation and employer's liability insurance, be primary, without right of contribution from insurance maintained by Landlord. Any umbrella/excess liability policy (which shall be in "following form") shall provide that if the underlying aggregate is exhausted, the excess coverage will drop down as primary insurance. The limits of insurance maintained by Tenant shall not limit Tenant's liability under this Lease, except with respect to the waiver of subrogation contained in Section 12.5 below. It is the parties' intention that the insurance to be procured and maintained by Tenant as required herein shall provide coverage for any and all damage or injury arising from or related to Tenant's operations of its business and/or Tenant's or Tenant's Representatives' use of the Premises and any of the areas within the Project. Notwithstanding anything to the contrary contained herein, to the extent Landlord's cost of maintaining insurance with respect to the Building and/or any other buildings within the Project is increased as a result of Tenant's acts, omissions, Alterations, improvements, use or occupancy of the Premises, Tenant shall pay one hundred percent (100%) of, and for, each such increase as Additional Rent.

12.4 Failure of Tenant to Purchase and Maintain Insurance: If Tenant fails to obtain and maintain the insurance required herein throughout the Term, Landlord may, but without obligation to do so, purchase the necessary insurance and pay the premiums therefor. If Landlord so elects to purchase such insurance, Tenant shall promptly pay to Landlord as Additional Rent, the amount so paid by Landlord, upon Landlord's demand therefor. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as Additional Rent, any and all Claims which Landlord may incur due to Tenant's failure to obtain and maintain such insurance.

12.5 Waiver of Subrogation: Landlord and Tenant mutually waive their respective rights of recovery against each other for any loss of, or damage to, either party's property to the extent that such loss or damage is insured by an insurance policy required to be in effect at the time of such loss or damage. Each party shall obtain any special endorsements, if required by its insurer, whereby the insurer waives its rights of subrogation against the other party. This provision is intended to waive fully, and for the benefit of the parties hereto, any rights and/or claims which might give rise to a right of subrogation in favor of any insurance carrier.

13. Limitation of Liability and Indemnity

Except to the extent of Claims (defined below) resulting from the sole active gross negligence or willful misconduct of Landlord or its authorized representatives, Tenant agrees to protect, defend (with counsel reasonably acceptable to Landlord) and hold Landlord and Landlord's lenders, partners, members, property management company (if other than Landlord), agents, directors, officers, employees, representatives, contractors, successors and assigns and each of their respective partners, members, directors, officers, employees, representatives, agents, contractors, heirs, successors and assigns (collectively, the "Indemnitees") harmless and indemnify the Indemnitees from and against all liabilities, damages, demands, penalties, costs, claims, losses, judgments, charges and expenses

(including reasonable attorneys' fees, costs of court and expenses necessary in the prosecution or defense of any litigation including the enforcement of this provision) which are brought by third parties (collectively, "Claims") arising from or in any way related to, directly

or indirectly, (i) Tenant's or Tenant's Representatives' use of the Premises and other portions of the Project, (ii) the conduct of Tenant's business, (iii) from any activity, work or thing done, permitted or suffered by Tenant in or about the Premises, and/or (iv) Tenant's failure to perform any covenant or obligation of Tenant under this Lease. Tenant agrees that the obligations of Tenant herein shall survive the expiration or earlier termination of this Lease.

Except to the extent of Claims resulting from the sole active gross negligence or willful misconduct of Landlord or its authorized representatives, to the fullest extent permitted by law, Tenant agrees that neither Landlord nor any of the Indemnitees shall at any time or to any extent whatsoever be liable, responsible or in any way accountable for any loss, liability, injury, death or damage to persons or property which at any time may be suffered or sustained by Tenant or by any person(s) whomsoever who may at any time be using, occupying or visiting the Premises or any other portion of the Project, including, but not limited to, any acts, errors or omissions of any other tenants or occupants of the Project. Tenant shall not, in any event or circumstance, be permitted to offset or otherwise credit against any payments of Rent required herein for matters for which Landlord may be liable hereunder. Notwithstanding the provisions of this Section 13 above to the contrary, Tenant's indemnity of Landlord and the Indemnitees shall not apply to: (i) any claims to the extent resulting from the gross negligence or willful misconduct of the Indemnitees and not insured or required to be insured by Tenant under this Lease (collectively, the "Excluded Claims"); or (ii) any loss of or damage to Landlord's property to the extent Landlord has waived such loss or damage pursuant to Section 12.5 above. In addition, Landlord shall indemnify, defend, protect and hold Tenant harmless from all such Excluded Claims, except for (A) any loss or damage to Tenant's property to the extent Tenant has waived such loss or damage pursuant to Section 12.5 above, and (B) any lost profits, loss of business or other consequential damages.

14. Assignment and Subleasing

14.1 Prohibition: Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed, assign, mortgage, hypothecate, encumber, grant any license or concession, pledge or otherwise transfer this Lease or any interest herein, permit any assignment or other transfer of this Lease by operation of law, sublet the Premises or any part thereof, or permit the use of the Premises by any persons other than Tenant and Tenant's Representatives (collectively, "Transfers" and any entity to whom any Transfer is made or sought to be made is sometimes referred to as a "Transferee"). No consent to any Transfer shall constitute a waiver of the provisions of this Section 14, and all subsequent Transfers may be made only with the prior written consent of Landlord, which consent shall not be unreasonably withheld, but which consent shall be subject to the provisions of this Section 14.

14.2 Request for Consent: If Tenant seeks to make a Transfer, Tenant shall notify Landlord, in writing ("Tenant's Notice"), and deliver to Landlord at least twenty (20) days prior to the proposed commencement date of the Transfer ("Proposed Effective Date") the following: (i) a description of the portion of the Premises to be transferred (the "Subject Space"); (ii) all of the terms of the proposed Transfer, including without limitation, the Proposed Effective Date, the name and address of the proposed Transferee, and a copy of the existing or proposed assignment, sublease or other agreement governing the proposed Transfer; (iii) current financial statements of the proposed Transferee certified by an officer, member, partner or owner thereof, and certified financial statements for the previous three (3) most recent consecutive fiscal years; and (iv) such other information as Landlord may then reasonably require. Within twenty (20) days after Landlord's receipt of the Tenant's Notice (the "Landlord Response Period") Landlord shall notify Tenant, in writing, of its determination with respect to such requested proposed Transfer and Landlord's election as set forth in Section 14.5. If Landlord does not elect to recapture pursuant to Section 14.5 and Landlord does not respond to the requested proposed Transfer and Tenant delivers to Landlord a second Tenant's Notice and Landlord fails to respond to such second written notice within 3 business days of receipt, then Tenant may thereafter assign its interests in and to this Lease or sublease all or a portion of the Premises to the same party and on the same terms as set forth in the Tenant's Notice.

14.3 Criteria for Consent: Tenant agrees that, among other circumstances for which Landlord could reasonably withhold consent to a proposed Transfer, it shall be reasonable for Landlord to withhold its consent where (a) Tenant is in default of its obligations under this Lease beyond applicable notice and cure periods or at any time during the Term of this Lease Tenant has been in Chronic Default, (b) the use to be made of the Premises by the proposed Transferee is prohibited, or differs from the uses permitted, under this Lease, (c) the proposed Transferee or its business is subject to compliance with additional requirements of the ADA beyond those requirements which are applicable to Tenant, (d) the proposed Transferee does not intend to occupy the Premises, (e) Landlord reasonably disapproves of the proposed Transferee's business operating ability or history, reputation or creditworthiness or the character of the business to be conducted at the Premises, (f) the proposed Transferee is a governmental agency or unit or an existing tenant in the Project, (g) the proposed Transfer would cause Landlord to violate another agreement or obligation to which Landlord is a party or otherwise subject, (h) either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee: (1) is negotiating with Landlord to lease space in the Building at such time or (2) has negotiated with Landlord during the three (3) month period immediately preceding the Tenant's Notice, (i) the rent proposed to be charged by Tenant to the proposed Transferee during the term of such Transfer, calculated using a present value analysis, is less than sixty percent (60%) of the rent then being quoted by Landlord, at the proposed time of such Transfer, for comparable space in the Building or any other Building in the Project for a comparable term, calculated using a present value system, or (j) the proposed Transferee will use, store or handle Hazardous Materials (defined below) of a type, nature or quantity not then being used by Tenant.

14.4 Effectiveness of Transfer and Continuing Obligations: Prior to the date on which any permitted Transfer becomes effective, Tenant shall deliver to Landlord (i) a counterpart of the fully executed Transfer document, (ii) an executed Hazardous Materials Disclosure Certificate substantially in the form of Exhibit E hereto (the "Transferee HazMat Certificate"), and (iii) Landlord's standard form of Consent to Assignment or Consent to Sublease, as applicable, executed by Tenant and the Transferee in which each of Tenant and the Transferee confirms its obligations under this Lease. Failure or refusal of a Transferee to execute any such consent instrument shall not release or discharge the Transferee from its obligation to do so or from any liability as provided herein. The voluntary, involuntary or other surrender of this Lease by Tenant, or a mutual cancellation by Landlord and Tenant, shall not work a merger, and any such surrender or cancellation shall, at the option of Landlord, either terminate all or any existing subleases or operate as an assignment to Landlord of any or all of such subleases. Each permitted Transferee shall assume and be deemed to assume this Lease and shall be and remain liable jointly and severally with Tenant for payment of Rent and for the due performance of, and compliance with all the terms, covenants, conditions and agreements herein contained on Tenant's part to be performed or complied with, for the Term of this Lease. No Transfer shall affect the continuing primary liability of Tenant (which, following assignment, shall be joint and several with the assignee) under this Lease whether occurring before or after such Transfer, and Tenant shall not be released from performing any of the terms, covenants and conditions of this Lease. An assignee of Tenant shall become directly liable to Landlord for all obligations of Tenant hereunder. The acceptance of any Rent by Landlord from any other person (whether or not such person is an occupant of the Premises) shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any Transfer. For purposes hereof, if Tenant is a business entity, direct or indirect transfer of fifty percent (50%) or more of the ownership interest of the entity (whether in a single transaction or in the aggregate through more than one transaction) shall be deemed a Transfer and shall be subject to this Section 14. Any and all options, rights of refusal, improvement allowances and other similar rights granted to Tenant in this Lease, if any, shall not be assignable by Tenant unless expressly authorized in writing by Landlord. Any transfer made without Landlord's prior written consent, shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a material default by Tenant of this Lease. As Additional Rent, Tenant shall promptly (a) pay to Landlord each time it requests a Transfer, a fee in the amount of five hundred dollars ($500) and (b) reimburse Landlord for actual legal and other expenses (not to exceed $1,000) incurred by Landlord in connection with any actual or proposed Transfer.

14.5 Recapture: Landlord shall have the right, to be exercised by giving written notice to Tenant, to recapture the Subject Space described in the Tenant's Notice. If, within ten (10) days of Landlord's delivery to Tenant of a recapture notice, Tenant does not deliver to Landlord written notice that Tenant has elected (i) not to consummate such proposed assignment or sublease, and (ii) to rescind the request to enter into such proposed assignment or sublease, then delivery of Landlord's recapture notice shall serve to terminate this Lease with respect to the proposed Subject Space, or, if the proposed Subject Space covers all the Premises, it shall serve to terminate the entire Term of this Lease, in either case, as of the Proposed Effective Date. If this Lease is terminated with respect to less than the entire Premises, Rent shall be adjusted on the basis of the proportion of rentable square feet retained by Tenant to the rentable square feet originally demised and this Lease as so amended shall continue thereafter in full force and effect.

14.6 Transfer Premium: If Landlord consents to a Transfer, as a condition thereto, Tenant shall pay to Landlord monthly, as Additional Rent, at the same time as the monthly installments of Rent are payable hereunder, fifty percent (50%) of any Transfer Premium. The term "Transfer Premium" shall mean all rent, additional rent and other consideration payable by such Transferee which either initially or over the term of the Transfer exceeds the Rent or pro rata portion of the Rent, as the case may be, for the Subject Space after deducting the reasonable expenses incurred by Tenant for (i) any reasonable changes, alterations and improvements to the Premises in connection with the Transfer (but only to the extent approved by Landlord), and (ii) any reasonable brokerage commissions and legal fees in connection with the Transfer.

14.7 Waiver: Notwithstanding any Transfer, or any indulgences, waivers or extensions of time granted by Landlord to any Transferee, or failure by Landlord to take action against any Transferee, Tenant agrees that Landlord may, at its option, proceed against Tenant without having taken action against or joined such Transferee, except that Tenant shall have the benefit of any Indulgences, waivers and extensions of time granted to any such Transferee.

15. Subordination

To the fullest extent permitted by law, this Lease, the rights of Tenant under this Lease and Tenant's leasehold interest shall be subject and subordinate at all times to: (i) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Building, the Lot, or any other portion of the Project, and (ii) the lien of any mortgage or deed of trust which may now or hereafter exist for which the Building, the Lot, ground leases or underlying leases, any other portion of the Project or Landlord's interest or estate therein is specified as security. Notwithstanding the foregoing, Landlord or any such ground lessor, mortgagee, or any beneficiary (any such ground lessor, mortgagee or beneficiary referred to herein as a "Holder") shall have the right to require this Lease be superior to any such ground leases or underlying leases or any such liens, mortgage or deed of trust. Notwithstanding the foregoing, Tenant's obligation to subordinate this Lease to any future ground or underlying lease of the Project or to any future lien of any mortgage or deed of trust is conditioned upon such ground lessee or lender, as the case may be, agreeing in writing that the rights of Tenant under this Lease shall not be disturbed by any termination of such lease or foreclosure of such mortgage or deed of trust so long as Tenant is not in default hereunder beyond applicable notice and cure periods. If any ground lease or underlying lease terminates for any reason or any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall attorn to and become the Tenant of the successor in interest to Landlord, provided such successor in interest will not disturb Tenant's use, occupancy or quiet enjoyment of the Premises if Tenant is not in material default of this Lease. The successor in interest to Landlord following foreclosure, sale or deed in lieu thereof shall not be: (a) liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) subject to any offsets or defenses which Tenant might have against any prior lessor; (c) bound by prepayment of more than one (1) month's Rent; or (d) liable to Tenant for any Security Deposit not actually received by such successor in interest to the extent any portion of such Security Deposit has not already been forfeited by, or refunded to, Tenant. Landlord shall be liable to Tenant for all or any portion of the Security Deposit not forfeited by, or refunded to Tenant, until and unless Landlord transfers such Security Deposit to the successor in interest. Tenant covenants and agrees to execute (and acknowledge if required by Landlord, any lender or ground lessor) and deliver, within five (5) days of a written demand or request by Landlord and in the form reasonably requested by Landlord and/or a Holder, any additional documents evidencing the priority or subordination of this Lease with respect to any such ground leases or underlying leases or the lien of any such mortgage or deed of trust. If Tenant shall fail to timely return such subordination, nondisturbance and attornment agreement, Landlord shall deliver a second written request and if Tenant shall fail to return such agreement within three (3) days of receipt of such second written request, then Tenant shall be liable to Landlord, and shall indemnify Landlord from and against any loss, cost, damage or expense, incidental, consequential, or otherwise, including attorneys' fees, arising or accruing directly or indirectly, from any failure of Tenant to execute or deliver to Landlord any such subordination, nondisturbance and attornment agreement.

Tenant hereby irrevocably authorizes Landlord to execute and deliver in the name of Tenant any such documents if Tenant fails to do so, provided that such authorization shall in no way relieve Tenant from the obligation of executing such documents. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale.

Tenant hereby acknowledges that as of the date of execution of this Lease, there is a deed of trust encumbering Landlord's interest in the Park in favor of Redwood Capital Finance Company, LLC, a Delaware limited liability company (the "Current Lender"). Tenant shall, concurrently with the execution of this Lease by Tenant, execute, notarize and deliver to Landlord a subordination, non-disturbance and attornment agreement in the form attached to this Lease as Exhibit H and incorporated herein by this reference (the "SNDA") Landlord shall endeavor to cause the Current Lender to execute, notarize and deliver to Tenant the SNDA within ninety (90) days of the later of (i) the mutual execution and delivery of this Lease or (ii) the date Landlord receives Tenant's executed original SNDA, but Landlord shall not be in default under this Lease and shall have no liability to Tenant what whatsoever if Landlord is unable to obtain and deliver to Tenant the SNDA executed by the Current Lender. Should Tenant have any requested changes to the SNDA attached to the initial draft of this Lease, Tenant covenants and agrees to pay all fees, costs and expenses incurred by Landlord in connection with the negotiation or issuance of the SNDA.

16. Right of Entry

Landlord and its agents shall have the right to enter the Premises at all reasonable times, upon no less than 24 hours prior notice (except in the event of an emergency, for which no prior notice shall be required), for purposes of inspection, exhibition, posting of notices, investigation, replacements, repair, maintenance and alteration. It is further agreed that Landlord shall have the right to use any and all means Landlord deems necessary to enter the Premises in an emergency. Landlord shall have the right to place (i) "for rent" or "for lease" signs on the outside of the Premises, the Building and in the Common Areas during the last twelve (12) months of the Term of this Lease, and (ii) "for sale" signs on the outside of the Building and in the Common Areas. Tenant hereby waives any Claim from damages or for any injury or inconvenience to or interference with Tenant's business, or any other loss occasioned thereby except for any Claim for any of the foregoing arising out of the sole active gross negligence or willful misconduct of Landlord or its authorized representatives.

17. Estoppel Certificate

Tenant shall execute (and acknowledge if required by any lender or ground lessor) and deliver to Landlord, within ten (10) days after Landlord provides such to Tenant, a statement in writing certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification), the date to which the Rent and other charges are paid in advance, if any, acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder or specifying such defaults as are claimed, and such other matters as Landlord may reasonably require. Any such statement may be conclusively relied upon by Landlord and any prospective purchaser or encumbrancer of the Building or other portions of the Project. Tenant's failure to deliver such statement within such time shall be conclusive upon the Tenant that (a) this Lease is in full force and effect, without modification except as may be represented by Landlord; (b) there are no uncured defaults in Landlord's performance; and (c) not more than one month's Rent has been paid in advance. If Tenant shall fail to timely return such estoppel certificate, Landlord shall deliver a second written request and if Tenant shall fail to return such estoppel certificate within three (3) days of receipt of such second written request, then Tenant shall be liable to Landlord, and shall indemnify Landlord from and against any loss, cost, damage or expense, incidental, consequential, or otherwise, including attorneys' fees, arising or accruing directly or indirectly, from any failure of Tenant to execute or deliver to Landlord any such estoppel certificate.

18. Tenant's Default

The occurrence of any one or more of the following events shall, at Landlord's option, constitute a material default by Tenant of the provisions of this Lease:

18.1 The abandonment of the Premises by Tenant, as abandonment is statutorily defined in California Civil Code Section 1951.3 or all similar or successor laws;

18.2 The failure by Tenant to make any payment of Rent, Additional Rent or any other payment or charge required hereunder within three (3) days of receipt of written notice that said payment is past due;

18.3 Except as otherwise provided in Section 19.4 hereof, the failure by Tenant to observe, perform or comply with any of the conditions, covenants or provisions of this Lease (except failure to make any payment of Rent and/or Additional Rent and any other payment or charge required hereunder) and such failure is not cured within (i) thirty (30) days of the date on which Landlord delivers written notice of such failure to Tenant for all failures other than with respect to (a) Hazardous Materials (defined in Section 27 hereof), (b) Tenant making the repairs, maintenance and replacements required under the provisions of Section 11.1 hereof, or (c) the timely delivery by Tenant of a subordination, non-disturbance and attornment agreement (an "SNDA"), a counterpart of a fully executed Transfer document and a consent thereto (collectively, the "Transfer Documents"), an estoppel certificate and insurance certificates, (ii) ten (10) days of the date on which Landlord delivers written notice of such failure to Tenant for all failures in any way related to Hazardous Materials or Tenant failing to timely make the repairs, maintenance or replacements required by Section 11.1, and (iii) the time period, if any, specified in the applicable sections of this Lease with respect to subordination, assignment and sublease, estoppel certificates and insurance. However, provided a Chronic Default has not occurred, Tenant shall not be in default of its obligations hereunder if such failure (other than any failure of Tenant to timely and properly make the repairs, maintenance, or replacements required by Section 11.1, or timely deliver an SNDA, the Transfer Documents, an estoppel certificate or insurance certificates, for which no additional cure period shall be given to Tenant) cannot reasonably be cured within such thirty (30) or ten (10) day period, as applicable, and Tenant promptly commences, and thereafter diligently proceeds with same to completion, all actions necessary to cure such failure as soon as is reasonably possible, but in no event shall the completion of such cure be later than sixty (60) days after the date on which Landlord delivers to Tenant written notice of such failure, unless Landlord, acting reasonably and in good faith, otherwise expressly agrees in writing to a longer period of time based upon the circumstances relating to such failure as well as the nature of the failure and the nature of the actions necessary to cure such failure. Any written notice delivered pursuant to this Article 18 shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Sections 1161, et seq. and all similar or successor laws; or

18.4 The making of a general assignment by Tenant for the benefit of creditors, the filing of a voluntary petition by Tenant or the filing of an involuntary petition by any of Tenant's creditors seeking the rehabilitation, liquidation, or reorganization of Tenant under any law relating to bankruptcy, insolvency or other relief of debtors and, in the case of an involuntary action, the failure to remove or discharge the same within sixty (60) days of such filing, the appointment of a receiver or other custodian to take possession of substantially all of Tenant's assets or this leasehold, Tenant's insolvency or inability to pay Tenant's debts or failure generally to pay Tenant's debts when due, any court entering a decree or order directing the winding up or liquidation of Tenant or of substantially all of Tenant's assets, Tenant taking any action toward the dissolution or winding up of Tenant's affairs, the cessation or suspension of Tenant's use of the Premises, or the attachment, execution or other judicial seizure of substantially all of Tenant's assets or this leasehold.

19. Remedies for Tenant's Default

19.1 Landlord's Rights: In the event of Tenant's material default under this Lease, Landlord may terminate Tenant's right to possess the Premises by any lawful means. Following delivery of written notice by Landlord, this Lease shall terminate on the date specified in such notice and Tenant shall immediately surrender possession of the Premises to Landlord. In addition, whether or not this Lease is terminated, Landlord shall have the right to immediately re-enter the Premises, and if Landlord's right of re-entry is exercised following Tenant's abandonment of the Premises, all of Tenant's Property left on the Premises or in the Project shall be deemed abandoned. If Landlord relets the Premises or any portion thereof, Tenant shall immediately be liable to Landlord for all costs Landlord incurs in reletting the Premises or any part thereof, including, without limitation, broker's commissions, expenses of cleaning, redecorating, and further improving the Premises and other similar costs (collectively, the "Reletting Costs"). All Reletting Costs shall be fully chargeable to Tenant and shall not be prorated or otherwise amortized in relation to any new lease for the Premises or any portion thereof. Reletting may be for a period shorter or longer than the remaining term of this Lease. In no event shall Tenant be entitled to any excess rent received by Landlord. No act by Landlord other than giving written notice to Tenant shall terminate this Lease or Tenant's right to possess the Premises, including without limitation, acts of maintenance, efforts to relet the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease. At all times Landlord shall have the right to remedy any default of Tenant, to maintain or improve the Premises, to cause a receiver to be appointed to administer the Premises and any new or existing subleases and to add to the Rent payable hereunder all of Landlord's reasonable costs in so doing, with interest at the maximum rate permitted by law from the date of such expenditure.

19.2 Damages Recoverable: If Tenant breaches this Lease and abandons the Premises before the end of the Term, or if Landlord terminates Tenant's right to possession following Tenant's breach or default under this Lease, then in either such case, Landlord may recover from Tenant all damages suffered by Landlord as a result of Tenant's failure to perform its obligations hereunder, including without limitation, the unamortized cost of any Tenant Improvements constructed by or on behalf of Tenant pursuant to Exhibit B hereto to the extent Landlord has paid for such improvements, the unamortized portion of any broker's or leasing agent's commission incurred with respect to the leasing of the Premises to Tenant for the balance of the Term remaining after the date on which Tenant is in default of its obligations hereunder, and all Reletting Costs, and the worth at the time of the award (computed in accordance with paragraph (3) of Subdivision (a) of Section 1951.2 of the California Civil Code) of the amount by which the Rent then unpaid hereunder for the balance of the Lease Term exceeds the amount of such loss of Rent for the same period which Tenant proves

could be reasonably avoided by Landlord and in such case, Landlord prior to the award, may relet the Premises for the purpose of mitigating damages suffered by Landlord because of Tenant's failure to perform its obligations hereunder; provided, however, that even if Tenant abandons the Premises following such breach, this Lease shall nevertheless continue in full force and effect for as long as Landlord does not terminate Tenant's right of possession, and until such termination, Landlord shall have the remedy described in Section 1951.4 of the California Civil Code (Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations) and may enforce all its rights and remedies under this Lease, including the right to recover the Rent from Tenant as it becomes due hereunder. The "worth at the time of the award" within the meaning of Subparagraphs (a)(1) and (a)(2) of Section 1951.2 of the California Civil Code shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco or the Federal Reserve Bank District in which the Leased Premises are located at the time of award plus one percent (1%). Tenant hereby waives for itself and for all those claiming under Tenant its right to obtain redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179 (or any successor or substitute statute), or under any other present or future law, in the event judgment for possession enters against Tenant or Landlord takes possession of the Premises following any default of Tenant hereunder.

19.3 Consequential Damages: In no event shall Tenant be liable to Landlord for any consequential damages except arising from a default by Tenant of the provisions of Sections 15,17 and/or 20 of this Lease.

19.4 Chronic Default: The term "Chronic Default" as used in this Lease shall mean that Tenant has materially defaulted in the performance of any of its obligations under this Lease more than two (2) times during any consecutive twelve (12) months of the Term of the Lease, regardless of whether or not Tenant cures any such material default. A Chronic Default is not curable by Tenant. Upon the occurrence of a Chronic Default and at all times thereafter during the balance of the Term of this Lease, Landlord shall no longer be obligated to provide Tenant written notice of default as set forth in Section 18.3 hereof and Tenant shall no longer be entitled to any cure period set forth in this Lease, including without limitation, those cure periods set forth in Section 18.3. Following a Chronic Default, Landlord, in its sole discretion, may elect to provide written notice of default to Tenant or grant Tenant a period during which it may cure any such default, however, no such delivery of written notice or grant of a cure period by Landlord shall in any way obligate Landlord to provide Tenant any subsequent written notices of default or cure periods.

19.5 Rights and Remedies Cumulative: The foregoing rights and remedies of Landlord are not exclusive; they are cumulative in addition to any rights and remedies now or hereafter existing at law, in equity, by statute or otherwise, and to any remedies Landlord may have under bankruptcy laws or laws affecting creditors' rights generally. In addition to all of the remedies set forth above, if Tenant materially defaults under this Lease, all options granted to Tenant hereunder shall automatically terminate, unless otherwise expressly agreed to in writing by Landlord.

20. Holding Over

If Tenant holds over after the expiration of the Term, with or without the express or implied consent of Landlord, such tenancy shall be a tenancy at sufferance only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate equal to one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Term under this Lease. Such tenancy shall be subject to every other term and provision contained herein. Landlord hereby expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord in the condition required herein upon the expiration or earlier termination of this Lease. The provisions of this Section 20 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon the expiration or earlier termination of this Lease and Tenant is notified in writing that the Premises must be timely surrendered for Landlord to accommodate the needs of a succeeding tenant, then, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all Claims resulting from such failure, including but not limited to, any Claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting
therefrom.

21. Landlord's Default

Landlord shall not be considered in default of this Lease unless Landlord fails within a reasonable time to perform an obligation required to be performed by Landlord hereunder. For purposes hereof, a reasonable time shall in no event be less than thirty (30) days after receipt by Landlord of written notice specifying the nature of the obligation Landlord has not performed; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days, after receipt of written notice, is reasonably necessary for its performance, then Landlord shall not be in default of this Lease if performance of such obligation is commenced within such thirty (30) day period and thereafter diligently pursued to completion. Notwithstanding the foregoing, with respect to the repair or maintenance obligations of Landlord under this Lease that constitute an imminent threat of harm to the health or safety of persons or Tenant's property, Landlord shall commence the repair of the same as soon as practicable after receipt of notice.

22. Parking

Tenant may use the number of non-designated and non-exclusive parking spaces specified in the Basic Lease Information. Landlord shall exercise reasonable efforts to ensure that such spaces are available to Tenant for its use, but Landlord shall not be required to enforce Tenant's right to use the same. The parking facilities may not be used by Tenant or its agents for overnight parking of vehicles; provided, if Tenant's employees are working at the Premises overnight or traveling for Tenant related business, then such employee vehicles may remain overnight for the duration of the business related travel.

23. Transfer of Landlord's Interest

Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Premises, Building, Project and this Lease. However, any sale or transfer of the Premises, Building or Project by Landlord shall be subject to this Lease and any transferee shall agree in writing to assume Landlord's obligations under this Lease. Tenant expressly agrees that in the event of any such transfer, Landlord shall automatically be entirely released from all liability under this Lease and, provided Landlord transfers Tenant's security deposit to such transferee (or otherwise credits same to the transferee at the closing of such transfer) and such transferee assumes Landlord's obligations under this Lease, Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of such transfer. Landlord shall use commercially reasonable efforts to cause each such transferee to agree to perform Landlord's obligations hereunder arising or accruing after the date of such transfer. A ground lease or similar long term lease by Landlord of the entire Building or Lot, of which the Premises are a part, shall be deemed a sale within the meaning of this Section 23. Tenant agrees to attorn to such new owner provided such new owner does not disturb Tenant's use, occupancy or quiet enjoyment of the Premises so long as Tenant is not in material default of this Lease.

24. Waiver

No delay or omission in the exercise of any right or remedy of either party on any default by the other party shall impair such a right or remedy or be construed as a waiver. The subsequent acceptance of Rent by Landlord after default by Tenant of this Lease shall not be deemed a waiver of such default, other than a waiver of timely payment for the particular Rent payment involved, and shall not prevent Landlord from maintaining an unlawful detainer or other action based on such default. No payment by Tenant or receipt by Landlord of

a lesser amount than the monthly Rent and other sums due hereunder shall be deemed to be other than on account of the earliest Rent or other sums due, nor shall any endorsement or statement on any check or accompanying any check or payment be deemed an accord and satisfaction; and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of such Rent or other sum or pursue any other remedy provided in this Lease. No failure, partial exercise or delay on the part of the Landlord in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

25. Casualty Damage

25.1 Casualty: If the Premises or any part [excluding any of Tenant's Property, any Wi-Fi Network, any Tenant Improvements and any Alterations installed by or for the benefit of Tenant (collectively, "Tenant's FF&E")] shall be damaged or destroyed by fire or other casualty, Tenant shall give immediate written notice thereof to Landlord. Within sixty (60) days after receipt by Landlord of such notice, Landlord shall notify Tenant, in writing, of the following time period within which the necessary repairs can reasonably be made, as estimated by Landlord: (a) within one hundred eighty (180) days, or (b) in more than one hundred eighty (180) days, from the date of such notice.

25.1.1 Minor Insured Damage: If the Premises (other than Tenant's FF&E) are damaged only to such extent that repairs, rebuilding and/or restoration can be reasonably completed within one hundred eighty (180) days, this Lease shall not terminate and, provided that insurance proceeds are available and paid to Landlord to fully repair the damage and/or Tenant otherwise voluntarily contributes any shortfall thereof, Landlord shall repair the Premises to substantially the same condition that existed prior to the occurrence of such casualty, except Landlord shall not be required to rebuild, repair, or replace any of Tenant's FF&E. The Rent payable hereunder shall be abated proportionately from the date and to the extent Tenant vacates the affected portions of the Premises until any and all repairs required herein to be made by Landlord are substantially completed, but such abatement shall (i) only be to the extent of the portion of the Premises which is actually rendered unusable and unfit for occupancy, and (ii) only during the time Tenant is not actually using same.

25.1.2 Major Insured Damage: If the Premises (other than Tenant's FF&E) are damaged to such extent that repairs, rebuilding and/or restoration cannot be reasonably completed, as reasonably determined by Landlord, within one hundred eighty (180) days, then either Landlord or Tenant may terminate this Lease by giving written notice within twenty (20) days after notice from Landlord regarding the time period of repair. If either party notifies the other of its intention to so terminate this Lease, then this Lease shall terminate and the Rent shall be abated from the date of the occurrence of such damage, provided Tenant diligently proceeds to and expeditiously vacates the Premises (but, in all events Tenant must vacate and surrender the Premises to Landlord by no later than ten (10) business days thereafter or there shall not be any abatement of Rent until Tenant so vacates the Premises). If neither party elects to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Premises, provided insurance proceeds are available and paid to Landlord to fully repair the damage or Tenant voluntarily contributes any shortfall thereof (except that Landlord shall not be required to rebuild, repair, or replace any of Tenant's FF&E). During the time when Landlord is prosecuting such repairs to substantial completion, the Rent payable hereunder shall be abated proportionately from the date and to the extent Tenant actually vacates the affected portions of the Premises until any and all repairs required herein to be made by Landlord are substantially completed, but such abatement shall (i) only be to the extent of the portion of the Premises which is actually rendered unusable and unfit for occupancy, and (ii) only during the time Tenant is not actually using same.

25.1.3 Damage Near End of Term: Notwithstanding anything to the contrary contained in this Lease except for the provisions of Section 25.3 below, if the Premises are substantially damaged during the last year of then applicable term of this Lease, either Landlord or Tenant may, at their option, cancel and terminate this Lease by giving written notice to the other party of its election to do so within forty-five (45) days after receipt by Landlord of notice from Tenant of the occurrence of such casualty (provided, if such damage occurs during the last year of the initial Term and Tenant exercises its renewal option within said forty-five (45) day period then neither party shall have the right to terminate the Lease pursuant to this Section 25.1.3). If either party so elects to terminate this Lease, all rights of Tenant hereunder shall cease and terminate ten (10) days after Tenant's receipt or delivery of such notice, as applicable, and Tenant shall immediately vacate the Premises and surrender possession thereof to Landlord.

25.2 Deductible and Uninsured Casualty: Tenant shall pay to Landlord, as Additional Rent, Tenant's Share of the deductible amounts under the insurance policies obtained by Landlord and Tenant under this Lease if the proceeds are used to repair the Premises. If any portion of the Premises is damaged and is not fully covered by the aggregate of insurance proceeds received by Landlord and any applicable deductible, and Tenant does not voluntarily contribute any shortfall thereof, then Landlord or Tenant shall have the right to terminate this Lease by delivering written notice of termination to the other party within thirty (30) days after the date of notice to Tenant of such event, whereupon all rights of Tenant shall cease and terminate ten (10) days after Tenant's receipt of such notice, and Tenant shall immediately vacate the Premises and surrender possession thereof to Landlord.

25.3 Tenant's Fault and Lender's Rights: Notwithstanding anything to the contrary contained herein, if the Premises (other than Tenant's FF&E) or any other portion of the Building is damaged by fire or other casualty due to the acts or omissions of Tenant or any of Tenant's Representatives, (i) the Rent shall only be abated during the repair of such damage to the extent Landlord receives rental loss insurance proceeds therefor, (ii) Tenant will not have any right to terminate this Lease due to the occurrence of such casualty, and (iii) Tenant will be responsible for the excess cost and expense of the repair and restoration of the Building (including any deductible) to the extent not covered by the proceeds of insurance required to be carried by Landlord pursuant to the terms of any mortgage affecting the Premises, or otherwise typically carried by prudent Landlords in the geographical area where the Premises are located. Notwithstanding anything to the contrary contained herein, if the holder of any indebtedness secured by the Premises or any other portion of the Project requires that the insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within thirty (30) days after the date of notice to Tenant of such event, whereupon all rights of Tenant shall cease and terminate ten (10) days after Tenant's receipt of such notice, and Tenant shall immediately vacate the Premises and surrender possession thereof to Landlord.

25.4 Tenant's Waiver: Landlord shall not be liable for any inconvenience or annoyance to Tenant, injury to the business of Tenant, loss of use of any part of the Premises by Tenant or loss of Tenant's Property, resulting in any way from such damage or the repair thereof. With respect to any damage which Landlord is obligated to repair or may elect to repair, Tenant waives all rights to terminate this Lease or offset any amounts against Rent pursuant to rights accorded Tenant by any law currently existing or hereafter enacted, including without limitation, all rights pursuant to California Civil Code Sections 1932(2.), 1933(4.), 1941 and 1942 and any similar or successor laws.

26. Condemnation

If twenty-five percent (25%) or more of the Premises is condemned by eminent domain, inversely condemned or sold in lieu of condemnation for any public or quasi-public use or purpose ("Condemned"), then Tenant or Landlord may terminate this Lease as of the date when physical possession of the Premises is taken and title vests in such condemning authority, and Rent shall be adjusted to the date of termination. Tenant shall not because of such condemnation assert any claim against Landlord or the condemning authority for any compensation because of such condemnation, and Landlord shall be entitled to receive the entire amount of any award without deduction for any estate of interest or other interest of Tenant; provided, however, the foregoing shall not preclude Tenant, at Tenant's sole cost

and expense, from obtaining any separate award to Tenant for loss of, or damage to, Tenant's Property or for damages for cessation or interruption of Tenant's business provided such award is separate from Landlord's award and does not

diminish nor otherwise impair the award otherwise payable to Landlord. In addition to the foregoing, Tenant shall be entitled to seek compensation for the relocation costs recoverable by Tenant pursuant to the provisions of California Government Code Section 7262. If neither party elects to terminate this Lease, Landlord shall, if necessary, promptly proceed to restore the Premises or the Building, as applicable, to substantially the same condition prior to such partial condemnation, allowing for the reasonable effects of such partial condemnation, and a proportionate allowance shall be made to Tenant, as determined by Landlord, for the Rent corresponding to the time during which, and to the part of the Premises of which, Tenant is deprived on account of such partial condemnation and restoration. Landlord shall not be required to spend funds for restoration in excess of the condemnation proceeds received by Landlord.

27. Environmental Matters/Hazardous Materials

27.1 Hazardous Materials Disclosure Certificate: Simultaneously herewith, Tenant has delivered to Landlord Tenant's executed initial Hazardous Materials Disclosure Certificate (the "Initial HazMat Certificate"), a copy of which is attached hereto as Exhibit E. Tenant covenants, represents and warrants to Landlord that the information in the Initial HazMat Certificate is true and correct and accurately describes the use(s) of Hazardous Materials which will be made and/or used on the Premises by Tenant. Tenant shall deliver to Landlord an executed Hazardous Materials Disclosure Certificate ("the "HazMat Certificate"), in substantially the form attached hereto as Exhibit E, describing Tenant's then present use of Hazardous Materials on the Premises, and any other reasonably necessary documents as requested by Landlord upon the occurrence of either of the following events: (a) immediately upon any material change in the types and/or quantities of Hazardous Materials used or stored in the Premises, or (b) within ten (10) days of written notice by Landlord at any time during the Term of the Lease.

27.2 Definition of Hazardous Materials: "Hazardous Materials" means (a) any hazardous or toxic wastes, materials or substances, and other pollutants or contaminants, which are or become regulated by any Environmental Laws; (b) petroleum, petroleum by products, gasoline, diesel fuel, crude oil or any fraction thereof; (c) asbestos and asbestos containing material, in any form, whether friable or nonfriable; (d) polychlorinated biphenyls; (e) radioactive materials; (f) lead and lead-containing materials; (g) any other material, waste or substance displaying toxic, reactive, ignitable or corrosive characteristics, as all such terms are used in their broadest sense, and are defined or become defined by any Environmental Law (defined below); (h) any materials which cause or threatens to cause a nuisance upon or waste to any portion of the Project or any surrounding property; or (i) any materials which pose or threaten to pose a hazard to the health and safety of persons on the Premises, any other portion of the Project or any surrounding property. For purposes of this Lease, "Hazardous Materials" shall not include nominal amounts of ordinary household cleaners, office supplies and janitorial supplies which are not actionable under any Environmental Laws.

27.3 Prohibition; Environmental Laws: Tenant shall not be entitled to use or store any Hazardous Materials on, in, or about any portion of the Premises or Project without, in each instance, obtaining Landlord's prior written consent thereto. If Landlord, in its sole discretion, consents to any such usage or storage, then Tenant shall be permitted to use and/or store only those Hazardous Materials and in such quantities (A) that are necessary for Tenant's business, (B) to the extent disclosed in the most recent HazMat Certificate, and (C) expressly approved by Landlord in writing. In all events such usage and storage must at all times be in full compliance with any and all applicable local, state and federal environmental, health and/or safety-related laws, statutes, orders, standards, courts' decisions, ordinances, rules and regulations (as interpreted by judicial and administrative decisions), decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future (collectively, the "Environmental Laws"). Tenant agrees that any changes to the type and/or quantities of Hazardous Materials specified in the most recent HazMat Certificate may be implemented only with the prior written consent of Landlord, which consent may be given or withheld in Landlord's sole discretion. Tenant shall not be entitled nor permitted to install any tanks under, on or about the Premises for the storage of Hazardous Materials without the express written consent of Landlord, which may be given or withheld in Landlord's sole discretion. Landlord shall have the right at all times during the Term to (i) inspect the Premises, (ii) conduct tests and investigations to determine whether Tenant is in compliance with this Section 27 or to determine if Hazardous Materials are present in, on or about the Project, and (iii) request lists of all Hazardous Materials used, stored or otherwise located on, under or about any portion of the Premises and/or the Common Areas. The cost of all such inspections, tests and investigations (collectively, "Inspections") shall be borne by Tenant, if Tenant or any of Tenant's Representatives are directly or indirectly responsible for any contamination revealed by such Inspections. The aforementioned rights granted herein to Landlord and its representatives shall not create (a) a duty on Landlord's part to perform Inspections, monitor or otherwise observe the Premises or Tenant's and Tenant's Representatives' activities with respect to Hazardous Materials, including without limitation, Tenant's operation, use and any remediation related thereto, or (b) liability on the part of Landlord and its representatives for Tenant's use, storage, disposal or remediation of Hazardous Materials, it being understood that Tenant shall be solely responsible for all liability in connection therewith.

27.4 Tenant's Environmental Obligations: Tenant shall give to Landlord immediate verbal and follow-up written notice of any spills, releases, discharges, disposals, emissions, migrations, removals or transportation of Hazardous Materials on, under or about any portion of the Premises or in any Common Areas (collectively, a "Release"); provided that Tenant has knowledge of such event(s). Tenant, at its sole cost and expense, covenants and warrants to promptly investigate, clean up, remove, restore and otherwise remediate (including, without limitation, preparation of any feasibility studies or reports and the performance of any and all closures) any Release of Hazardous Materials arising from or related to the acts or omissions of Tenant or Tenant's Representatives such that the affected portions of the Project and any adjacent property are returned to the condition existing prior to the appearance of such Hazardous Materials. Any such investigation, clean up, removal, restoration and other remediation shall only be performed after Tenant has obtained Landlord's prior written consent, which consent shall not be unreasonably withheld so long as such actions would not potentially have a material adverse long-term or short-term effect on any portion of the Project. Notwithstanding the foregoing, Tenant shall be entitled to respond immediately to an emergency without first obtaining Landlord's prior written consent. Tenant, at its sole cost and expense, shall conduct and perform, or cause to be conducted and performed, all closures as required by any Environmental Laws or any agencies or other governmental authorities having jurisdiction thereof. If Tenant fails to so promptly investigate, clean up, remove, restore, provide closure or otherwise so remediate, Landlord may, but without obligation to do so, take any and all steps necessary to rectify the same and Tenant shall promptly reimburse Landlord, upon written demand, for all costs and expenses to Landlord of performing investigation, clean up, removal, restoration, closure and remediation work. All such work undertaken by Tenant, as required herein, shall be performed in such a manner so as to enable Landlord to make full economic use of the Premises and the other portions of the Project after the satisfactory completion of such work.

27.5 Environmental Indemnity: Tenant shall protect, indemnify, defend (with counsel acceptable to Landlord) and hold Landlord and the other Indemnitees harmless from and against any and all Claims (including, without limitation, diminution in value of any portion of the Premises or the Project, damages for the loss of or restriction on the use of rentable or usable space) arising at any time during or after the Term in connection with or related to, directly or indirectly, the use, presence or Release of Hazardous Materials on, in or about any portion of the Project as a result of the acts or omissions of Tenant or any of Tenant's Representatives. Neither the written consent of Landlord to the presence, use or storage of Hazardous Materials in, on, under or about any portion of the Project nor the strict compliance by Tenant with all Environmental Laws shall excuse Tenant from its obligations of indemnification pursuant hereto. Tenant shall not be relieved of its indemnification obligations under the provisions of this Section 27.5 due to Landlord's status as either an "owner" or "operator" under any Environmental Laws.

27.6 Exculpation of Tenant: Tenant shall not be liable to Landlord for nor otherwise obligated to Landlord under any provision of the Lease with respect to the following: (i) any claim, remediation, obligation, investigation, liability, cause of action, attorneys' fees, consultants' cost, expense or damage resulting from any Hazardous Materials present in, on or about the Premises to

the extent not caused or knowingly permitted by Tenant or Tenant's Representatives; or (ii) the removal, investigation, monitoring or remediation of any Hazardous Material present in, on or about the Premises caused by any source, including third parties, other than Tenant or Tenant's Representatives; provided, however, Tenant shall be fully liable for and otherwise obligated to Landlord under the provisions of this Lease for all liabilities, costs, damages, penalties, claims, judgments, expenses (including without limitation, attorneys' and experts' fees and costs) and losses to the extent (a) Tenant or any of Tenant's Representatives contributes to the presence of such Hazardous Materials, or Tenant and/or any of Tenant's Representatives exacerbates the conditions caused by such Hazardous Materials, or (b) Tenant and/or Tenant's Representatives allows or permits persons over which Tenant or any of Tenant's Representatives has control, and/or for which Tenant or any of Tenant's Representatives are legally responsible, to cause such Hazardous Materials to be present in, on, under, through or about any portion of the Premises, or (c) Tenant and/or any of Tenant's Representatives does not take all reasonably appropriate actions to prevent such persons over which Tenant or any of Tenant's Representatives has control and/or for which Tenant or any of Tenant's Representatives are legally responsible from causing the presence of Hazardous Materials in, on, under, through or about any portion of the Premises. Landlord hereby represents and warrants that it has not received written notice that the Premises are in current violation of any Environmental Laws.

27.7 Survival: Landlord's and Tenant's obligations and liabilities under this Section 27 shall survive the expiration or earlier termination of this Lease. If Landlord determines that the condition of any portion of the Project violates the provisions of this Lease with respect to Hazardous Materials, then Landlord may require Tenant to surrender the Premises to Landlord in the condition in which the Premises existed prior to the appearance of such Hazardous Materials (except for reasonable wear and tear), including without limitation, performing closures as required by any Environmental Laws. For purposes hereof, the term "reasonable wear and tear" shall not include any deterioration in the condition or diminution of the value of any portion of the Project in any manner whatsoever related to directly, or indirectly, Hazardous Materials. Any such holdover by Tenant will be with Landlord's consent and will not be terminable by Tenant in any event or circumstance.

28. Financial Statements

Tenant and any permitted Transferee, for the reliance of Landlord, any lender holding or anticipated to acquire a lien upon any portion of the Project or any prospective purchaser of any portion of the Project, shall deliver to Landlord the then current audited financial statements of Tenant (including interim periods following the end of the last fiscal year for which annual statements are available) within ten (10) business days after Landlord's request therefor, but not more often than once annually so long as Tenant is not in material default of this Lease. If audited financial statements have not been prepared, Tenant and any permitted Transferee shall provide Landlord with unaudited financial statements (certified by an authorized representative or officer of Tenant) and such other information, the type and form of which are reasonably acceptable to Landlord, which reflect the financial condition of Tenant and any permitted Transferee, as applicable.

29. General Provisions

29.1 Time: Time is of the essence in this Lease and with respect to each and all of its provisions in which performance is a factor.

29.2 Successors and Assigns: The covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

29.3 Recordation: Tenant shall not record this Lease or a short form memorandum hereof.

29.4 Landlord Exculpation: The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the ownership interest of Landlord and its present or future partners or members in the Building, and Tenant agrees to look solely to Landlord's ownership interest in the Building (excluding any proceeds thereof) for satisfaction of any liability and shall not look to other assets of Landlord nor seek any recourse against the assets of the individual partners, members, directors, officers, shareholders, agents or employees of Landlord, including without limitation, any property management company of Landlord (collectively, the "Landlord Parties"). It is the parties' intention that Landlord and the Landlord Parties shall not in any event or circumstance be personally liable, in any manner whatsoever, for any judgment or deficiency hereunder or with respect to this Lease. The liability of Landlord under this Lease is limited to its actual period of ownership of title to the Building.

29.5 Severability and Governing Law: Any provisions of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provisions hereof and such other provisions shall remain in full force and effect. This Lease shall be enforced, governed by and construed in accordance with the laws of the State of California.

29.6 Attorneys' Fees: In the event any dispute between the parties results in litigation or other proceeding, the prevailing party shall be reimbursed by the party not prevailing therein for all reasonable costs and expenses, including, without limitation, reasonable attorneys' and experts' fees and costs incurred by the prevailing party in connection with such litigation or other proceeding, and any appeal thereof. Such costs, expenses and fees shall be included in and made a part of any judgment recovered by the prevailing party. "Prevailing party" within the meaning of this Section shall include, without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in the action.

29.7 Entire Agreement: It is understood and agreed that there are no oral agreements between the parties hereto affecting this Lease and this Lease (including all exhibits and addenda) supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease and any separate agreement executed by Landlord and Tenant in connection with this Lease and dated of even date herewith (a) contain all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, and (b) shall be considered to be the only agreement between the parties hereto and their representatives and agents. This Lease may not be modified, deleted or added to except by a writing signed by the parties hereto. All negotiations and oral agreements have been merged into and are included herein. Except as expressly set forth in this Lease and the exhibits thereto, there are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Lease. The parties acknowledge that (i) each party and/or its counsel have reviewed and revised this Lease, and (ii) no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation or enforcement of this Lease or any amendments or exhibits to this Lease or any document executed and delivered by either party in connection with this Lease.

29.8 Warranty of Authority: Each person executing this Lease on behalf of a party represents and warrants that (i) such person is duly and validly authorized to do so on behalf of the entity it purports to so bind, and (ii) if such party is a limited liability company, partnership, corporation or trustee, that such limited liability company, partnership, corporation or trustee has full right and authority to enter into this Lease and perform all of its obligations hereunder. Tenant hereby warrants that this Lease is legal, valid and binding upon Tenant and enforceable against Tenant in accordance with its terms.

29.9 Notices: All notices, demands, statements or communications (collectively, "Notices") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, delivered by a nationally recognized same-day or overnight courier (e.g. FedEx or UPS) or delivered personally (i) to Tenant at the Tenant's Address set forth in the Basic Lease Information, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at Landlord's Address set forth in the Basic Lease Information, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date it is mailed as provided in this Section 29.9, upon the first (1st) business day after delivery to a nationally recognized courier, or upon the date personal delivery is made.

29.10 Joint and Several; Covenants and Conditions: If Tenant consists of more than one person or entity, the obligations of all such persons or entities shall be joint and several. Each provision to be performed by Tenant hereunder shall be deemed to be both a covenant and a condition.

29.11 Confidentiality: Each party acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information. Disclosure of the terms could adversely affect the ability of Landlord to negotiate other leases and impair Landlord's relationship with other tenants, and also could negatively affect the rights and confidential financial information of Tenant. Accordingly, the parties agree that each party, and its partners, officers, directors, employees, agents (including real estate brokers) and attorneys, shall not disclose the terms and conditions of this Lease to any public information source or to any other tenant or apparent prospective tenant of the Building or other portion of the Project, or to any real estate broker or agent, either directly or indirectly, without the prior written consent of the other party. In the event it is conclusively established based on reasonable evidence that either party has breached its obligations under this Section 29.11 to keep the terms of this Lease confidential, the non-breaching party may exercise such remedies as may be available at law or in equity by reason of such breach.

29.12 Landlord Renovations: Tenant acknowledges that Landlord may from time to time, at Landlord's sole option, renovate, improve, develop, alter, or modify (collectively, "Renovations") portions of the Building, Premises, Common Areas and the Project, including without limitation, systems and equipment, roof, and structural portions of the same; provided Landlord shall utilize commercially reasonable efforts to minimize the disruption and interference with Tenant's business and operations at the Premises. In connection with such Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the Common Areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility, or for any reason be liable to Tenant, for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's Property, Alterations or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection with such Renovations; provided Landlord shall utilize commercially reasonable efforts to minimize the disruption and interference with Tenant's business and operations at the Premises.

29.13 Waiver of Jury Trial: The parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way related to this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, Building, Park or Project and/or any claim of injury, loss or damage.

29.14 Submission of Lease: Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or an option for lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.15 OFAC Compliance

29.15.1 Tenant represents and warrants that (a) Tenant and each person or entity owning an interest in Tenant is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the **"List"**), and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (c) no Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly), (d) none of the funds of Tenant have been derived from any unlawful activity with the result that the investment in Tenant is prohibited by law or that the Lease is in violation of law, and (e) Tenant has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. The term **"Embargoed Person"** means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by law or Tenant is in violation of law.

29.15.2 Tenant covenants and agrees (i) to comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (ii) to immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this paragraph or the preceding paragraph are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, (iii) not to use funds from any "Prohibited Person" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Landlord under the Lease and (iv) at the request of Landlord, to provide such information as may be requested by Landlord to determine Tenant's compliance with the terms hereof.

29.15.3 Tenant hereby acknowledges and agrees that Tenant's inclusion on the List at any time during the Lease Term shall be a default of the Lease. Notwithstanding anything herein to the contrary, Tenant shall not knowingly permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity shall be a default of the Lease.

Simultaneously with the execution of the Lease, Tenant will provide to Landlord the names of the persons holding an ownership interest in Tenant, for purposes of compliance with Presidential Executive Order 13224 (issued September 24, 2001).

30. Signs

Subject to the terms of this Section 30, Tenant shall have the right to install, at Tenant's sole cost, signage on the Building with Highway 237 visibility and a sign panel on the existing Building monument sign. All signs and graphics of every kind visible in or from public view shall be subject to (i) Landlord's prior written approval and (ii), and in compliance with, all applicable Laws (including,

without limitation, the laws of the City of San Jose), Development Documents, Recorded Matters, Rules and Regulations, and Landlord's sign criteria as same may exist from time to time. Tenant shall remove all such signs and graphics prior to the expiration or earlier termination of this Lease. Such installations and removals shall be made in a manner as to avoid damage or defacement of the Premises and all other affected portions of the Project. Tenant shall repair any such damage, including without limitation, discoloration caused by such installation or removal. Landlord shall have the right, at its option, to deduct from the Security Deposit such sums as are reasonably necessary to remove such signs and make any repairs necessitated by such removal. Notwithstanding the foregoing, in no event shall any: (a) neon, flashing or moving sign(s) or (b) sign(s) which are likely to interfere with the visibility of any sign, canopy, advertising matter, or decoration of any kind of any other business or occupant of the Building or other portions of the Project be permitted hereunder. Tenant further agrees to maintain each such sign and graphics, as may be approved, in good condition and repair at all times.

31. Mortgagee Protection

Upon any default on the part of Landlord, Tenant will give written Notice by registered or certified mail to any beneficiary of a deed of trust or mortgagee of a mortgage covering the Premises who has provided Tenant with Notice of their interest together with an address for receiving Notice, and shall offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or a judicial foreclosure, if such should prove necessary to effect a cure. If such default cannot be cured within such time period, then such additional time as may be necessary will be given to such beneficiary or mortgagee to effect such cure so long as such beneficiary or mortgagee has commenced the cure within the original time period and thereafter diligently pursues such cure to completion, in which event this Lease shall not be terminated while such cure is being diligently pursued. Tenant agrees that each lender to whom this Lease has been assigned by Landlord is an express third party beneficiary hereof. Tenant shall not make any prepayment of Rent more than one (1) month in advance without the prior written consent of each such lender. Tenant waives the collection of any deposit from each such lender or purchaser at a foreclosure sale unless said lender or purchaser shall have actually received and not refunded the deposit. Tenant agrees to make all payments under this Lease to the lender with the most senior encumbrance upon receiving a direction, in writing, to pay said amounts to such lender. Tenant shall comply with such written direction to pay without determining whether an event of default exists under such lender's loan to Landlord. If, in connection with obtaining financing for the Premises or any other portion of the Project, Landlord's lender shall request reasonable modification(s) to this Lease as a condition to such financing, Tenant shall not unreasonably withhold, delay or defer its consent thereto, provided such modifications do not adversely affect Tenant's rights hereunder, including Tenant's use, occupancy or quiet enjoyment of the Premises.

32. Warranties of Tenant

Tenant warrants and represents to Landlord, for the express benefit of Landlord, that Tenant has undertaken a complete and independent evaluation of the risks inherent in the execution of this Lease and the operation of the Premises for the use permitted hereby, and that, based upon said independent evaluation, Tenant has elected to enter into this Lease and hereby assumes all risks with respect thereto. Tenant further warrants and represents to Landlord, for the express benefit of Landlord, that in entering into this Lease, Tenant has not relied upon any statement, fact, promise or representation (whether express or implied, written or oral) not specifically set forth herein and that any statement, fact, promise or representation (whether express or implied, written or oral) made at any time to Tenant, which is not expressly incorporated herein, is hereby waived by Tenant.

33. Brokerage Commission

Landlord and Tenant each represents and warrants for the benefit of the other that it has had no dealings with any real estate broker, agent or finder in connection with the Premises and/or the negotiation of this Lease, except for the Broker(s) specified in the Basic Lease Information, and that it knows of no other real estate broker, agent or finder who is or might be entitled to a real estate brokerage commission or finder's fee in connection with this Lease or otherwise based upon contacts between the claimant and Tenant. Each party shall indemnify and hold harmless the other from and against any and all Claims with respect to a fee or commission by any real estate broker, agent or finder in connection with the Premises and this Lease other than the Broker(s) (if any) resulting from the actions of the indemnifying party. Unless expressly agreed to in writing by Landlord and the Broker(s), no real estate brokerage commission or finder's fee shall be owed to, or otherwise payable to, the Broker(s) for any renewals or other extensions of the initial term of this Lease or for any additional space leased by Tenant other than the Premises as same exists as of the Lease Date. Tenant further represents and warrants to Landlord that Tenant will not receive (i) any portion of any brokerage commission or finder's fee payable to the Broker(s) in connection with this Lease, or (ii) any other form of compensation or incentive from the Broker(s) with respect to this Lease.

34. Quiet Enjoyment

Landlord covenants with Tenant, upon the paying of Rent and observing and keeping the covenants, agreements and conditions of this Lease on its part to be kept, during the periods that Tenant is not otherwise in default of this Lease, and subject to the rights of any of Landlord's lenders, (i) that Tenant shall and may peaceably and quietly have, hold, occupy and enjoy the Premises and Common Areas during the Term, and (ii) neither Landlord, nor any successor or assign of Landlord, shall disturb Tenant's occupancy or enjoyment of the Premises and Common Areas. The foregoing covenant is in lieu of any other covenant express or implied.

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///continued from previous page///

IN WITNESS WHEREOF, this Lease is executed by the parties as of the Lease Date specified in the Basic Lease Information.

Landlord:

LEGACY PARTNERS I SAN JOSE, LLC,
a Delaware limited liability company,
Owner

By: LEGACY PARTNERS COMMERCIAL, L.P.,
a California limited partnership,
as Property Manager and Agent for Owner

By: LEGACY PARTNERS COMMERCIAL, INC.,
General Partner

By: /s/ Debra Smith
Debra Smith
Its: Chief Administrative Officer
DRE #########
BL DRE #########

Tenant:

RESTORATION ROBOTICS, INC.,
a Delaware corporation

By: /s/ Jim McCollum
(Name)
Its: President & CEO
(Title)

By: _____
(Name)
Its: _____
(Title)

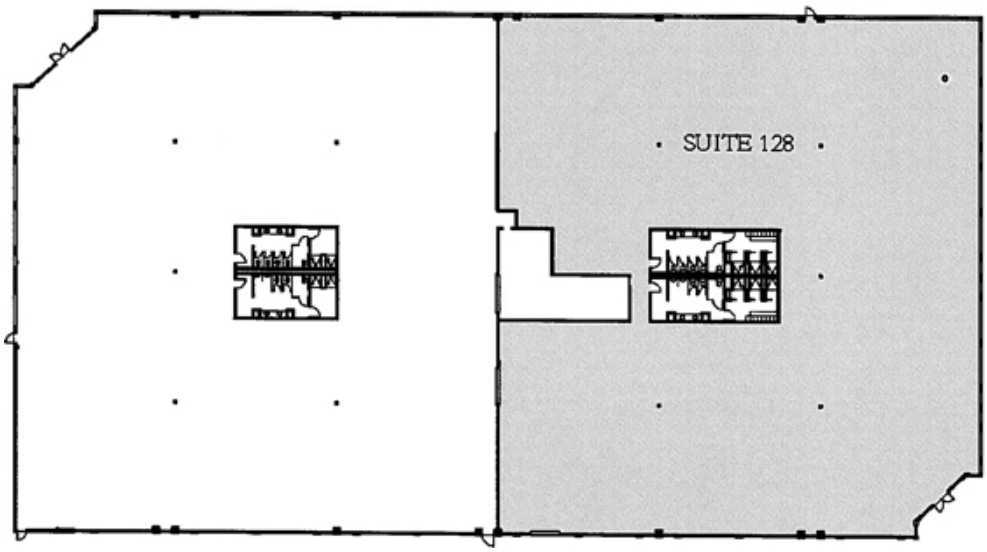
If Tenant is a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. The document must be executed by the chairman of the board, president or vice-president, and the secretary, assistant secretary, chief financial officer or any assistant treasurer, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached to this document.

Exhibit A

Premises

This exhibit, entitled "Premises", is and shall constitute Exhibit A to that certain Lease Agreement dated April 16, 2012 (the "Lease"), by and between LEGACY PARTNERS I SAN JOSE, LLC, a Delaware limited liability company ("Landlord"), and RESTORATION ROBOTICS, INC., a Delaware corporation ("Tenant"), for the leasing of certain premises located in Legacy Baytech Park, 128 Baytech Drive, San Jose, California 95134-2302 (the "Premises").

The Premises consist of the rentable square footage of space specified in the Basic Lease Information and has the address specified in the Basic Lease Information. The Premises are a part of and are contained in the Building specified in the Basic Lease Information. The area shown below depicts the Premises within the Building:



TENANT INITIALS HERE: JM

Exhibit B

Tenant Work Letter

This Tenant Work Letter ("Tenant Work Letter") sets forth the terms and conditions relating to the construction of improvements for the Premises. All references in this Tenant Work Letter to the "Lease" shall mean the relevant portions of the Lease to which this Tenant Work Letter is attached as **Exhibit B.**

SECTION 1

BASE, SHELL AND CORE

Tenant hereby accepts the base, shell and core (i) of the Premises and (ii) of the floor(s) of the Building on which the Premises are located (collectively, the "Base, Shell and Core") in current "As-Is" condition existing as of the date of the Lease and the Lease Commencement Date except as otherwise expressly provided in Section 1.2 of the Lease. Except for the Allowance set forth below, Landlord shall not be obligated to make or pay for any alterations or improvements to the Premises, the Building or the Project.

SECTION 2

CONSTRUCTION DRAWINGS FOR THE PREMISES

Prior to the execution of this Lease, Landlord and Tenant have approved a detailed space plan for the construction of certain improvements in the Premises, which space plan has been prepared by Legacy Partners CDS, Inc., dated March 14, 2012 and last revised on April 4, 2012 (the "Final Space Plan") as shown on Schedule 1 attached hereto. Based upon and in conformity with the Final Space Plan, Landlord shall cause its architect and engineers to prepare and deliver to Tenant, for Tenant's approval, detailed specifications and engineered working drawings for the tenant improvements shown on the Final Space Plan (the "Working Drawings"). The Working Drawings shall incorporate modifications to the Final Space Plan as necessary to comply with the floor load and other structural and system requirements of the Building. To the extent that the finishes and specifications are not completely set forth in the Final Space Plan for any portion of the tenant improvements depicted thereon, the actual specifications and finish work shall be in accordance with the specifications for the Building's standard tenant improvement items, as determined by Landlord. Within five (5) business days after Tenant's receipt of the Working Drawings, Tenant shall approve or disapprove the same, which approval shall not be unreasonably withheld; provided, however, that Tenant may only disapprove the Working Drawings to the extent such Working Drawings are inconsistent with the Final Space Plan and only if Tenant delivers to Landlord, within such five (5) business-day period, specific changes proposed by Tenant which are consistent with the Final Space Plan and do not constitute changes which would result in any of the circumstances described in items (i) through (iv) below. If any such revisions are timely and properly proposed by Tenant, Landlord shall cause its architect and engineers to revise the Working Drawings to incorporate such revisions and submit the same for Tenant's approval in accordance with the foregoing provisions, and the parties shall follow the foregoing procedures for approving the Working Drawings until the same are finally approved by Landlord and Tenant. Upon Landlord's and Tenant's approval of the Working Drawings, the same shall be known as the "Approved Working Drawings". The tenant improvements shown on the Approved Working Drawings shall be referred to herein as the "Tenant Improvements". Once the Approved Working Drawings have been approved by Landlord and Tenant, Tenant shall make no changes, change orders or modifications thereto without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion if such change or modification would: (i) directly or indirectly delay the Substantial Completion of the Premises; (ii) increase the cost of designing or constructing the Tenant Improvements above the amount of the Allowance (as defined below), unless Tenant agrees to pay such additional cost as part of the Over-Allowance Amount; (iii) be of a quality lower than the quality of the standard tenant improvement items for the Building; and/or (iv) require any changes to the Base, Shell and Core or structural improvements or systems of the Building. The Final Space Plan, Working Drawings and Approved Working Drawings shall be collectively referred to herein as, the "Construction Drawings". Landlord shall construct the Tenant Improvements in accordance with all applicable law.

SECTION 3

CONSTRUCTION AND COSTS OF TENANT IMPROVEMENTS

Landlord shall cause a contractor designated by Landlord (the "Contractor") to (i) obtain all applicable building permits for construction of the Tenant Improvements (collectively, the "Permits"), and (ii) construct the Tenant Improvements as depicted on the Approved Working Drawings, in compliance with such Permits and all applicable laws in effect at the time of construction, and in good workmanlike manner. Landlord shall cause Contractor to obtain at least three (3) competitive bids from each major subcontractor. Landlord may elect, at its option, to retain Legacy Partners CDS, Inc. as Contractor. Legacy Partners CDS, Inc. is affiliated with Landlord. Landlord shall pay for the cost of the design and construction of the Tenant Improvements in an amount up to, but not exceeding, Five Dollars ($5.00) per rentable square foot of the Premises (i.e., up to One Hundred Fifteen Thousand Seven Hundred Seventy-Five Dollars ($115,775), based on 23,155 rentable square feet of the Premises (the "Allowance"). Provided the Allowance is not used in its entirety in constructing the Tenant Improvements, up to Forty-Six Thousand Three Hundred Ten Dollars ($46,310) (based upon Two Dollars ($2.00) per rentable square foot of the Premises) of the Allowance may be used by Tenant towards furniture, cubicles, telephone and data wiring and signage costs. The cost of the design and construction of the Tenant Improvements shall include Landlord's construction supervision and management fee in an amount equal to the product of (i) four percent (4%) and (ii) the amount equal to the sum of the Allowance and the Over-Allowance Amount (as such term is defined below.) Notwithstanding the foregoing, no such construction supervision and management fee shall be charged by Landlord if and to the extent Legacy Partners CDS, Inc. is retained as the Contractor hereunder. Tenant shall pay for all costs in excess of the Allowance ("Over-Allowance Amount"), which payment shall be made to Landlord in cash within ten (10) days after Tenant's receipt of invoice therefor from Landlord and, in any event, prior to the date Landlord causes the Contractor to commence the actions described in the first sentence of this Section 3. In the event that after Tenant pays the Over-Allowance Amount Tenant requests any changes, change orders or modifications to the Approved Working Drawings (which Landlord approves pursuant to Section 1 above) which increase the cost to construct the Tenant Improvements, Tenant shall pay such increased cost to Landlord immediately upon Landlord's request therefor, and, in any event, prior to the date Landlord causes the Contractor to commence construction of the changes, change orders or

modifications. In no event shall Landlord be obligated to pay for any of Tenant's furniture, computer systems, telephone systems, equipment or other personal property which may be depicted on the Construction Drawings; such items shall be paid for by Tenant. Tenant shall not be entitled to receive in cash or as a credit against any rental or otherwise, any portion of the Allowance not used to pay for the cost of the design and construction of the Tenant Improvements.

SECTION 4

READY FOR OCCUPANCY; SUBSTANTIAL COMPLETION OF THE TENANT IMPROVEMENTS

4.1 Ready for Occupancy; Substantial Completion. For purposes of this Lease, including for purposes of determining the Lease Commencement Date (as set forth in Section 7.2 of the Summary), the Premises shall be "Ready for Occupancy" upon Substantial Completion of the Premises. For purposes of this Lease, "Substantial Completion" of the Premises shall occur upon the completion of construction of the Tenant Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of any punch list items (which Landlord shall commence to correct or complete within fifteen (15) days of Tenant's written notice) and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant or under the supervision of Contractor.

4.2 Delay of the Substantial Completion of the Premises. If there shall be a delay or there are delays in the Substantial Completion of the Premises as a direct, indirect, partial, or total result of any of the following (collectively, "Tenant Delays"):

4.2.1 Tenant's failure to timely approve the Working Drawings or any other matter requiring Tenant's approval;

4.2.2 a breach by Tenant of the terms of this Tenant Work Letter or the Lease;

4.2.3 Tenant's request for changes in any of the Construction Drawings, except to the extent such changes are necessitated by mistakes or omissions of Landlord or Landlord's representative;

4.2.4 Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time given the estimated date of Substantial Completion of the Premises, as set forth In the Lease, or which are different from, or not included in, Landlord's standard tenant improvement items for the Building;

4.2.5 changes to the Base, Shell and Core, structural components or structural components or systems of the Building required by the Approved Working Drawings;

4.2.6 any changes in the Construction Drawings and/or the Tenant Improvements required by applicable laws if such changes are directly attributable to Tenant's use of the Premises or Tenant's specialized tenant improvement(s) (as determined by Landlord); or

4.2.7 any other acts or omissions of Tenant, or its agents, or employees;

then, notwithstanding anything to the contrary set forth in the Lease and regardless of the actual date of Substantial Completion, the Lease Commencement Date (as set forth in Section 7.2 of the Summary) shall be deemed to be the date the Lease Commencement Date would have occurred if no Tenant Delay or Delays, as set forth above, had occurred.

SECTION 5

MISCELLANEOUS

5.1 Tenant's Representative. Tenant has designated Kevin O'Brien as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

5.2 Landlord's Representative. Landlord has designated Kellie St. Clair as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

5.3 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period, at Landlord's sole option, at the end of said period the item shall automatically be deemed approved or delivered by Tenant and the next succeeding time period shall commence.

5.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if an event of default by Tenant as described in Section 19.1 of the Lease or any default by Tenant under this Tenant Work Letter has occurred at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, at law or in equity, Landlord shall have the right to withhold payment of all or any portion of the Allowance and/or Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Premises caused by such work stoppage as set forth in Section 4.2 of this Tenant Work Letter), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease (in which case, Tenant shall be responsible for any delay in Substantial Completion of the Premises caused by such inaction by Landlord). In addition, if the Lease is terminated prior to the Lease Commencement Date, for any reason due to a default by Tenant under the Lease or under this Tenant Work Letter, in addition to any other remedies available to Landlord under the Lease, at law and/or in equity, Tenant shall pay to Landlord, as Additional Rent under the Lease, within five (5) days of receipt of a statement therefor, any and all costs incurred by Landlord (including any portion of the Allowance disbursed by Landlord) and not reimbursed or otherwise paid by Tenant through the date of such termination in connection with the Tenant Improvements to the extent planned, installed and/or constructed as of such date of termination, including, but not limited to, any costs related to the removal of all or any portion of the Tenant Improvements and restoration costs related thereto.

5.5 Termination. Notwithstanding anything in the Lease (including this Tenant Work Letter) to the contrary, Tenant acknowledges and agrees that Landlord shall have the right to terminate the Lease by giving Tenant written notice of the exercise of such option (in which event the Lease shall cease and terminate as of the date of such notice) in the event Landlord is unable to obtain the Permits for the Tenant Improvements within one hundred twenty (120) days from the date of the full execution and delivery of the Lease by Landlord and Tenant. Upon such termination, the parties shall be relieved of all further obligations under the Lease except for those obligations under the Lease which expressly survive the expiration or sooner termination of the Lease.

5.6 Independent Entities. The terms of this Tenant Work Letter shall not be deemed modified in any respect in the event Legacy Partners CDS, Inc. is retained as Contractor, it being understood and agreed that Landlord and Contractor, regardless of the identity of Contractor, shall at all times remain separate and independent entities and the knowledge and actions of one shall not be imputed to the other.

Schedule 1 to Work Letter

Final Space Plan

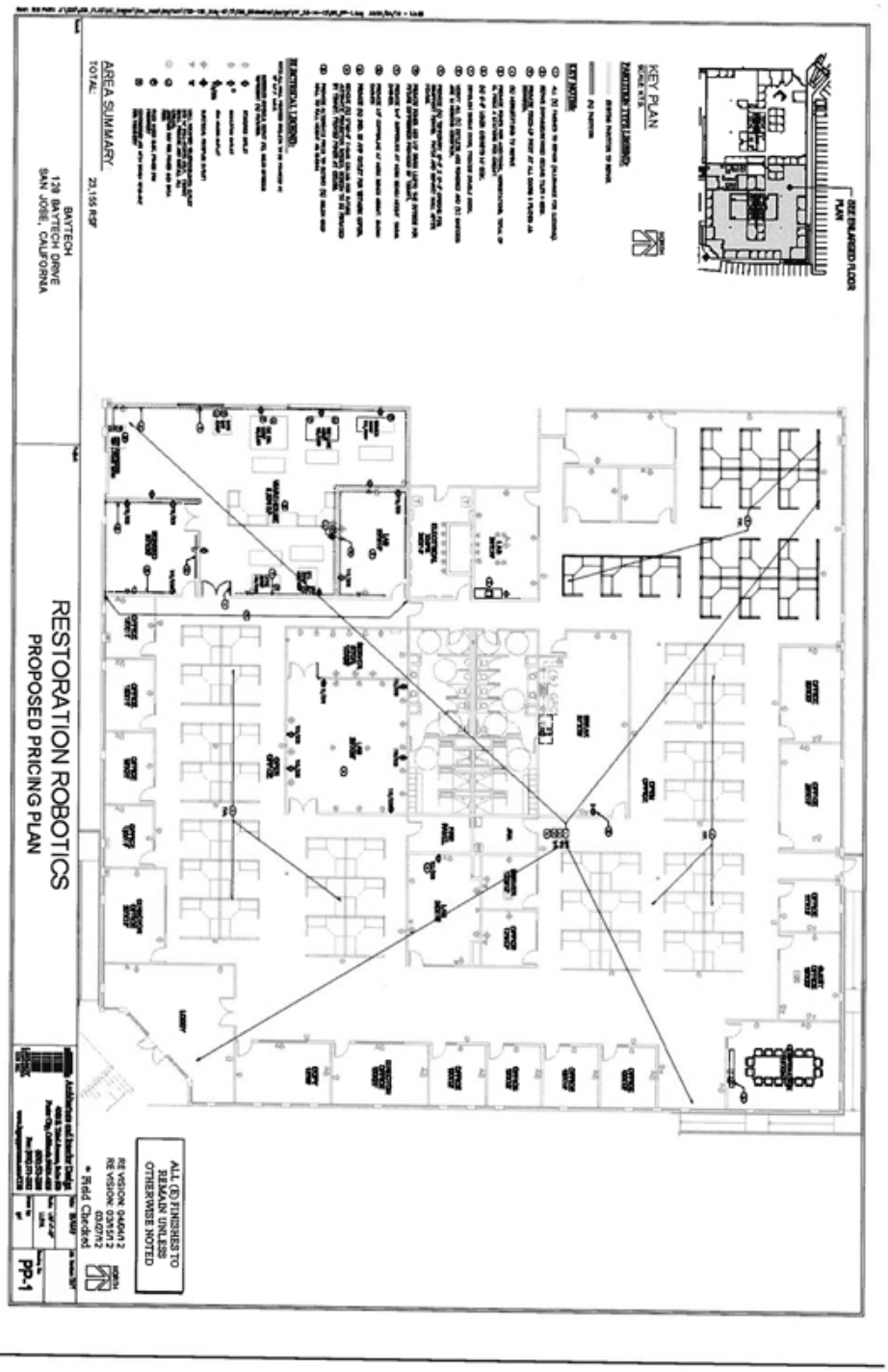


Exhibit C

Rules & Regulations

Tenant shall faithfully observe and comply with the following Rules and Regulations. Landlord shall not be responsible to Tenant for the nonperformance of any of said Rules and Regulations by or otherwise with respect to the acts or omissions of any other tenants or occupants of the Building or Park.

1. Tenant shall not place any lock(s) on any door, or install any security system (including, without limitation, card key systems, alarms or security cameras), in the Premises or Building without Landlord's prior written consent, which consent shall not be unreasonably withheld, and Landlord shall have the right to retain at all times and to use keys or other access codes or devices to all locks and/or security system within and into the Premises (other than locks to Tenant's safes and confidential files). A reasonable number of keys to the locks on the entry doors in the Premises shall be furnished by Landlord to Tenant at Tenant's cost, and Tenant shall not make any duplicate keys. All keys shall be returned to Landlord at the expiration or early termination of this Lease. Further, if and to the extent Tenant re-keys, re-programs or otherwise changes any locks at the Project, Tenant shall be obligated to restore all such locks and key systems to be consistent with the master lock and key system at the Building, all at Tenant's sole cost and expense.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises, unless electrical hold backs have been installed. Sidewalks, doorways, vestibules, halls, stairways and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises.

3. Landlord reserves the right to close and keep locked all entrance and exit doors of the Building during such hours as are customary for comparable buildings in the vicinity of the Building. Tenant, its employees and agents must be sure that the doors to the Building are securely closed and locked when leaving the Premises if it is after the normal hours of business for the Building. Any tenant, its employees, agents or any other persons entering or leaving the Building at any time when it is so locked, or any time when it is considered to be after normal business hours for the Building, may be required to sign the Building register when so doing. After-hours access by Tenant's authorized employees may be provided by hard-key, card-key access or other procedures adopted by Landlord from time to time; Tenant shall pay for the costs of all access cards provided to Tenant's employees and all replacements thereof for lost, stolen or damaged cards. Access to the Building and/or Park may be refused unless the person seeking access has proper identification or has a previously arranged pass for such access. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building and/or Park of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Building and/or Park during the continuance of same by any means it deems appropriate for the safety and protection of life and property.

4. While Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy property brought into the Building, Landlord acknowledges and agrees that Tenant will bring a large machine shop equipment onto the Premises. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property in any case. All damage done to any part of the Building, its contents, occupants or visitors by moving or maintaining any such safe or other property shall be the sole responsibility of Tenant and any expense of said damage or injury shall be borne by Tenant.

5. No oversized furniture, freight, packages, supplies, equipment or merchandise will be brought into or removed from the Building except upon not less than twenty-four (24) hours prior notice to Landlord, and in such manner and between such hours as shall be designated by Landlord. Tenant shall assume all risk for damage to articles moved and injury to any persons resulting from the activity. If equipment, property, or personnel of Landlord or of any other party is damaged or Injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage or loss.

6. Landlord shall have the right to control and operate the public portions of the Building and Park, the public facilities, the heating and air conditioning, and any other facilities furnished for the common use of tenants, in such manner as is customary for comparable buildings in the vicinity of the Building.

7. No signs, advertisements or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Tenant's cost and expense, using the standard graphics for the Building. Landlord may provide and maintain in the first floor (main lobby) of the Building an alphabetical directory board or other directory device listing tenants, and no other directory shall be permitted unless previously consented to by Landlord in writing.

8. The requirements of Tenant will be attended to only upon application at the management office of the Park or at such office location designated by Landlord.

9. Tenant shall not disturb, solicit, or canvass any occupant of the Building or Park and shall cooperate with Landlord or Landlord's agents to prevent same.

10. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenant who, or whose employees or agents, shall have caused it.

11. Tenant shall not overload the floor of the Premises. Tenant shall not mark, drive nails or screws, or drill into the partitions, woodwork or plaster or in any way deface the Premises or any part thereof without Landlord's consent first had and obtained; provided, however, Landlord's prior consent shall not be required with respect to Tenant's placement of pictures and other normal office wall hangings on the interior walls of the Premises (but at the end of the Term, Tenant shall repair any holes and other damage to the Premises resulting therefrom).

12. Except for vending machines intended for the sole use of Tenant's employees and invitees, and for the machines utilized by Tenant in its machine shop (which are specifically permitted under this Lease), no other vending machine or machines of any description other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord. Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord.

13. Tenant shall not use any method of heating or air conditioning other than that which may be supplied by Landlord, without the prior written consent of Landlord. Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electronic or gas heating devices, portable coolers (such as "move n cools") or space heaters, without Landlord's prior written consent, and any such approval will be for devices that meet federal, state and local code.

14. No inflammable, explosive or dangerous fluids or substances shall be used or kept by Tenant in the Premises, Building or about the Property, except for those substances as are typically found in similar premises used for general office purposes (or otherwise approved by Landlord on a HazMat Certificate) and are being used by Tenant in a safe manner and in accordance with all applicable Laws, rules and regulations. Tenant shall not, without Landlord's prior written consent, use, store, install, spill, remove, release or dispose of, within or about the Premises or any other portion of the Property, any asbestos-containing materials or any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Laws which may now or later be in effect. Tenant shall comply with all Laws pertaining to and governing the use of these materials by Tenant, and shall remain solely liable for the costs of abatement and removal.

15. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in or on the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building or Park by reason of noise, odors, or vibrations, or interfere in any way with other tenants or those having business therewith.

16. Tenant shall not use or occupy the Premises in any manner or for any purpose which might impair the present or future value of the Premises or the Building. Tenant shall not use, or permit any part of the Premises to be used, for lodging, sleeping or for any illegal purpose.

17. No cooking shall be done or permitted by Tenant in the Premises, nor shall the Premises be used for the storage of merchandise, for lodging or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations, and does not cause odors which are objectionable to Landlord and other tenants.

18. Landlord will approve where and how telephone and telegraph wires and other cabling are to be introduced to the Premises. No boring or cutting for wires shall be allowed without the consent of Landlord. The location of telephone, call boxes and other office equipment and/or systems affixed to the Premises shall be subject to the approval of Landlord. Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the Building.

19. Landlord reserves the right to exclude or expel from the Building and/or Park any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations or cause harm to Building occupants and/or property.

20. All contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval, which approval shall not be unreasonably withheld, and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time.

21. Tenant, its employees and agents shall not loiter in the entrances or corridors, nor in any way obstruct the sidewalks, lobby, halls, stairways or elevators, and shall use the same only as a means of ingress and egress for the Premises.

22. Tenant at all times shall maintain the entire Premises in a neat and clean, first class condition, free of debris. Tenant shall not place items, including, without limitation, any boxes, files, trash receptacles or loose cabling or wiring, in or near any window to the Premises which would be visible anywhere from the exterior of the Premises.

23. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, including, without limitation, the use of window blinds to block solar heat load, and shall refrain from attempting to adjust any controls. Tenant shall comply with and participate in any program for metering or otherwise measuring the use of utilities and services, including, without limitation, programs requiring the disclosure or reporting of the use of any utilities or services. Tenant shall also cooperate and comply with, participate in, and assist in the implementation of (and take no action that is inconsistent with, or which would result in Landlord, the Building and/or the Park failing to comply with the requirements of) any conservation, sustainability, recycling, energy efficiency, and waste reduction programs, environmental protection efforts and/or other programs that are in place and/or implemented from time to time at the Building and/or the Park, including, without limitation, any required reporting, disclosure, rating or compliance system or program (including, but not limited to any LEED [Leadership in Energy and Environmental Design] rating or compliance system, including those currently coordinated through the U.S. Green Building Council).

24. Tenant shall store all its recyclables, trash and garbage within the interior of the Premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of recyclables, trash and garbage in the city in which the Park is located without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

25. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

26. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed, when the Premises are not occupied, or when the Premises' entry is not manned by Tenant on a regular basis.

27. No awnings or other projection shall be attached to the outside walls of the Building without the prior written consent of Landlord. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by Tenant, nor shall any bottles, parcels or other articles be placed on the windowsills. All electrical ceiling fixtures hung in offices or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and bulb color approved by Landlord.

28. The washing and/or detailing of or, the installation of windshields, radios, telephones in or general work on, automobiles shall not be allowed on the Park, except under specific arrangement with Landlord.

29. Food vendors shall be allowed in the Building upon receipt of a written request from the Tenant. The food vendor shall service only the tenants that have a written request on file in the management office of the Park, and any food vendors requested by Tenant per this provision shall be allowed and approved. Under no circumstance shall the food vendor display their products in a public or Common Area including corridors and elevator lobbies. Any failure to comply with this rule shall result in immediate permanent withdrawal of the vendor from the Building.

30. Tenant must comply with requests by the Landlord concerning the informing of their employees of items of importance to the Landlord.

31. Tenant shall comply with any non-smoking ordinance adopted by any applicable governmental authority. Neither Tenant nor its agents, employees, contractors, guests or invitees shall smoke or permit smoking in the common areas, unless the common areas have been declared a designated smoking area by Landlord, nor shall the above parties allow smoke from the Premises to emanate into the common areas or any other part of the Building. Landlord shall have the right to designate the Building (including the Premises) as a non-smoking building.

32. Tenant shall not take any action which would violate Landlord's labor contracts or which would cause a work stoppage, picketing, labor disruption or dispute, or interfere with Landlord's or any other tenant's or occupant's business or with the rights and privileges of any person lawfully in the Building ("Labor Disruption"). Tenant shall take the actions necessary to resolve the Labor Disruption, and shall have pickets removed and, at the request of Landlord, immediately terminate any work in the Premises that gave rise to the Labor Disruption, until Landlord gives its written consent for the work to resume. Tenant shall have no claim for damages against Landlord or and its trustees, members, principals, beneficiaries, partners, officers, directors, employees, Mortgagees, or agents.

33. No tents, shacks, temporary or permanent structures of any kind shall be allowed on the Park. No personal belongings may be left unattended in any common areas.

34. Landlord shall have the right to prohibit the use of the name of the Building or any other publicity by Tenant that in Landlord's sole opinion may impair the reputation of the Building or its desirability. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.

35. Landlord shall have the right to designate and approve standard window coverings for the Premises and to establish rules to assure that the Building presents a uniform exterior appearance. Tenant shall ensure, to the extent reasonably practicable, that window coverings are closed on windows in the Premises while they are exposed to the direct rays of the sun.

PARKING RULES AND REGULATIONS

(i) Except for emergency repairs, Tenant and its employees shall not perform any work on any automobiles while located in the parking areas, or on the Property.

(ii) Tenant (including Tenant's agents) will use the parking spaces solely for the purpose of parking passenger model cars, small vans and small trucks and will comply in all respects with any rules and regulations that may be promulgated by Landlord from time to time with respect to the Parking Facilities.

(iii) Cars must be parked entirely within the stall lines painted on the floor, and only small cars may be parked in areas reserved for small cars.

(iv) All directional signs and arrows must be observed.

(v) The speed limit shall be 5 miles per hour.

(vi) Parking spaces reserved for handicapped persons must be used only by vehicles properly designated.

(vii) Parking is prohibited in all areas not expressly designated for parking, including without limitation:

(a) areas not striped for parking;

(b) aisles;

(c) where "no parking" signs are posted;

(d) ramps; and

(e) loading zones.

(viii) Parking stickers, key cards or any other devices or forms of identification or entry supplied by the operator shall remain the property of the operator. Such device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Parking passes and devices are not transferable and any pass or device in the possession of an unauthorized holder will be void.

(ix) Parking managers or attendants are not authorized to make or allow any exceptions to these Rules.

(x) Every parker is required to park and lock his/her own car.

(xi) Loss or theft of parking pass, identification, key cards or other such devices must be reported to Landlord and to the parking manager immediately. Any parking devices reported lost or stolen found on any authorized car will be confiscated and the illegal holder will be subject to prosecution. Lost or stolen passes and devices found by Tenant or its employees must be reported to the office of the parking manager immediately.

(xii) Washing, waxing, cleaning or servicing of any vehicle by the customer and/or his agents is prohibited. Parking spaces may be used only for parking automobiles.

(xiii) Tenant agrees to acquaint all persons to whom Tenant assigns a parking space with these Rules.

(xiv) Neither Landlord nor any operator of the Parking Facilities within the Project, as the same are designated and modified by Landlord, in its sole discretion, from time to time will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Facilities, resulting from fire, theft, vandalism, accident,

conduct of other users of the Parking Facilities and other persons, or any other casualty or cause. Further, Tenant understands and agrees that: (i) Landlord will not be obligated to provide any traffic control, security protection or operator for the Parking Facilities; (ii) Tenant uses the Parking Facilities at its own risk; and (iii) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property. Tenant indemnifies and agrees to hold Landlord, any operator of the Parking Facilities and their respective agents harmless from and against any and all claims, demands, and actions arising out of the use of the Parking Facilities by Tenant and its agents, whether brought by any of such persons or any other person.

(xv) Tenant will ensure that any vehicle parked in any of the parking spaces will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline. If any of the parking spaces are at any time used: (i) for any purpose other than parking as provided above; (ii) in any way or manner reasonably objectionable to Landlord; or (iii) by Tenant after default by Tenant under the Lease, Landlord, in addition to any other rights otherwise available to Landlord, may consider such default an event of default under the Lease, subject to the applicable notice and cure periods set forth in Section 18.

(xvi) Tenant's right to use the Parking Facilities will be in common with other tenants of the Project and with other parties permitted by Landlord to use the Parking Facilities. Landlord reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Landlord, provided that Tenant's rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant's designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).

(xvii) If the Parking Facilities are damaged or destroyed, or if the use of the Parking Facilities is limited or prohibited by any governmental authority, or the use or operation of the Parking Facilities is limited or prevented by strikes or other labor difficulties or other causes beyond Landlord's control, Tenant's inability to use the parking spaces will not subject Landlord or any operator of the Parking Facilities to any liability to Tenant and will not relieve Tenant of any of its obligations under the Lease and the Lease will remain in full force and effect. Tenant will pay to Landlord upon demand, and Tenant indemnifies Landlord against, any and all loss or damage to the Parking Facilities, or any equipment, fixtures, or signs used in connection with the Parking Facilities and any adjoining buildings or structures caused by Tenant or any of its agents.

(xviii) Tenant has no right to assign or sublicense any of its rights in the parking passes, except as part of a permitted assignment or sublease of the Lease; however, Tenant may allocate the parking passes among its employees.

(xix) Tenant shall be responsible for the observance of all of the foregoing rules by Tenant's employees, agents, clients, customers, invitees or guests. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Building and/or Park. Landlord reserves the right at any time to change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building and Park, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord shall not be responsible to Tenant or to any other person for the nonobservance of the Rules and Regulations by another tenant or other person. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

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Exhibit E

Hazardous Materials Disclosure Certificate

Your cooperation in this matter is appreciated. Initially, the information provided by you in this Hazardous Materials Disclosure Certificate is necessary for the Landlord (identified below) to evaluate and finalize a lease agreement with you as Tenant. After a lease agreement is signed by you and the Landlord (the "Lease Agreement"), on an annual basis in accordance with the provisions of Section 27 of the signed Lease Agreement, you are to provide an update to the information initially provided by you in this certificate. The information contained in the initial Hazardous Materials Disclosure Certificate and each annual certificate provided by you thereafter will be maintained in confidentiality by Landlord subject to release and disclosure as required by (i) any lenders and owners and their respective environmental consultants, (ii) any prospective purchaser(s) of all or any portion of the property on which the Premises are located, (iii) Landlord to defend itself or its lenders, partners or representatives against any claim or demand, and (iv) any laws, rules, regulations, orders, decrees, or ordinances, including, without limitation, court orders or subpoenas. Any and all capitalized terms used herein, which are not otherwise defined herein, shall have the same meaning ascribed to such term in the signed Lease Agreement. Any questions regarding this certificate should be directed to, and when completed, the certificate should be delivered to:

Landlord: LEGACY PARTNERS I SAN JOSE, LLC, a Delaware limited liability company
c/o Legacy Partners Commercial, Inc.
4000 East Third Avenue, Suite 600
Foster City, California 94404-4805
Attn: Senior Vice President, Regional Manager
Phone: (650) 571-2200

Name of (Prospective) Tenant: RESTORATION ROBOTICS, INC., a Delaware corporation

Mailing Address: _____

_____

Contact Person, Title and Telephone Number(s): _____

Contact Person for Hazardous Waste Materials Management and Manifests and Telephone Number(s):

_____

_____

Address of (Prospective) Premises: 128 Baytech Drive
San Jose, California 95134-2302

Length of (Prospective) Initial Term: Fifty-one (51) months

1. General Information:

Describe the initial proposed operations to take place in, on, or about the Premises, including, without limitation, principal products processed, manufactured or assembled services and activities to be provided or otherwise conducted. Existing Tenants should describe any proposed changes to on-going operations.

_____

_____

2. Use, Storage and Disposal of Hazardous Materials

2.1 Will any Hazardous Materials be used, generated, stored or disposed of in, on or about the Premises? Existing Tenants should describe any Hazardous Materials which continue to be used, generated, stored or disposed of in, on or about the Premises.

Wastes	Yes [ ]	No [ ]
Chemical Products	Yes [ ]	No [ ]
Other	Yes [ ]	No [ ]

If Yes is marked, please explain: _____

_____

_____

2.2 If "Yes" is marked in Section 2.1, attach a list of any Hazardous Materials to be used, generated, stored or disposed of in, on or about the Premises, including the applicable hazard class and an estimate of the quantities of such Hazardous Materials at any given time; estimated annual throughput; the proposed location(s) and method of storage (excluding nominal amounts of ordinary household cleaners and janitorial supplies which are not regulated by any Environmental Laws); and the proposed location(s) and method of disposal for each Hazardous Material, including, the estimated frequency, and the proposed contractors or subcontractors. Existing Tenants should attach a list setting forth the information requested above and such list should include actual data from on-going operations and the identification of any variations in such information from the prior year's certificate.

3. Storage Tanks and Sumps

3.1 Is any above or below ground storage of gasoline, diesel, petroleum, or other Hazardous Materials in tanks or sumps proposed in, on or about the Premises? Existing Tenants should describe any such actual or proposed activities.

Yes [ ] No [ ]

If yes, please explain: _____

_____

_____

4. Waste Management

4.1 Has your company been issued an EPA Hazardous Waste Generator I.D. Number? Existing Tenants should describe any additional identification numbers issued since the previous certificate.

Yes [ ] No [ ]

4.2 Has your company filed a biennial or quarterly reports as a hazardous waste generator? Existing Tenants should describe any new reports filed.

Yes [ ] No [ ]

If yes, attach a copy of the most recent report filed.

5. Wastewater Treatment and Discharge

5.1 Will your company discharge wastewater or other wastes to:

_____ storm drain? _____ sewer?

_____ surface water? _____ no wastewater or other wastes discharged.

Existing Tenants should indicate any actual discharges. If so, describe the nature of any proposed or actual discharge(s).

_____

_____

5.2 Will any such wastewater or waste be treated before discharge?

Yes [ ] No [ ]

If yes, describe the type of treatment proposed to be conducted. Existing Tenants should describe the actual treatment conducted.

_____

_____

6. Air Discharges

6.1 Do you plan for any air filtration systems or stacks to be used in your company's operations in, on or about the Premises that will discharge into the air; and will such air emissions be monitored? Existing Tenants should indicate whether or not there are any such air filtration systems or stacks in use in, on or about the Premises which discharge into the air and whether such air emissions are being monitored.

Yes [ ] No [ ]

If yes, please describe: _____

_____

_____

6.2 Do you propose to operate any of the following types of equipment, or any other equipment requiring an air emissions permit? Existing Tenants should specify any such equipment being operated in, on or about the Premises.

_____ Spray booth(s) _____ Incinerator(s)
_____ Dip tank(s) _____ Other (Please describe)
_____ Drying oven(s) _____ No Equipment Requiring Air Permits

If yes, please describe: _____

_____

_____

7. Hazardous Materials Disclosures

7.1 Has your company prepared or will it be required to prepare a Hazardous Materials management plan ("Management Plan") pursuant to Fire Department or other governmental or regulatory agencies' requirements? Existing Tenants should indicate whether or not a Management Plan is required and has been prepared.

Yes [ ] No [ ]

If yes, attach a copy of the Management Plan. Existing Tenants should attach a copy of any required updates to the Management Plan.

7.2 Are any of the Hazardous Materials, and in particular chemicals, proposed to be used in your operations in, on or about the Premises regulated under Proposition 65? Existing Tenants should indicate whether or not there are any new Hazardous Materials being so used which are regulated under Proposition 65.

Yes [ ] No [ ]

If yes, please explain: _____

_____

_____

8. Enforcement Actions and Complaints

8.1 With respect to Hazardous Materials or Environmental Laws, has your company ever been subject to any agency enforcement actions, administrative orders, or consent decrees or has your company received requests for information, notice or demand letters, or any other inquiries regarding its operations? Existing Tenants should indicate whether or not any such actions, orders or decrees have been, or are in the process of being, undertaken or if any such requests have been received.

Yes [ ] No [ ]

If yes, describe the actions, orders or decrees and any continuing compliance obligations imposed as a result of these actions, orders or decrees and also describe any requests, notices or demands, and attach a copy of all such documents. Existing Tenants should describe and attach a copy of any new actions, orders, decrees, requests, notices or demands not already delivered to Landlord pursuant to the provisions of Section 27 of the signed Lease Agreement.

_____

_____

8.2 Have there ever been, or are there now pending, any lawsuits against your company regarding any environmental or health and safety concerns?

Yes [ ] No [ ]

If yes, describe any such lawsuits and attach copies of the complaint(s), cross-complaint(s), pleadings and all other documents related thereto as requested by Landlord. Existing Tenants should describe and attach a copy of any new complaint(s), cross-complaint(s), pleadings and other related documents not already delivered to Landlord pursuant to the provisions of Section 27 of the signed Lease Agreement.

_____

_____

8.3 Have there been any problems or complaints from adjacent Tenants, owners or other neighbors at your company's current facility with regard to environmental or health and safety concerns? Existing Tenants should indicate whether or not there have been any such problems or complaints from adjacent Tenants, owners or other neighbors at, about or near the Premises.

Yes [ ] No [ ]

If yes, please describe. Existing Tenants should describe any such problems or complaints not already disclosed to Landlord under the provisions of the signed Lease Agreement.

_____

_____

9. Permits and Licenses

9.1 Attach copies of all Hazardous Materials permits and licenses including a Transporter Permit number issued to your company with respect to its proposed operations in, on or about the Premises, including, without limitation, any wastewater discharge permits, air emissions permits, and use permits or approvals. Existing Tenants should attach copies of any new permits and licenses as well as any renewals of permits or licenses previously issued.

The undersigned hereby acknowledges and agrees that (A) this Hazardous Materials Disclosure Certificate is being delivered in connection with, and as required by, Landlord in connection with the evaluation and finalization of a Lease Agreement and will be attached thereto as an exhibit; (B) that this Hazardous Materials Disclosure Certificate is being delivered in accordance with, and as required by, the provisions of Section 27 of the Lease Agreement; and (C) that Tenant shall have and retain full and complete responsibility and liability with respect to any of the Hazardous Materials disclosed in the HazMat Certificate notwithstanding Landlord's/Tenant's receipt and/or approval of such certificate. Tenant further agrees that none of the following described acts or events shall be construed or otherwise interpreted as either (a) excusing, diminishing or otherwise limiting Tenant from the requirement to fully and faithfully perform its obligations under the Lease with respect to Hazardous Materials, including, without limitation, Tenant's indemnification of the Indemnitees and compliance with all Environmental Laws, or (b) imposing upon Landlord, directly or indirectly, any duty or liability with respect to any such Hazardous Materials, including, without limitation, any duty on Landlord to investigate or otherwise verify the accuracy of the representations and statements made therein or to ensure that Tenant is in compliance with all Environmental Laws; (i) the delivery of such certificate to Landlord and/or Landlord's acceptance of such certificate, (ii) Landlord's review and approval of such certificate, (iii) Landlord's failure to obtain such certificate from Tenant at any time, or (iv) Landlord's actual or constructive knowledge of the types and quantities of Hazardous Materials being used, stored, generated, disposed of or transported on or about the Premises by Tenant or Tenant's Representatives. Notwithstanding the foregoing or anything to the contrary contained herein, the undersigned acknowledges and agrees that Landlord and its partners, lenders and representatives may, and will, rely upon the statements, representations, warranties, and certifications made herein and the truthfulness thereof in entering into the Lease Agreement and the continuance thereof throughout the term, and any renewals thereof, of the Lease Agreement.

I (print name) , acting with full authority to bind the (proposed) Tenant and on behalf of the (proposed) Tenant, certify, represent and warrant that the information contained in this certificate is true and correct.

(Prospective) Tenant:

By: _____

Title: _____

Date: _____

Exhibit F

First Amendment To Lease Agreement

Change of Commencement Date

This First Amendment to Lease Agreement (the "Amendment") is made and entered into to be effective as of , 20 by and between LEGACY PARTNERS I SAN JOSE, LLC, a Delaware limited liability company ("Landlord"), and , a ("Tenant"), with reference to the following facts:

Recitals

A. Landlord and Tenant have entered into that certain Lease Agreement dated (the "Lease"), for the leasing of certain premises containing approximately rentable square feet of space located at Baytech Drive, San Jose, California 95134-2302 (the "Premises") as such Premises are more fully described in the Lease.

B. Landlord and Tenant wish to amend the Commencement Date of the Lease.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Recitals: Landlord and Tenant agree that the above recitals are true and correct.

2. Beneficial Occupancy Date: The Beneficial Occupancy Date of the Lease shall be _____.

3. Commencement Date: The Commencement Date of the Lease shall be _____.

4. Expiration Date: The last day of the Term of the Lease (the "Expiration Date") shall be _____.

5. Base Rent: The dates on which the Base Rent will be adjusted are:

for the period _____ to _____, the monthly Base Rent shall be $ _____;

for the period _____ to _____, the monthly Base Rent shall be $ _____;

for the period _____ to _____, the monthly Base Rent shall be $ _____; and

for the period _____ to _____, the monthly Base Rent shall be $ _____.

6. Effect of Amendment: Except as modified herein, the terms and conditions of the Lease shall remain unmodified and continue in full force and effect. In the event of any conflict between the terms and conditions of the Lease and this Amendment ,the terms and conditions of this Amendment shall prevail.

7. Definitions: Unless otherwise defined in this Amendment, all terms not defined in this Amendment shall have the meaning set forth in the Lease.

8. Authority: Subject to the provisions of the Lease, this Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors and assigns. Each party hereto and the persons signing below warrant that the person signing below on such party's behalf is authorized to do so and to bind such party to the terms of this Amendment.

9. The terms and provisions of the Lease are hereby incorporated in this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

Landlord:

LEGACY PARTNERS I SAN JOSE, LLC,
a Delaware limited liability company, Owner

By: LEGACY PARTNERS COMMERCIAL, L.P.,
a California limited partnership, as Property Manager and Agent for Owner

By: LEGACY PARTNERS COMMERCIAL, INC.,
General Partner

By: _____
Debra Smith
Its: Chief Administrative Officer
DRE #########
BL DRE #########

Date: _____

Tenant:

_____
_____

By: _____
(Name)
Its: _____
(Title)

Date: _____

By: _____
(Name)
Its: _____
(Title)

Date: _____

Exhibit G

Subordination, Non-Disturbance And Attornment Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDWOOD CAPITAL FINANCE COMPANY, LLC
150 California Street, 22nd Floor
San Francisco, CA 94111
Attn: _____

Space above this line for Recorder's use.

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made and entered into as of , 200 , by and between REDWOOD CAPITAL FINANCE COMPANY, LLC a Delaware limited liability company ("Lender") and ("Tenant").

RECITALS:

A. Pursuant to the Loan Agreement (as defined below), Lender has made, or has agreed to make, a loan ("Loan") to the owner of the Property, as defined below ("Borrower"), evidenced by, among other things, a promissory note executed, or to be executed, by Borrower in favor of Lender in the principal amount of the Loan (as amended from time to time, the "Note").

B. The Note and certain other obligations of Borrower under the Loan are, or will be, secured by, among other things, a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing executed, to be executed, by Borrower in favor of Lender (as amended from time to time, the "Deed of Trust"). The Deed of Trust, is to be recorded or on or about the date of recordation of this Agreement and encumbers Borrower's interest in certain real property situated in City of , County of , State of , and more particularly described on Exhibit A attached hereto ("Property").

C. Pursuant to the Lease dated , as the same may be amended ("Lease"), Tenant leases a portion of the Property ("Premises"). In connection with the Loan, Borrower and Lender have executed a Loan Agreement ("Loan Agreement"), and Borrower has executed the other documents and instruments which, together with the Loan Agreement, are described in the Loan Agreement as the "Loan Documents."

D. As a condition to making the Loan, Lender requires that Tenant subordinate the Lease to the Deed of Trust and the lien thereof, subject to the terms and conditions of this Agreement, and agree to attorn to Lender as provided below. Tenant is willing to provide such subordination and attornment on the terms and conditions contained in this Agreement. Unless otherwise defined herein, capitalized terms used in this Agreement shall have the same meanings as in the Lease.

NOW, THEREFORE, for valuable consideration, Tenant and Lender agree as follows:

1. SUBORDINATION. Tenant hereby agrees in favor of Lender:

(a) The rights, interests, lien and charge of Lender under the Deed of Trust and the other Loan Documents, and all modifications, extensions, renewals or replacements thereof, as to the Note and all other obligations now or hereafter secured thereby, including any additional advances thereunder, and all modifications, extensions, renewals or replacements thereof, shall unconditionally and at all times be and remain prior and superior with respect to the Property to the rights, interests, lien and charge of Tenant under the Lease, and all modifications, extensions, renewals or replacements thereof. Notwithstanding the foregoing subordination as to any subsequent modifications, renewals, extensions or replacements of the Deed of Trust, the Note, the other Loan Documents or the other obligations secured thereby, including any additional advances thereunder, Tenant agrees to execute acknowledge and deliver to Lender from time to time such further subordination and/or other agreements as Lender may request in order to confirm the continuing priority and superiority of the Deed of Trust and the other Loan Documents over the Lease;

(b) Lender would not make the Loan without this agreement to subordinate;

(c) This Agreement shall be the whole agreement and only agreement with regard to the subordination of the Lease to the lien of the Deed of Trust and shall supersede and cancel, but only insofar as would affect the priority between the Deed of Trust and the Lease, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination of the Lease to a deed or deeds of trust or to a mortgage or mortgages;

(d) Lender, in making disbursements pursuant to the Note, the Deed of Trust or the Loan Agreements, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part; and

(e) Tenant intentionally and unconditionally waives, relinquishes and subordinates all of Tenant's right, title and interest in and to the Property to the lien of the Deed of Trust and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Lender and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for such reliance upon this waiver, relinquishment and subordination.

2. NONDISTURBANCE. Lender will not join Tenant as a party in any Foreclosure (defined below) unless the joinder is necessary or desirable to pursue Lender's remedies under the Deed of Trust, and provided that such joinder shall not result in the termination of the Lease or disturb Tenant's possession of the Premises. In the event of a Foreclosure, Lender agrees that the leasehold interest of Tenant under the Lease shall not be terminated by reason of the Foreclosure, but rather the Lease shall continue in full force and effect, and Lender shall recognize and accept Tenant as tenant under the Lease subject to the provisions of the Lease except as otherwise provided below; provided that, if Tenant shall then be in default under the Lease beyond any notice, grace or cure period, at Lender's option, the Lease shall be terminated by reason of the Foreclosure and Lender shall have no obligation to Tenant under the Lease. As used in this Agreement, "Foreclosure" means any nonjudicial or judicial foreclosure of the Deed of Trust, or any deed or other transfer in lieu thereof.

3. ATTORNMENT. In the event of a transfer of Borrower's interest in the Property to a Purchaser (as defined below), the Lease shall continue in full force and effect and Tenant agrees to attorn to the Purchaser as its landlord under the Lease and to be bound by all of the provisions of the Lease for the balance of the term thereof; provided that the Purchaser shall not be:

(a) Liable for any act or omission of any Prior Landlord (as defined below) or subject to any offsets or defenses which Tenant might have against any Prior Landlord;

(b) Liable for the return of any rental security deposit, or bound by any payment of rents, additional rents or other sums which Tenant may have paid more than one month in advance to any Prior Landlord, except to the extent such sums are actually received by Purchaser;

(c) Bound by any amendment to the Lease made without the prior written consent of Lender;

(d) Liable for obligations under the Lease, the cost of which exceed the value of its interest in the Property, or for obligations which first accrue after Purchaser has sold or otherwise transferred its interest in the Property;

(e) Obligated to install, construct or pay for any tenant or other improvements or alterations to or on the Premises or Property; bound to restore the Premises or Property after a casualty for a cost in excess of any insurance proceeds received by Lender with respect to such casualty; or bound to restore the Premises or Property after a taking in condemnation for a cost in excess of the portion of any condemnation award made specifically for that purpose;

(f) Bound by any restriction on competition beyond the Property;

(g) Bound by any notice of termination, cancellation or surrender of the Lease made without the prior written consent of Lender;

(h) Bound by any option to purchase, right of first offer to purchase or right of first refusal to purchase with respect to the Property or any portion thereof;

(i) Liable for the breach of any representation or warranty made by Prior Landlord in the Lease; or

(j) Liable for any indemnity obligation of Prior Landlord contained in the Lease, except with respect to the Purchaser's acts or omissions.

This attornment shall be immediately effective and self-operative, without the execution of any further instrument, upon Purchaser's acquisition of Borrower's interest in the Property. As used in this Agreement, "Purchaser" means any transferee, including Lender, of Borrower's interest in the Property pursuant to a Foreclosure and the successors and assigns of such transferee, and "Prior Landlord" means any landlord, including Borrower, under the Lease prior in time to Purchaser.

4. NOTICE TO TENANT. After written notice is given to Tenant by Lender, that Borrower is in default under the Loan and that the rentals under the Lease are required to be paid to Lender pursuant to the terms of the Deed of Trust, Tenant shall thereafter pay to Lender all rent and all other sums due Borrower under the Lease.

5. NOTICE TO LENDER AND RIGHT TO CURE. Tenant shall provide written notice to Lender of any default by Borrower under the Lease or any other act or omission by Borrower under the Lease which could give Tenant the right to terminate the Lease and/or abate or make a deduction from amounts payable by Tenant under the Lease, and Tenant agrees that no notice of termination of the Lease and no notice of abatement of or deduction from rent shall be effective unless Lender shall have received written notice of the default, act or omission giving rise to such termination, abatement or rent deduction and shall have failed to cure such default, act or omission within thirty (30) days after receipt of such notice to cure such default, act or omission or if such default, act or omission cannot be cured within thirty (30) days, shall have failed within thirty (30) days after receipt of such notice to commence and thereafter diligently pursue any action necessary to cure such default, act or omission to completion, including, without limitation, any action to obtain possession of the Property. Notwithstanding the foregoing, Lender shall have no obligation to cure any such default, act or omission. Tenant shall give such notice to Lender at its address set forth below or at such other address as Lender shall specify from time to time.

6. NOTICES. Any notice or other communication required or permitted to be given pursuant to the provisions of this Agreement shall either be personally delivered, sent by registered or certified U.S. mail, return receipt requested, postage prepaid, or sent by a nationally recognized private courier service, and shall be addressed to the parties as follows:

TENANT:
*
*
*
Attention:

LENDER:
Redwood Capital Finance Company, LLC
150 California Street, 22nd Floor
San Francisco, California 94111
Attention: _____

Any such notice shall be effective upon delivery or attempted delivery.

7. MISCELLANEOUS. This Agreement shall be binding upon and inure to the benefit of Lender and Tenant and their respective successors and assigns. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California. This Agreement is the entire agreement of the parties and supersedes any prior agreement with respect to its subject matter, and no provision of this Agreement may be waived or modified except in a writing signed by all parties. If any lawsuit, arbitration or other proceeding is brought under this Agreement, the prevailing party shall be entitled to recover the reasonable fees and costs of its attorneys in such proceeding. If any provision of this Agreement is held to be invalid or unenforceable in any respect, this Agreement shall be construed without such provision. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same document. Each party represents and warrants to the other party that this Agreement is a valid and binding agreement of such party and the person(s) executing this Agreement on their behalf have the authority to do so.

Table of Contents

IN WITNESS WHEREOF, Lender and Tenant have duly executed this Agreement as of the date first above written.

LENDER:

REDWOOD CAPITAL FINANCE COMPANY, LLC
a Delaware limited liability company

By _____
Title _____

TENANT:

_____ , a
_____

By _____
Title _____

Exhibit A to SNDA

Legal Description Of Property

SITUATED IN THE CITY OF , THE COUNTY OF AND THE STATE OF AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

NOTARY ACKNOWLEDGMENT

State of California)
)
County of _____)

On before me, (here insert name and title of the officer), personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

NOTARY ACKNOWLEDGMENT

State of California)
)
County of _____)

On before me, (here insert name and title of the officer), personally appeared , who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

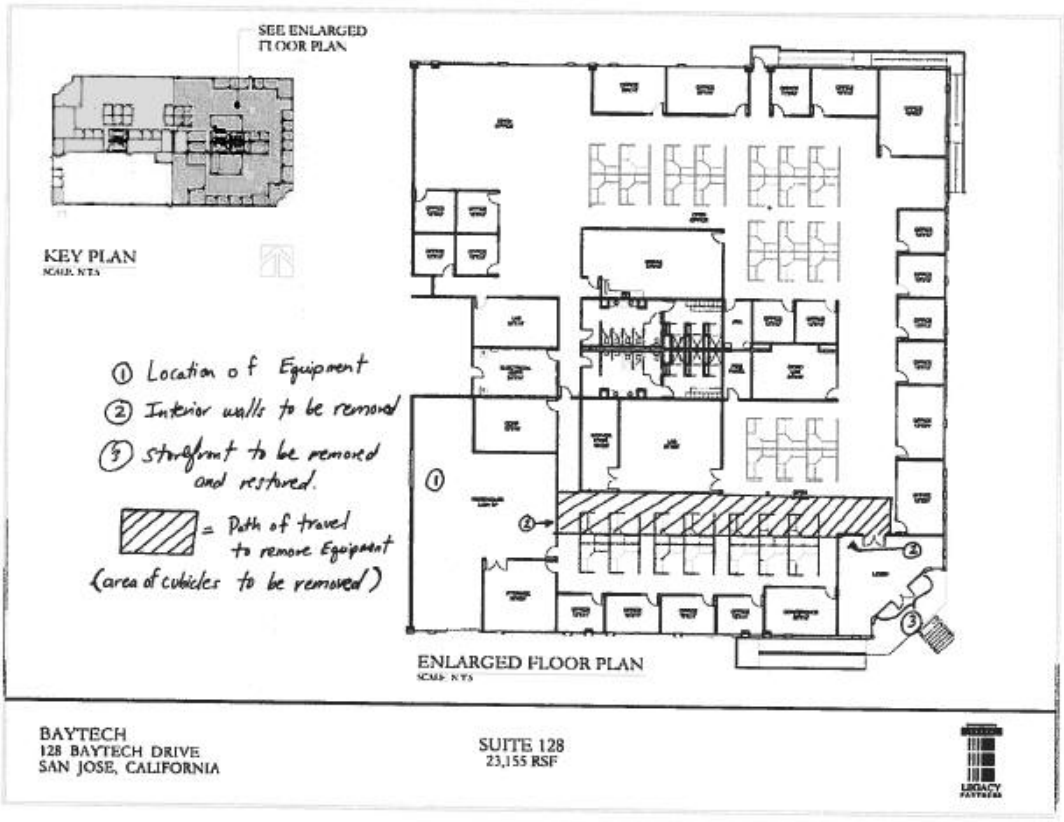
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit H

Path of Travel for Large Equipment Removal



Addendum One

Option To Extend The Lease Term

This Addendum One (the "Addendum") is incorporated as a part of that certain Lease Agreement dated April 16, 2012 (the "Lease") by and between LEGACY PARTNERS I SAN JOSE, LLC, a Delaware limited liability company ("Landlord"), and RESTORATION ROBOTICS INC., a Delaware corporation ("Tenant"), for the leasing of certain premises located in Legacy Baytech Park, 128 Baytech Drive San Jose, California 95134-2302 (the "Premises"), as more particularly described in Exhibit A to the Lease (the "Premises"). Any capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms as set forth in the Lease.

1. Grant of Extension Option. Subject to the provisions, limitations and conditions set forth in Paragraph 5 below, Tenant shall have an Option ("Option") to extend the initial term of the Lease for five (5) years (the "Extended Term").

2. Tenant's Option Notice. Tenant shall have the right to deliver written notice to Landlord of its intent to exercise this Option (the Option Notice"). If Landlord does not receive the Option Notice from Tenant on a date which is neither more than twelve (12) months nor less than nine (9) months prior to the end of the initial term of the Lease, all rights under this Option shall automatically terminate and shall be of no further force or effect. Upon the proper exercise of this Option, subject to the provisions, limitations and conditions set forth in Paragraph 5 below, the initial term of the Lease shall be extended for the Extended Term.

3. Establishing the Initial Monthly Base Rent for the Extended Term. The initial monthly Base Rent for the Extended Term shall be equal to the then Fair Market Rental Rate, as hereinafter defined. As used herein, the "Fair Market Rental Rate" payable by Tenant for the Extended Term shall mean the Base Rent for a comparable use and for comparable space at which non-equity tenants, as of the commencement of the lease term for the Extended Term, will be leasing non-sublease, non-equity, unencumbered space comparable in size, location and quality to the Premises for a comparable term, which comparable space is located in the Building and in other comparable first-class buildings in the vicinity of the Building, taking into consideration all out-of-pocket concessions generally being granted at such time for such comparable space, including the condition and value of existing tenant improvements in the Premises. The Fair Market Rental Rate shall include the periodic rental increases that would be included for space leased for the period of the Extended Term.

If Landlord and Tenant are unable to agree on the Fair Market Rental Rate for the Extended Term within ten (10) days of receipt by Landlord of the Option Notice for the Extended Term, Landlord and Tenant each, at its cost and by giving notice to the other party, shall appoint a competent and impartial commercial real estate broker (hereinafter "broker") with at least ten (10) years' full-time commercial real estate brokerage experience in the geographical area of the Premises to set the Fair Market Rental Rate for the space and term at issue. If either Landlord or Tenant does not appoint a broker within ten (10) days after the other party has given notice of the name of its broker, the single broker appointed shall be the sole broker and shall conclusively determine the Fair Market Rental Rate for the Extended Term. If two (2) brokers are appointed by Landlord and Tenant as stated in this paragraph, they shall meet promptly and attempt to set the Fair Market Rental Rate. In addition, if either of the first two (2) brokers fails to submit their opinion of the Fair Market Renta Rate within the time frames set forth below, then the single Fair Market Rental Rate submitted shall automatically be the initial monthly Base Rent for the Extended Term and shall be binding upon Landlord and Tenant. If the two (2) brokers are unable to agree within ten (10) days after the second broker has been appointed, they shall attempt to select a third broker, meeting the qualifications stated in this paragraph within ten (10) days after the last day the two (2) brokers are given to set the Fair Market Rental Rate. If the two (2) brokers are unable to agree on the third broker, either Landlord or Tenant by giving ten (10) days written notice to the other party, can apply to the Presiding Judge of the Superior Court of the county in which the Premises is located for the selection of a third broker who meets the qualifications stated in this paragraph. Landlord and Tenant each shall bear one-half (1/2*)* of the cost of appointing the third broker and of paying the third broker's fee. The third broker, however selected shall a Person who has not previously acted in any capacity for either Landlord or Tenant. Within fifteen (15) days after the selection of the third broker, the third broker shall select one of the two Fair Market Rental Rates submitted by the first two brokers as the Fair Market Rental Rate for the space and term at issue. The determination of the Fair Market Rental Rate by the third broker shall be conclusive and binding upon Landlord and Tenant.

Upon determination of the initial monthly Base Rent for the Extended Term in accordance with the terms outlined above, Landlord and Tenant shall immediately execute an amendment to this Lease. Such amendment shall set forth among other things, the initial monthly Base Rent for the Extened Term and the actual commencement date and expiration date of the Extended Term. Tenant shall have no other right to extend the term of the Lease under this Addendum unless Landlord and Tenant otherwise agree in writing.

4. Condition of Premises for the Extended Term. If Tenant timely and properly exercises this Option, in strict accordance with the terms contained herein: Tenant shall accept Premises in its then "As-Is" condition and, accordingly, Landlord shall not be required to perform any additional improvements to the Premises unless mutually agreed upon, in writing, between Landlord and Tenant. Tenant hereby further agrees that Landlord shall in no event or circumstance be responsible for the payment of any such commissions and fees to Tenant's Broker, and Tenant shall indemnify, defend and hold Landlord free and harmless against any liability claim, judgment, or damages with respect thereto, including attorneys' fees and costs.

5. Limitations On, and Conditions To, Extension Option. This Option is personal to Tenant and may not be assigned, voluntarily or involuntarily, separate from or as part of the Lease. At Landlord's option, all rights of Tenant under this Option shall terminate and be of no force or effect if any of the following individual events occur or any combination thereof occur: (1) Tenant has been in default beyond any applicable cure period at any time during the initial term of the Lease, or is in default of any provision of the Lease on the date Landlord receives the Option Notice; and/or (2) Tenant has assigned its rights and obligations under all or part of the Lease or Tenant has subleased all or part of the Premises; and/or (3) Tenant's financial condition is unacceptable to Landlord at the time the Option Notice is delivered to Landlord or Landlord's lender disapproves the terms of the Option; and/or (4) Tenant has failed to exercise properly this Option in a timely manner in strict accordance with the provisions of this Addendum; and/or (5) Tenant no longer has possession of all or any part of the Premises under the Lease, or if the Lease has been terminated earlier, pursuant to the terms and provisions of the Lease.

6. Time is of the Essence. Time is of the essence with respect to each and every time period described in this Addendum.

Addendum Two

Rooftop Space Addendum

THIS ROOFTOP SPACE ADDENDUM ("Rooftop Space Addendum") is made and entered into by and between Legacy Partners I San Jose, LLC, a Delaware limited liability company ("Landlord") and Restoration Robotics, Inc., a Delaware corporation ("Tenant"), and is dated as of the date of the Lease Agreement ("Lease") by and between Landlord and Tenant to which this Rooftop Space Addendum is attached. The agreements set forth in this Rooftop Space Addendum shall have the same force and effect as if set forth in the Lease. To the extent the terms of this Rooftop Space Addendum are inconsistent with the terms of the Lease, the terms of this Rooftop Space Addendum shall control. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease.

1. Right to Install Rooftop Equipment. During the Lease Term, and, subject to Tenant's compliance with all applicable Laws (defined below) and covenants, conditions and restrictions, and Landlord's prior review and approval of plans and specifications for all such installation, Tenant and Tenant's contractors (which shall first be reasonably approved by Landlord) shall have the right to access, install, replace, remove, operate and maintain, subject to the terms of Article 10 of the Lease and this Rooftop Space Addendum, a microwave dish not exceeding two (2) feet in diameter (the "Antenna") on the rooftop of the Building, at a location reasonably determined by Landlord, including the cabling and connecting equipment (collectively, the "Connecting Equipment"). The Antenna and the Connecting Equipment are collectively referred to as the "Rooftop Equipment".

1. Fee. In consideration for Tenant's lease of the Premises, no fee shall be payable by Tenant for the right to install the Rooftop Equipment.

3. Conditioned Upon Lease. This Rooftop Space Addendum is contingent upon the Lease being in effect and compliance by Tenant with all of the terms and provisions hereof. If the Lease terminates or expires for any reason, Tenant's rights under this Rooftop Space Addendum shall also terminate concurrently therewith unless otherwise agreed in writing by Landlord in its sole and absolute discretion.

4. No Assignment. Notwithstanding anything to the contrary set forth in Article 14 of the Lease Tenant's rights under this Rooftop Space Addendum may not be assigned, transferred to or used by any other person or entity.

5. Installation. Tenant's installation and operation of the Rooftop Equipment shall be governed by the following terms and conditions:

a. Installation shall be conducted by licensed contractors approved by Landlord. If any roof penetration is required, unless Landlord elects to perform such penetrations at Tenant's sole cost and expense, Tenant shall retain Landlord's designated roofing contractor to make any necessary penetrations and associated repairs to the roof in order to preserve Landlord's roof warranty.

b. All plans and specifications for the Rooftop Equipment shall be subject to Landlord's prior review and approval and the prior review and approval of all other tenants or occupants of the Building maintaining or operating rooftop equipment and related equipment at the Building. Upon Landlord's request, Tenant shall prepare and submit a detailed set of plans and specifications for the proposed Rooftop Equipment, methods of installation and proposed locations thereof to all tenants and occupants having a right to review Tenant's proposed Rooftop Equipment.

c. Tenant, at Tenant's sole cost and expense, shall be responsible for any modifications to the rooftop, risers, utility areas or other facilities or portions of the Building which may be necessary to accommodate the Rooftop Equipment.

d. It is expressly understood that Landlord retains the right to use the roof of the Building for any purpose whatsoever (including granting rights to third parties to utilize any portion of the roof not utilized by Tenant).

e. For the purposes of determining Tenant's obligations with respect to its use of the roof of the Building herein provided, all of the provisions of the Lease relating to compliance with requirements as to insurance, indemnity, and compliance with Laws shall apply to the installation, use and maintenance of the Rooftop Equipment. Landlord shall not have any obligations with respect to the Rooftop Equipment. Landlord makes no representation that the Rooftop Equipment will function properly and Tenant agrees that Landlord shall not be liable to Tenant therefor.

f. Tenant shall (i) be solely responsible for any damage caused as a result of the Rooftop Equipment, (ii) promptly pay any tax, license or permit fees charged pursuant to any Laws in connection with the installation, maintenance or use of the Rooftop Equipment and comply with all Laws pertaining to the use of the Rooftop Equipment, and (iii) pay for all necessary repairs replacements to or maintenance of the Rooftop Equipment.

g. To the extent not installed by Tenant in accordance with the terms and conditions of the Work Letter, the installation of the Rooftop Equipment shall constitute alterations and shall be performed in accordance with and subject to the provisions of Article 10 of the Lease, including, without limitation, Tenant's obligation to obtain Landlord's prior consent to the size and other specifications of the Rooftop Equipment, which consent shall not be unreasonably withheld, conditioned or delayed.

6 . Design Considerations.

a. All Rooftop Equipment shall be properly screened from view for aesthetic reasons, and must not be visible from street level.

b. The Antenna may not protrude above a height equal to the highest point of the Building structure.

c. Tenant, at Tenant's sole cost and expense, shall install and maintain such fencing and other protective equipment and/or visual screening on or about the Rooftop Equipment as Landlord may reasonably determine.

d. The Rooftop Equipment shall be clearly marked to show the name, address, telephone number of the person to contact in case of emergency.

e. The Rooftop Equipment must be properly secured and installed so as not to be affected by high winds or other elements.

f. The weight of the Rooftop Equipment shall not exceed the load limits of the Building.

7. Compliance with Laws. Tenant's rights set forth in this Rooftop Space Addendum shall be subject to all applicable laws, rules and regulations, including, without limitation, zoning rules, health and safety rules (including OSHA requirements), and applicable building and fire codes, including any required conditional use permit (collectively, "Laws"). Landlord makes no representation that any such Laws permit such installation and operation, and Tenant shall be solely responsible to determine the feasibility and legality of installing the Rooftop Equipment. Without limiting the generality of the foregoing, if any testing, sampling or disclosures relating to rooftop equipment at the Building are required to satisfy OSHA or other governmental agencies (including for radio frequency [RF] or electromagnetic field [EMF] emissions), Tenant shall pay the costs of any such required tests and studies (or its prorata share thereof if the cost is properly shared by other rooftop users). Landlord shall have no liability or responsibility for the maintenance or compliance with laws of any towers, antennas or structures, including, without limitation, compliance with Part 17 of the Federal Communications Commissions' Rules.

8. No Interference.

a. The Rooftop Equipment and operations shall not interfere with the communications configurations, frequencies or operating equipment of any existing users on the rooftop (collectively, "Existing Users"), including any equipment which the Existing Users have the right to install or operate but have not yet installed. Further, the Rooftop Equipment and operations shall comply with all non-interference rules of the Federal Communications Commission ("FCC"). Upon receipt of written notice of apparent interference by Tenant with Existing Users, Tenant shall have the responsibility to promptly terminate such interference or to demonstrate with competent information that the apparent interference in fact is not caused by Tenant's Rooftop Equipment or operations. Subsequent to the date Tenant commences the operation of the Rooftop Equipment, Landlord shall not knowingly install or permit the installation of new equipment at the Building if such new equipment is likely to cause interference with the operation of the Rooftop Equipment, it being acknowledged that Landlord shall have no right or responsibility to prevent the installation of equipment any party has the right to install under the terms of its lease or occupancy agreement, or pursuant to applicable laws or regulations. With respect to equipment which the installing party has no right to install, Landlord shall require the installing party to first provide Tenant with notice of the equipment to be installed and Tenant shall then have the reasonable opportunity to meet with the party wishing to install the additional equipment so that any potential interference can be resolved to the satisfaction of Tenant. If in the future equipment is installed at the Building which interferes with the operation of the Rooftop Equipment, Tenant agrees to reasonably cooperate with such other user to resolve such interference in a mutually acceptable manner, subject to and in accordance with the rules of the FCC and the terms of any rights of Existing Users to operate new or revised equipment at the Building. Notwithstanding anything to the contrary herein, in no event shall Landlord have any liability with respect to interference with Tenant's operations or any loss of business or profits, and Tenant's sole remedy in the event of a breach of this provision shall be to pursue an action for injunctive relief.

b. In no event shall the Antenna or any Connecting Equipment damage or adversely affect or interfere with the normal operation of the Building (including, but not limited to mechanical, electrical, life-safety, structural systems, window washing or other maintenance functions of the Building). Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, costs, damages, expenses and liabilities (including reasonable attorneys' fees) arising out of Tenant's failure to comply with the provisions of this Rooftop Space Addendum, provided that Tenant's indemnification obligation hereunder shall not apply to the extent same is caused by the gross negligence or willful misconduct of Landlord or its employees, agents or contractors. Should the the Rooftop Equipment by Tenant interfere with systems of the Building or telecommunications systems of any tenant, Tenant shall make such adjustments to the Rooftop Equipment or its related equipment as may be reasonably required by Landlord.

9. Access. Subject to the terms of this Rooftop Space Addendum, Tenant shall have the right to access its Rooftop Equipment during the hours of the Building more particularly set forth in the Lease. In exercising its right of access to the roof, Tenant agrees to cooperate and comply with any reasonable security procedures, access requirements and rules and regulations utilized by Landlord for the Building and further agrees not to unduly disturb or interfere with the business or other activities of Landlord or of other tenants or occupants of the Park.

10. Costs. Tenant shall be solely responsible for and shall pay all costs, expenses and taxes incurred in connection with the ownership, installation, operation, maintenance, use and removal of the Rooftop Equipment and the appurtenant equipment located in or on the Building, plus an administrative fee of ten percent (10%).

11. Insurance. Tenant shall cause the insurance policies maintained by Tenant pursuant to the Lease to include the Rooftop Equipment and all related equipment and materials as part of Tenant's insured property.

12. Indemnity. Tenant specifically agrees that the indemnification of Landlord by Tenant in accordance with the Lease is deemed to include any claims arising from the installation, operation, use, maintenance or removal of the Rooftop Equipment, and the provisions of Article 13 of the Lease are incorporated herein by reference.

13. Relocation. Landlord shall have the right, at its option and from time to time, upon not less than thirty (30) days prior notice to Tenant, to relocate the Rooftop Equipment to another location in the Building adequate to afford equivalent service to Tenant. Landlord shall pay the costs of relocation reasonably incurred by Tenant in connection with such substituted location, subject to adequate substantiation of such costs.

14. Removal and Restoration. Upon the expiration or earlier termination of the Lease, the Antenna and the Connecting Equipment shall be removed from the Building by Tenant, at Tenant's sole cost and expense, and Tenant shall pay to repair any damage caused by such removal. If Tenant fails to remove the Antenna (if requested by Landlord to be removed) and any related Connecting Equipment (to the extent applicable) and repair the Building upon the expiration or earlier termination of the Lease Landlord, upon thirty (30) days' written notice to Tenant, may do so at Tenant's expense. The provisions of this Section 14 shall survive the expiration or earlier termination of the Lease. If any tenant of the Building under a lease in effect on the date hereof has a right to an antenna, or any tenant leasing more space than the Premises under the Lease requires an antenna, and Landlord is unable to accommodate such antenna (for any reason, including without limitation, physical or technical limitations regarding the use and operability thereof and any restrictions imposed by any governmental authority), but would be able to do so if the Antenna is removed then Landlord shall have the right, at its option, upon not less than fifteen (15) days prior notice to Tenant, to require the removal of the Antenna by Tenant. Upon such removal, the rights contained in this Rooftop Space Addendum shall terminate, except for any accrued and unperformed obligations and liabilities hereunder.

15. Termination. Landlord shall have the right to terminate this Rooftop Space Addendum and the rights of Tenant hereunder (i) upon three (3) months prior written notice in the event Landlord determines that due to a change of use or any redevelopment of the Park or the Building, the Rooftop Equipment can no longer be operated (provided that any election to terminate in such event shall be made on a non discriminatory basis); or (ii) Tenant's use unreasonably interferes with an essential building system or function, which interference cannot be remedied; or (iii) the operation of the Rooftop Equipment interferes with the equipment or operations of any of the existing tenants, licensees, or occupants of the Park. This Rooftop Space Addendum shall also terminate upon any destruction or condemnation affecting the use or operation of the Rooftop Equipment hereunder, unless otherwise agreed in writing by Landlord and Tenant. If this Agreement is terminated as set forth herein, no amounts will be refunded or otherwise paid to Tenant and Tenant shall remain responsible for removing Tenant's Rooftop Equipment and restoring the Building in accordance with the terms of this Rooftop Space Addendum.

16. Default. If any of the conditions set forth in this Rooftop Space Addendum are not complied with by Tenant, then such failure shall constitute a default by Tenant under the Lease, subject to the terms of Article 18 thereof.

17. Incorporation. Except to the extent modified or superseded by the terms and provisions of this Rooftop Space Addendum, the terms and provisions of the Lease are incorporated by reference herein and shall have the same force and effect as if set forth fully herein.

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("**Amendment**") is entered into as of Apr 27, 2016 (the "**Effective Date**"), by and between G&I VIII BAYTECH LP, a Delaware limited partnership ("**Landlord**"), and RESTORATION ROBOTICS, INC., a Delaware corporation ("**Tenant**").

R E C I T A L S:

A. Landlord (as successor-in-interest to Legacy Partners I San Jose, LLC) and Tenant are parties to that certain Lease Agreement dated as of April 16, 2012 (the "**Lease**"), pursuant to which Landlord leases to Tenant certain premises containing approximately 23, 155 square feet located at 128 Baytech Drive, San Jose, California (the "**Premises**"), as more particularly set forth in the Lease.

B. The Lease, by its terms, is currently scheduled to expire on October 31, 2016. Landlord and Tenant now desire to amend the Lease to, among other things, extend the Term of the Lease subject to each of the terms, conditions and provisions set forth herein.

TERMS

NOW, THEREFORE, in consideration of the foregoing recitals which by this reference are incorporated herein, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Defined Terms. All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Lease.

2. Amendment of Lease.

2.1 Lease Term. The Term of the Lease is hereby extended for a period of sixty-six (66) months, beginning November 1, 2016 and expiring on April 30, 2022 (the "**Extended Term**"). Unless context dictates otherwise, all references in the Lease to the "Term" shall include the Extended Term.

2.2 Base Rent. Tenant shall pay Base Rent during the Extended Term as follows:

Period	Annual Base Rent	Monthly Base Rent
11/1/2016 - 10/31/2017	$ 486,255.00	$ 40,521.25
11/1/2017 - 10/31/2018	$ 500,842.65	$ 41,736.89
11/1/2018 - 10/31/2019	$ 515,867.93	$ 42,988.99
11/1/2019 - 10/31/2020	$ 531,343.97	$ 44,278.66
11/1/2020 - 10/31/2021	$ 547,284.29	$ 45,607.02
11/1/2021 - 4/30/2022	$ 563,702.81	$ 46,975.23

2.3 Extension Option. Notwithstanding any provision of the Lease to the contrary, Tenant shall have one (1) additional option to extend the Term of the Lease for a period of five (5) years, in accordance with the terms, covenants and conditions contained in Addendum One to the Lease, with the Option Notice being delivered not more than twelve (12) months and not less nine (9) months prior to the end of the Extended Term.

2.4 Notices. Landlord's address for all notices, including notices of default, as set forth in the Basic Lease Information of the Lease is hereby deleted in its entirety and replaced with the following:

For all notices:

DRA Advisors, LLC
220 East 42nd Street, 27th Floor
New York, NY 10017
Attention: Asset Management - Baytech

With a copy to Property Manager:

Orchard Commercial Properties
2055 Laurelwood, #130
Santa Clara, CA 95054
Attention: Joe Lewis

3. Improvements to Premises.

3.1 Condition of Premises. Tenant acknowledges that it has been, and continues to be, in possession of the Premises, is familiar with the condition of the Premises and continues to occupy the Premises in its "as is, where is" condition, with all faults, without any representation, by Landlord or any obligation on the part of Landlord to provide any improvements or alterations, except as may be expressly provided otherwise in this Amendment.

3.2 Responsibility for Improvements to Premises. Landlord shall perform improvements to the Premises in accordance with the Work Agreement, attached hereto as Exhibit A.

4. Brokers. Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than T3 Advisors ("**Tenant's Broker**"). Tenant agrees to defend, indemnify and hold Landlord harmless from all claims of any brokers (including Tenant's Broker) claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment other than CBRE, Inc. ("**Landlord's Broker**"). Landlord agrees to defend, indemnify and hold Tenant harmless from all claims of any brokers (including Landlord's Broker) claiming to have represented Landlord in connection with this Amendment.

5. Estoppel. In further consideration of this Amendment, Tenant hereby represents and warrants to Landlord that there are no existing offsets, reductions or credits against rental payments due under the Lease as of the Effective Date. Furthermore, Tenant acknowledges and

warrants that there are no existing claims or causes of action against Landlord arising out of the Lease, or otherwise, nor are there any existing defenses which Tenant has as to the validity and enforcement of the Lease by Landlord.

6. Not an Offer. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

7. Tenant's Representation. Tenant represents that it holds the entire tenant interest in the Lease and that it has not made any assignment, sublease, transfer, conveyance or other disposition of the Lease or any interest in the Lease.

8. Executory Authority. Each party executing this Amendment hereby represents and warrants that the individual executing this Amendment on behalf of such party has full power and authority to bind such party to the terms hereof.

9. Accessibility. To Landlord's actual knowledge, the Premises has not undergone inspection by a Certified Access Specialist (CASp). The foregoing statement is included in this Amendment solely for the purpose of complying with California Civil Code Section 1938 and shall not in any manner affect Landlord's and Tenant's respective responsibilities for compliance with construction-related accessibility standards as provided in the Lease.

10. Entire Agreement; Effect of Amendment. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Except as specifically amended hereby, the Lease shall remain in full force and effect according to its terms. To the extent of any conflict between the terms of this Amendment and the terms of the remainder of the Lease, the terms of this Amendment shall control and prevail. This Amendment shall hereafter be deemed a part of the Lease for all purposes.

11. Successors. The provisions of this Amendment shall bind and inure to the benefit of the parties hereto and their respective heirs, representatives, successors and assigns.

12. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one instrument.

13. Electronic Delivery. This Amendment may be signed and delivered by facsimile or by email and shall be effective if so signed and delivered whether or not original counterparts are later exchanged by Landlord and Tenant.

14. Confidentiality. Tenant shall not disclose to any person any of the terms of this Amendment or that Tenant was granted any rent concession in connection with the Lease.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as the date first written above.

LANDLORD:

G&I VIII BAYTECH LP,
a Delaware limited partnership

By: G&I VIII Investment Baytech LP,
a Delaware limited partnership
its General Partner

By: G&I VIII Baytech Partner LLC,
a Delaware limited liability company
its General Partner

By: /s/ Valla Brown
Name: Valla Brown
Title: Vice President

TENANT:

RESTORATION ROBOTICS, INC.,
a Delaware corporation

By: /s/ C Holland
Name: C Holland
Title: CFO

EXHIBIT A

WORK AGREEMENT

LANDLORD BUILD WITH ALLOWANCE

THIS WORK AGREEMENT (this **"Work Agreement"**) is attached to and made a part of that certain Amendment to Lease (the **"Amendment"**) between **G&I VIII BAYTECH LP**, a Delaware limited partnership (**"Landlord"**), and **RESTORATION ROBOTICS, INC.,** a Delaware corporation ("**Tenant**"). All capitalized terms used but not defined herein shall have the respective meanings given such terms in the Amendment or the Lease. This Work Agreement sets forth the terms and conditions relating to the construction of the certain tenant improvements in the Premises.

SECTION 1

ALLOWANCE

1.1 Allowance. Tenant shall be entitled to a one-time tenant improvement allowance (the **"Allowance"**) in an amount not to exceed $30.00 per rentable square foot of the Premises (i.e., $694,650.00) for the costs relating to the design and construction of certain improvements which are permanently affixed to the Premises (the **"Tenant Improvements"**). In no event shall Landlord be obligated to make disbursements or incur costs pursuant to this Work Agreement in a total amount which exceeds the Allowance. If the Allowance is not fully utilized in connection with the Tenant Improvements, then the portion thereof that is not so utilized shall revert to Landlord, and Tenant shall have no further rights with respect thereto.

1.2 Disbursement of the Allowance. Except as otherwise set forth in this Work Agreement, the Allowance shall be disbursed by Landlord for the following items and costs (collectively, the **"Allowance Items"**):

(i) costs related to the design and construction of the Tenant Improvements;

(ii) payment of the fees of the Architect and the Engineers (as such terms are defined below), and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the Construction Drawings (as defined below);

(iii) the cost of any changes in the Base, Shell and Core when such changes are required by the Construction Drawings;

(iv) the cost of any changes to the Construction Drawings or Tenant Improvements required by applicable building codes (collectively, **"Code"**); and

(v) the Landlord Supervision Fee (as defined below).

1.3 General. All Tenant Improvements shall be made of new materials, in a good and workmanlike manner, and with materials and quality construction equal to or better than that existing in the Premises as of the Effective Date.

SECTION 2

CONSTRUCTION DRAWINGS

2.1 Architect and Engineers; Construction Drawings. Landlord shall select and retain an architect that is reasonably satisfactory to Tenant (the **"Architect"**) to prepare the Construction Drawings and engineering consultants (collectively, the **"Engineers"**) to prepare all plans and engineering working drawings relating to any structural, mechanical, electrical, plumbing, HVAC, life-safety, and sprinkler components of the Tenant Improvements. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the **"Construction Drawings."**

2.2 Space Plan. Landlord shall cause the Architect to prepare a space plan for the Premises (the "Space Plan"), which Space Plan shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord shall deliver the Space Plan to Tenant for Tenant's approval, which will not be unreasonably withheld, conditioned or delayed and which will be granted or withheld within three (3) Business Days following Landlord's delivery of same to Tenant. If Tenant fails to timely respond, Tenant will be deemed to have approved the Space Plan. If Tenant disapproves the proposed Space Plan, Tenant will specify the basis for such disapproval in reasonable detail and, assuming Landlord does not reject Tenant's proposed change(s), Landlord will revise the Space Plan and submit the same to Tenant. The scope of Tenant's review of any such revised Space Plan will be limited to Landlord's correction of the items specified by Tenant in Tenant's notice of disapproval. Tenant will notify Landlord of Tenant's approval or disapproval of the revised Space Plan within five (5) Business Days following receipt of same, and this process will continue (with Tenant responding within five (5) Business Days in each case) until Tenant has approved the Space Plan; provided, however, that if Tenant disapproves the proposed Space Plan, including any revised version thereof, more than once, any delay in construction resulting from any such further disapproval will be a Tenant Delay (defined below).

2.3 Working Drawings. Following Tenant's approval (or deemed approval) of the Space Plan, Landlord shall cause the Architect and the Engineers to complete the architectural and engineering drawings for the Tenant Improvements. Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the **"Working Drawings"**), and Landlord shall deliver the same to Tenant for Tenant's approval, which will not be unreasonably withheld, conditioned or delayed and which will be granted or withheld within five (5) Business Days following Landlord's delivery of same to Tenant. Tenant's disapproval will be limited to Tenant's good faith determination that the Working Drawings do not represent a logical extension of the approved Space Plan. If Tenant fails to timely respond, Tenant will be deemed to have approved the Working Drawings. If Tenant disapproves the proposed Working Drawings, Tenant will specify the basis for such disapproval in reasonable detail and, assuming Landlord does not reject Tenant's proposed change(s), Landlord will revise the Working Drawings and submit the same to Tenant. The scope of Tenant's review of any such revised Working Drawings will be limited to Landlord's correction of the items specified by Tenant in Tenant's notice of disapproval. Tenant will notify Landlord of Tenant's approval or disapproval of such revised Working Drawings within five (5) Business Days following receipt of same, and this process will continue

(with Tenant responding within five (5) Business Days in each case) until Tenant has approved the Working Drawings; provided, however, that if Tenant attempts to disapprove the proposed Working Drawings, including any revised version thereof, for any reason other than (x) that the Working Drawings are not a logical extension of the Space Plan or (y) that revisions to the Working Drawings failed to correct a legitimate error previously noted by Tenant, any delay in construction resulting from any such further disapproval will be Tenant Delay.

2.4 Approved Working Drawings; Permits. Following Tenant's approval (or deemed approval) of the Working Drawings (as so approved, the **"Approved Working Drawings"**), Landlord shall submit the Approved Working Drawings to the appropriate municipal authorities for the applicable building permits necessary to allow Contractor (defined below) to commence and fully complete the construction of the Tenant Improvements (the **"Permits"**). No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written approval of Landlord.

2.5 Time Deadlines. Tenant shall use its best, good faith efforts and all due diligence to cooperate with the Architect, the Engineers and Landlord to complete all phases of the Construction Drawings and the permitting process and to receive the Permits, and with Contractor for approval of the Cost Proposal (defined below) as soon as possible, and, in that regard, shall meet with Landlord on a scheduled basis, to be determined by Landlord, to discuss the progress thereof.

2.6 Landlord's Approval. Landlord's approval of any matter under this Work Agreement may be withheld in Landlord's sole and absolute discretion if Landlord determines that the same would violate any provision of the Lease or this Work Agreement, would directly or indirectly delay the Substantial Completion (defined below) of the Tenant Improvements, or would adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building.

SECTION 3

CONSTRUCTION OF THE TENANT IMPROVEMENTS

3.1 Contractor. OCC Construction (**"Contractor"**) shall be retained by Landlord to construct the Tenant Improvements.

3.2 Cost Proposal. Following the selection of Contractor, Landlord shall provide Tenant with a cost proposal based upon Contractor's bid, which cost proposal shall include, as nearly as possible, the cost of all Allowance Items to be incurred in connection with the construction of the Tenant Improvements (the **"Cost Proposal"**). The date on which Landlord delivers the Cost Proposal to Tenant shall be known hereafter as the **"Cost Proposal Delivery Date".** If the Cost Proposal exceeds the amount of the Allowance, Tenant's review and approval of the Cost Proposal may include value engineering of the proposed Tenant Improvements. If, within five (5) Business Days following the Cost Proposal Delivery Date, Tenant approves the Cost Proposal or does not respond to the Cost Proposal, Landlord shall be released by Tenant to purchase the items set forth in the Cost Proposal and to commence the construction relating to

such items. If Tenant disapproves the Cost Proposal, Tenant will specify the basis for such disapproval in reasonable detail and, assuming Landlord does not reject Tenant's proposed change(s), Landlord will revise the Cost Proposal and submit the same to Tenant. The scope of Tenant's review of any such revised Cost Proposal will be limited to Landlord's correction of the items specified by Tenant in Tenant's notice of disapproval. Tenant will notify Landlord of Tenant's approval or disapproval of such revised Cost Proposal within three (3) Business Days following receipt of same, and this process will continue (with Tenant responding within three (3) Business Days in each case) until Tenant has approved the Cost Proposal; provided, however, that if Tenant disapproves the Cost Proposal, including any revised version thereof, any delay in construction resulting from any such further disapproval will be a Tenant Delay.

3.3 Construction of Tenant Improvements.

(a) Over-Allowance Amount. Not later than five (5) Business Days after the date on which Tenant approves (or is deemed to have approved) the Cost Proposal, Tenant shall deliver to Landlord cash in an amount (the **"Over-Allowance Amount"**) equal to the difference between (i) the amount of the Cost Proposal and (ii) the amount of the Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before such date). The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any then remaining portion of the Allowance, and such disbursement shall be pursuant to the same procedure as the Allowance. If at any time thereafter any revisions, changes, or substitutions shall be made to the Construction Drawings or the Tenant Improvements, any additional costs which arise in connection with such revisions, changes or substitutions or any other additional costs shall be paid by Tenant to Landlord immediately upon Landlord's request as an addition to the Over-Allowance Amount. Tenant shall be responsible for all costs associated with the Tenant Improvements to the extent the same exceed the Tenant Improvement Allowance (notwithstanding the content of the Cost Proposal).

(b) Landlord Supervision Fee. Landlord shall supervise the construction by Contractor, and Tenant shall pay to Landlord a construction supervision and management fee (the **"Landlord Supervision Fee"**) in an amount equal to four percent (4%) of the total cost of design, permitting and construction of the Tenant Improvements (inclusive of all Allowance Items and any Over-Allowance Amount).

(c) Contractor's Warranties and Guaranties. Landlord hereby assigns to Tenant, on a nonexclusive basis, all warranties and guaranties by Contractor relating to the Tenant Improvements, and Tenant hereby waives all claims against Landlord relating to or arising out of the design or construction of the Tenant Improvements.

SECTION 4

SUBSTANTIAL COMPLETION OF THE TENANT IMPROVEMENTS

4.1 Substantial Completion. For purposes of the Lease, **"Substantial Completion"** of the Tenant Improvements shall occur upon the completion of construction of the Tenant Improvements pursuant to the Approved Working Drawings (as reasonably determined by Landlord), with the exception of any punch list items and any tenant fixtures, equipment (including security and other Tenant systems), work-stations (including any related fixtures

and/or equipment electrification), built-in furniture, and telecommunications and data cabling and equipment, all of which shall be the responsibility of Tenant to purchase and install at Tenant's sole cost and expense. Subject to any force majeure delay and any Tenant Delay (defined below), Substantial Completion of the Tenant Improvements shall occur by December 31, 2016.

4.2 Delay in Substantial Completion. If there shall be a delay or there are delays in the Substantial Completion of the Tenant Improvements or in the occurrence of any of the other conditions precedent to the Commencement Date, as set forth in the Lease, as a direct, indirect, partial, or total result of any of the following (each, a **"Tenant Delay"**) then, notwithstanding anything to the contrary set forth in the Lease or this Work Agreement and regardless of the actual date of the Substantial Completion of the Tenant Improvements, the date of the Substantial Completion of the Tenant Improvements shall be deemed to be the date the Substantial Completion of the Tenant Improvements would have occurred if no Tenant Delay had occurred:

(a) Tenant's failure to timely approve any matter requiring Tenant's approval;

(b) Tenant's failure to timely pay any amount hereunder (including, without limitation, the Over-Allowance Amount or Tenant's Share of any costs);

(c) A breach by Tenant of the terms of the Lease or this Work Agreement (including, without limitation, Tenant's failure to comply with any time deadlines specified in this Work Agreement);

(d) Changes in any of the Construction Drawings after approval of the same by Landlord and Tenant or because the same do not comply with Code or other applicable laws;

(e) Tenant's requirement for materials, components, finishes or improvements which are not available in a commercially reasonable time, or which are different from, or not included in, the Building Standards;

(f) Changes to the Building required by the Approved Working Drawings; or

(g) Any other acts or omissions of Tenant, or its agents, employees, contractors or vendors.

SECTION 5

MISCELLANEOUS

5.1 Tenant's Representative. Tenant has designated Austin Barrett as its sole representative with respect to the matters set forth in this Work Agreement, who, until further notice to Landlord, shall have full authority and responsibility to act on behalf of Tenant as required in this Work Agreement.

5.2 Landlord's Representative. Landlord has designated as its sole representative with respect to the matters set forth in this Work Agreement, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of Landlord as required in this Work Agreement.

5.3 Tenant's Agents. All contractors, subcontractors, laborers, materialmen, vendors and suppliers retained by or through Tenant shall be union labor in compliance with the then existing master labor agreements.

5.4 Time of the Essence in This Work Agreement. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period, at Landlord's sole option, at the end of such period the item shall automatically be deemed approved or delivered by Tenant and the next succeeding time period shall commence.

5.5 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if a default by Tenant under the Lease (including, without limitation, any default by Tenant under this Work Agreement) has occurred at any time on or before the Substantial Completion of the Tenant Improvements, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the Allowance and/or Landlord may cause Contractor to cease the construction of the Tenant Improvements, and (ii) all other obligations of Landlord under the terms of this Work Agreement shall be forgiven until such time as such default is cured pursuant to the terms of the Lease. Any delay in the Substantial Completion of the Tenant Improvements caused by the exercise of Landlord's rights pursuant to this Section shall be a Tenant Delay.

5.6 Cooperation by Tenant. Tenant acknowledges that the timing of the completion of the Approved Working Drawings and the Tenant Improvements is of the utmost importance to Landlord. Accordingly, Tenant hereby agrees to fully and diligently cooperate with all reasonable requests by Landlord in connection with or related to the design and construction of the Tenant Improvements, and in connection therewith, shall respond to Landlord's requests for information and/or approvals, except as specifically set forth herein to the contrary, within two (2) business days following request by Landlord.

TENANT ESTOPPEL CERTIFICATE

The undersigned, RESTORATION ROBOTICS, INC., as tenant (together with its predecessors in interest, if any, "Tenant"), is the Tenant of a portion of the real property commonly known as Alviso Tech Park, located in San Jose, Santa Clara County, California, (the "Property"), and hereby certifies to G&I VIII BAYTECH LP, a Delaware limited partnership, as landlord (together with its predecessors in interest, if any, and its successors and assigns, "Landlord"), to BRIDGE III CA ALVISO TECH PARK, LLC, a Delaware limited liability company, or its assignee or nominee ("Purchaser"), and to WELLS FARGO BANK, NATIONAL ASSOCIATION or any other lender (collectively, "Lender") making a loan to Purchaser to be secured, in whole or in part, by the Property, the following:

1. That there is presently in full force and effect a lease (as modified, assigned, supplemented and/or amended as set forth in paragraph 2 below, the "Lease") dated as of April 16, 2012 between the Tenant and Landlord, covering approximately 23,155 square feet of the Property (the "Leased Premises").

2. That the Lease has not been modified, assigned, supplemented or amended except as set forth on Schedule 1.

3. That the Lease represents the entire agreement between Landlord and the Tenant with respect to the Leased Premises and there are no other agreements or representations of any kind between Landlord and Tenant with respect thereto.

4. That the commencement date under the Lease was August 1, 2012 and the termination date of said Lease is April 30, 2022, unless sooner terminated in accordance with the terms of the Lease.

5. That the present monthly rent which the Tenant is paying under the Lease is $40,521.25 and has been paid through March 31, 2017. All additional and other charges other than the electrical bill, of $21,152.73, have been paid by Tenant through the current periods.

6. That the security deposit held by Landlord under the terms of the Lease is $100,000.00 and Landlord holds no other deposit from Tenant for security or otherwise.

7. That Tenant has accepted possession of the Leased Premises and that any improvements required to be made by Landlord to the Leased Premises by the terms of the Lease and all other conditions of the Lease to be satisfied by Landlord have been completed or satisfied to the satisfaction of Tenant, and any Tenant improvement contributions required to be paid by Landlord to Tenant have been paid.

8. That, to Tenant's knowledge, the Tenant, as of the date set forth below, has no right or claim of deduction, charge, lien or offset against Landlord under the Lease or otherwise against the rents or other charges due or to become due pursuant to the terms of said Lease.

9. That, to Tenant's knowledge, Landlord is not in default or breach of the Lease, nor has Landlord committed an act or failed to act in such a manner, which, with the passage of time or notice or both, would result in a default or breach of the Lease by Landlord.

10. That, to Tenant's knowledge, the Tenant is not in default or in breach of the Lease, nor has the Tenant committed an act or failed to act in such a manner which, with the passage of time or notice or both, would result in a default or breach of the Lease by the Tenant.

11. The Tenant hereby acknowledges that Purchaser, or its nominee, intends to purchase the Property, that Landlord will assign its interest in the Lease to Purchaser, or its nominee, in connection with such purchase, and that Purchaser, or its nominee, and its lender is relying upon the representations contained herein in making such purchase.

12. That Tenant is not the subject of any pending bankruptcy, insolvency, debtor's relief, reorganization, receivership, or similar proceedings, nor the subject of a ruling with respect to any of the foregoing.

13. With the exception of the 2016 Annual Reconciliation fees (an accounting of actual and accrued Operating Expenses and Tax Expenses) referred to in Section 6.4 of the Lease, all amounts currently owed to Landlord have been paid (e.g., all prior taxes, fees, and cost, including, without limitation, all prior Annual Reconciliation fees), as reported to Tenant by Landlord.

This Certificate shall be binding upon and inure to the benefit of Tenant, Landlord, Purchaser and Lender and their respective successors and assigns.

Dated: Mar 30, 2017.

RESTORATION ROBOTICS, INC.,
a Delaware Corporation

By: /s/ Charlotte Holland
Name: Charlotte Holland
Title: Chief Financial Officer

Schedule 1 to Tenant Estoppel Certificate

1. Lease Agreement between Legacy Partners I San Jose, LLC and Restoration Robotics, Inc., dated 4/16/12
2. Waiver of Landlord dated 5/14/15
3. First Amendment to Lease Agreement dated 4/27/16
4. Indemnification Agreement dated 8/26/16 re: Storage Bins

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT ("AGREEMENT") is made this 26th day of August, 2016, by and between G&I VIII BAYTECH, LP, a Deleware limited partnership ("Landlord") and RESTORATION ROBOTICS, INC, a Delaware corporation ("Tenant"), with reference to the following facts:

A. Tenant currently leases those certain premises known as 128 Baytech Drive, San Jose, California ("Premises") from Landlord pursuant to that certain Lease Agreement by and between Landlord and Tenant dated April 16, 2012.

B. Tenant has requested of Landlord permission to place two (2) Mobil Mini storage bins at the far end of the parking lot area, (10) 8x8x20 and (1) 8x8x40, refer to Exhibit A, to store materials for their on-going tenant improvement work;

C. Landlord has agreed to grant such consent, provided that Tenant executes and complies with the terms of this Agreement. Landlord to terminate with a 10 day notice.

NOW, THEREFORE, the parties do hereby agree as follows:

1. Permission to use premises: Landlord hereby grants to Tenant permission to place two (2) storage bins at the far end of the parking lot area to store materials for their on-going tenant improvement work. Such permission by Landlord is conditional upon Tenant executing this Agreement and complying with each and every provision hereof,

2. Indemnity: Tenant shall indemnify and hold Landlord harmless with counsel satisfactory to Landlord from all damages, liabilities, judgments, actions, attorneys' fees, costs and expenses arising from Tenant's use of the Premises.

3. Insurance: Tenant agrees to inform its current insurance carrier about the storage bins on the Project Site and to insure Tenant's policy covers Tenant's obligations under this Agreement. Tenant shall provide a certificate of insurance to the Landlord naming Landlord and its managing agent, Orchard Commercial, Inc. as additional insureds. Tenant shall provide insurance in the minimum amount of $2,000,000 for general liability, property damage and fire damage.

4. Tenant's obligation to clean and repair: Tenant shall be responsible for all cleaning and any repair necessitated at the Premises and/or Project Site and the common areas after its use and returning it to the same condition as before its use by Tenant. Tenant shall remove all associated debris and provide for a special trash pick-up of such debris within two (2) days after the removal of each bin. Tenant shall be responsible for any asphalt damage for not properly securing storage unit with plywood between container and asphalt.

EXECUTED AS OF THE DATE SET FORTH ABOVE.

LANDLORD:

G&I VIII Baytech L.P.
A Delaware limited partnership

By: ORCHARD COMMERCIAL, INC.,
a California corporation
Agent for G&I VII Baytech, L.P.

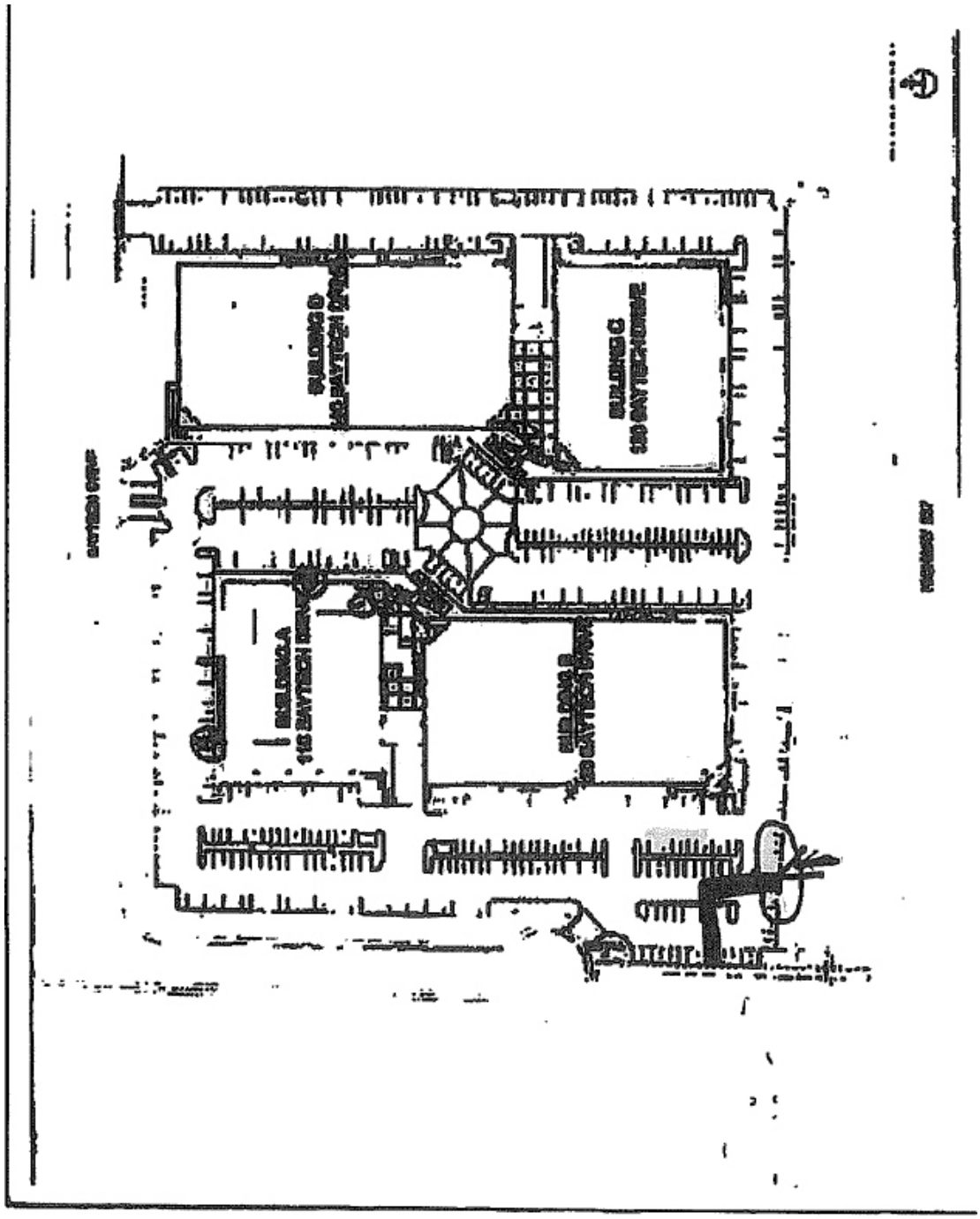
By: /s/ Debbie Kaiser
Debbie Kaiser
Its: Vice President/ Senior Property Manager

TENANT:

Restoration Robotics, Inc.,
a Delaware corporation

By: /s/ Charlotte Holland
Charlotte Holland
Its: CFO

EXHIBIT A


BUILDING C
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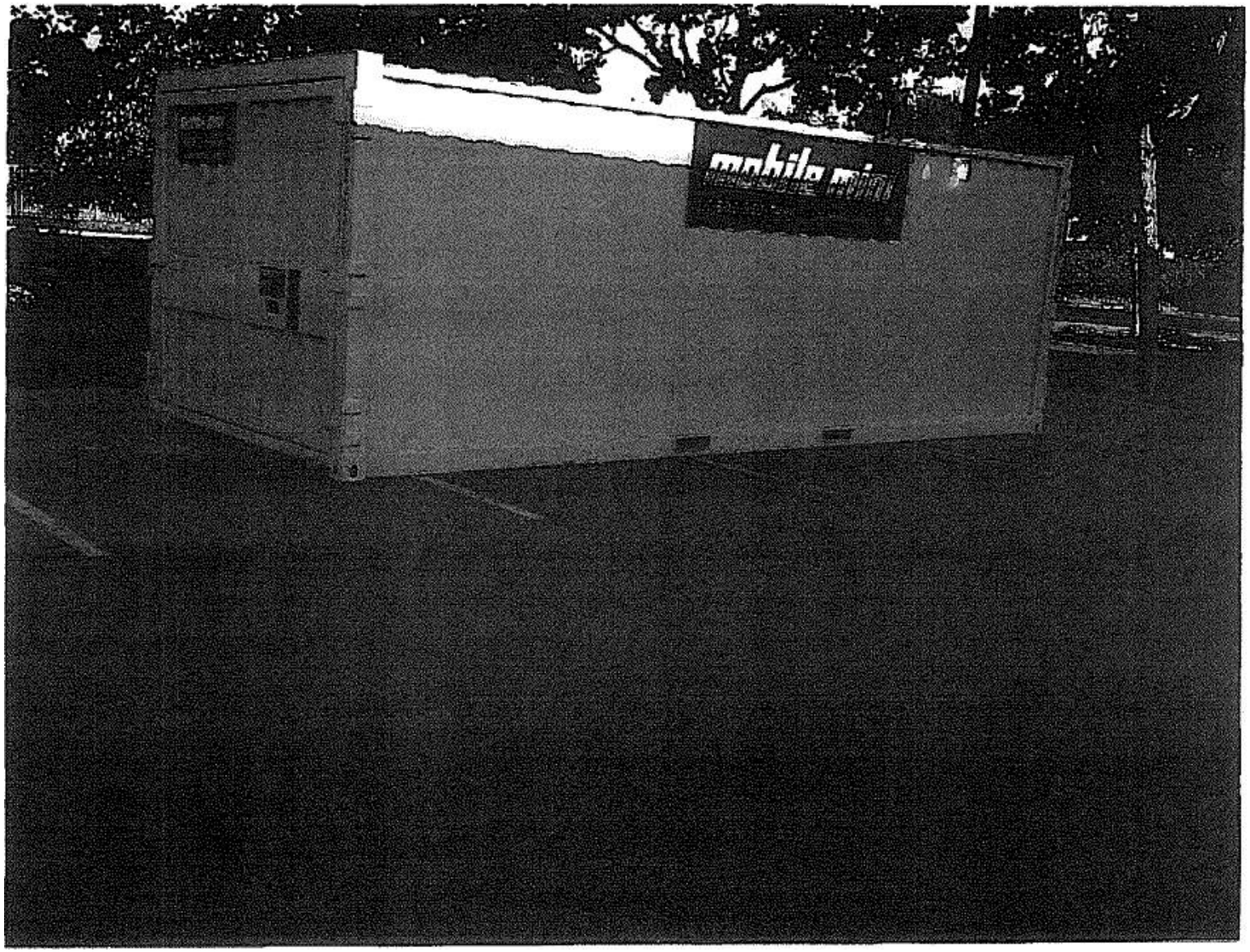
BUILDING A
100 BAYTECH DRIVE
BUILDING B
100 BAYTECH DRIVE


mobile mini

316775

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 9/8/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME: Jeff Koo
Commercial Lines - (650) 413-4200 Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408 959 Skyway Road San Carlos, CA 94070	PHONE (A/C, No, Ext): 650-413-4200 FAX (A/C, No): E-MAIL ADDRESS: jeffrey.koo@wellsfargo.com
	INSURER(S) AFFORDING COVERAGE — NAIC #
	INSURER A: Federal Insurance Company — 20281
INSURED Restoration Robotics, Inc. 128 Baytech Drive San Jose CA 95134	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES — CERTIFICATE NUMBER: 10829216 — REVISION NUMBER: See below

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY [ ] PRO-JECT [ ] LOC OTHER:	X		35843653	10/01/2015	10/01/2016	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 1,000,000
							PRODUCTS - COMP/OP AGG	$ Excluded
								$
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY [ ] SCHEDULED AUTOS HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB [X] OCCUR EXCESS LIAB [ ] CLAIMS-MADE DED [ ] RETENTION $			79848827	10/01/2015	10/01/2016	EACH OCCURRENCE	$ 1,000,000
							AGGREGATE	$ 1,000,000
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					[ ] PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Business Personal Property			35843653	10/01/2015	10/01/2016	$4,000,000 Limit $5,000 Ded Special Form, Replacement Cost	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: 2 Mobil Mini storage bins at 128 Baytech Drive, San Jose, California.

G&I VIII Baytech LP/ Landlord and its managing agent, Orchard Commercial, Inc. are named as Additional Insured as relates to General Liability in accordance with the terms and conditions of the policy. Umbrella follows form as it relates to additional insured.

CERTIFICATE HOLDER	CANCELLATION
G&I VIII Baytech LP c/o Orchard Commerical, Inc. as Managing Agent 2055 Laurelwood Road Suite 130 Santa Clara, CA 95054	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

(This certificate replaces certificate# 10829214 issued on 9/8/2015)

WAIVER OF LANDLORD

This Waiver of Landlord (this "Agreement") is made and entered into on May 14, 2015, by and between Oxford Finance LLC ("Lender"), and Restoration Robotics, Inc., a Delaware corporation ("Tenant") and G&l VIII Baytech LP, a Delaware limited partnership ("Landlord") with respect to certain premises commonly known as 128 Baytech Drive, San Jose, California (the "Premises") leased by Landlord to Tenant pursuant to that certain lease by and between Landlord and Tenant dated April 16, 2012 (the "Lease"). Lender, Tenant and Landlord agree as follows:

1. Lender may remove the following described assets from the Premises: all machinery, equipment, furniture, fixtures, inventory now owned or to be acquired by Tenant and installed or kept at the Premises (collectively, the "Collateral"), which is collateral for credit extended from Lender to Tenant pursuant to a written agreement(s) between Lender and Tenant (collectively "Loan Documents").

2. The Collateral will remain personal property even though it may be affixed to or placed upon the Premises.

3. In the event of default by Tenant under the Loan Documents, Lender shall endeavor to notify Landlord of such default in writing, but shall not be obligated to, or held liable for failing to, provide such notification under any circumstance.

4. In the event of default by Tenant under the Loan Documents, Landlord hereby waives any right, title, claim or interest in the Collateral by reason of the Collateral being attached to or resting upon the Premises and hereby grants Lender permission to remove the Collateral from the Premises subject to the following conditions:

a. Such removal shall be pursuant to Lender's rights and remedies under its loan documents executed by Tenant and subject to any applicable provisions of law;

b. Lender shall have the right to enter the Premises and shall give Landlord not less than twenty-four (24) hours prior notice of its entry onto the Premises for any purpose permitted hereunder;

c. Notwithstanding anything set forth in this Agreement to the contrary, Lender shall not remove any leasehold improvements from the Premises other than: (i) trade fixtures, and (ii) such leasehold improvements that Landlord has given Tenant written permission to remove. Lender shall remove the Collateral in a workmanlike manner and shall, at its sole cost and expense, promptly repair, to Landlord's satisfaction, any actual, physical damage or destruction to the Premises or any industrial center of which the Premises are a part ("Industrial Center") arising from the exercise of Lender's rights under this Agreement or the Loan Documents, Lender's re-possession, display, operation, severance, removal, maintenance, preparation for sale or lease, repair, lease, transfer and/or sale of the Collateral or Lender's occupancy of or entry on the Premises or the Industrial Center. Lender and Tenant shall indemnify, defend, and hold harmless Landlord and its partners, members, shareholders, officers, directors, employees and agents from and against any and all claim, loss, cost, damage, liability, or expense (including reasonable attorneys' fees) arising from the exercise of Lender's rights under this Agreement or

the Loan Documents, Lender's re-possession, display, operation, severance, removal, maintenance, preparation for sale or lease, repair, lease, transfer and/or sale of the Collateral or Lender's occupancy of or entry on the Premises or the Industrial Center for any reason (collectively, "Claims"), except to the extent that any such Claims arise out of Landlord's negligence, willful misconduct, or breach of the Lease;

d. At any time that Tenant no longer occupies the Premises, Lender shall pay to Landlord, to the extent not previously paid by Tenant, an amount equal to all rent and additional charges payable by Tenant under the Lease for any period commencing on the date Lender enters the Premises pursuant to this Agreement. In such event, Lender shall pay such amounts prior to or concurrently with Lender's entry upon the Premises. Such amounts shall be payable at the monthly rates then payable under the Lease, pro-rated on the basis of a thirty (30) day month;

e. Nothing contained in this Agreement shall require Lender to remove the Collateral from the Premises. However, if Lender desires to remove the Collateral from the Premises, Lender shall complete such removal within thirty (30) days following the earlier to occur of: (i) the date upon which Lender first enters upon the Premises for such purpose during Tenant's lawful occupancy of the Premises, or (ii) the date on which Lender receives notice of default given to Tenant pursuant to the Lease, a copy of which shall also have been delivered to Lender; and

f. If Lender does not remove the Collateral from the Premises within the foregoing thirty (30) day period, Lender and Tenant shall be deemed to have waived and relinquished any right in and to the Collateral and Landlord may dispose of the Collateral in any manner and retain all proceeds therefrom as consideration for Landlord's costs and expenses incurred in connection therewith.

5. To the extent required under the Lease, Landlord hereby consents to the execution of the Loan Documents by Tenant and the granting of the liens and security interests in the Collateral thereunder.

6. This Agreement and the parties' obligations hereunder shall terminate and be of no further force or effect upon the earlier to occur of (i) Tenant's payment in full of all amounts due to Lender from Tenant under Tenant's loan or the Loan Documents, or (ii) the expiration of the thirty (30) day period set forth in Paragraph 3(e) above. Notwithstanding the foregoing, Lender's and Tenant's obligations with respect to the indemnity set forth in Paragraph 3(c) above and Landlord's rights to remove and dispose of the Collateral pursuant to Paragraph 3(f) above shall survive the termination of this Agreement.

7. Notwithstanding anything to the contrary contained in this Agreement, in the event of any conflict between the Lease and this Agreement regarding the Tenant's obligations thereunder, the Lease shall control.

8. Notwithstanding anything to the contrary contained in this Agreement, in the event of any action to enforce or interpret this Agreement including, but not limited to any action for indemnity hereunder, the prevailing party in such action shall be entitled to receive its reasonable attorney's fees and costs in such action. Jurisdiction for such action shall be in the state courts of the state in which the Premises are located with venue in the county in which the Premises are located.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day and year first written above.

"LENDER"

Oxford Finance LLC

By: _____
Its:

"LANDLORD"

G&I VIII Baytech LP
a Delaware limited partnership

By: /s/ Valla Brown
Its: Vice President

By: _____
Its:

"TENANT"

Restoration Robotics, Inc.
a Delaware corporation

By: _____
Its:

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day and year first written above.

"LENDER"

Oxford Finance LLC

By: /s/ Mark Davis
Its: Vice President - Finance, Secretary & Treasurer

"LANDLORD"

G&I VIII Baytech LP
a Delaware limited partnership

By: _____
Its:

By: _____
Its:

"TENANT"

Restoration Robotics, Inc.
a Delaware corporation

By: _____
Its:

[*Signature Page to Waiver of Landlord*]

IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day and year first written above.

"LENDER"

Oxford Finance LLC

By: _____
Its:

"LANDLORD"

G&I VIII Baytech LP
a Delaware limited partnership

By: _____
Its:

By: _____
Its:

"TENANT"

Restoration Robotics, Inc.
a Delaware corporation

By: /s/ Charlotte Holland
Its: VP Finance & Admin

[*Signature Page to Waiver of Landlord*]

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("License Agreement") is made and entered as of July 25, 2006 ("Effective Date"), between Restoration Robotics, Inc., a Delaware corporation having a place of business at 1383 Shore Bird Way, Mountain View, CA 94043 ("Restoration"), HSC Development LLC, a Delaware limited liability company having a place of business at 3003 E. Third Avenue, Suite 201, Denver, CO 80206 ("HSC"), and James A. Harris, MD, an individual having an address of [***] ("Harris"), each referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on or about the Effective Date, Restoration and Harris have entered (or are entering) into a consulting agreement ("Consulting Agreement"), under which Harris will perform certain duties for Restoration;

WHEREAS, HSC owns certain intellectual property rights assigned to it by Harris and existing as of the Effective Date that it desires to license to Restoration and its Affiliates within the Field of Use on the terms and conditions set forth in this License Agreement;

WHEREAS, in exchange for the consideration granted herein to HSC, and to Harris pursuant to the Consulting Agreement, Harris has agreed to license intellectual property rights to Restoration and its Affiliates within the Field of Use on the terms and conditions set forth in this License Agreement;

WHEREAS, Restoration desires to obtain such license from HSC and Harris; and

NOW, THEREFORE Restoration, HSC, and Harris, in consideration for the mutual covenants contained herein and in the Consulting Agreement, HEREBY agree as follows:

AGREEMENT

1. Definitions. As used herein, the following terms shall have the designated meanings:

1.1 "**Affiliate**" means any corporation or other entity that directly or indirectly controls, or is directly or indirectly controlled by, or under common control with the subject entity. For purposes of this definition, "control" shall mean the direct or indirect ownership of at least fifty percent (50%) of the shares or other equity interests of the subject entity entitled to vote in the election of directors, or in the case of an entity that is not a corporation, for the election of the corresponding managing authority.

1.2 "**Field of Use**" means the research, design, development, manufacturing and commercialization of products, devices, methods and technologies for performing hair removal and implantation (including transplantation) procedures using a computer-controlled (e.g., robotic) system in which a needle or other device carried on a mechanized arm is oriented to a follicular unit for extraction of same, or to an implant site for implantation of a follicular unit, or some combination thereof [***]. For purposes of clarity, the Field of Use does not include devices or methods using [***], such as by [***] (e.g., [***]).

1.3 "**Licensed Methods**" means any processes or methods in the Field of Use whose use or practice would, absent authority, infringe one or more Valid Claims.

1.4 "**Licensed Patents**" means (i) any patents and patent applications naming Harris as an inventor and filed at any time on or before the Effective Date, and (ii) any patents and patent applications naming Harris as an inventor and filed after the Effective Date during the term of the Consulting Agreement or for [***] following the Effective Date, whichever is [***], and as well as (iii) all foreign counterparts thereto, and (iv) any U.S. or foreign, substitute, continuation, continuation-in-part, divisional, reexamination, or reissue thereof. Without any limitation on the foregoing, the Licensed Patents include, but are not limited to, [***], as well as any patents and patent applications claiming priority thereto or to [***].

1.5 "**Licensed Products**" means any products, devices or materials, including components thereof and methods of their manufacture, that are (a) designed or developed by or for Restoration or its Affiliate(s) or Sublicensee(s), for use in the Field of Use, and (b) would, or whose use or practice would, absent authority, infringe one or more Valid Claims, or incorporate, embody or use Licensed Technology.

1.6 "**Licensed Technology**" means all proprietary materials and knowledge that is transferred from HSC or Harris to Restoration, whether prior to or during the term of the Consulting Agreement, and whether transferred directly or indirectly, including without limitation copyrightable material, trade secrets, [***], know-how, [***], [***], [***] and [***].

1.7 "**Sublicensee**" means a party that sublicenses a Licensed Patent or Licensed Technology from Restoration.

1.8 "**Valid Claim**" means a claim of an issued and unexpired Licensed Patent that has not been held invalid in an unappealed or unappealable final decision rendered by a court of competent jurisdiction.

2. <u>License Terms</u>.

2.1 License Grant. HSC and Harris hereby each grant to Restoration and its Affiliates an exclusive [***], fully-paid, non-transferable (except as provided in Section 10.1), perpetual, worldwide license, including the right to grant sublicenses (as provided in Section 2.3), subject to the terms and conditions of this License Agreement, to make, have made, use, offer for sale, sell, and import Licensed Products, and to use, practice and have practiced Licensed Methods and the Licensed Technology, each solely in the Field of Use.

2.2 Scope of License. The scope of the license granted to Restoration and its Affiliates in Section 2.1 is intended to cover any distributor or customer, direct or indirect, of Restoration, its Affiliates and Sublicensees.

2.3 Right to Sublicense. Restoration and any Affiliate of Restoration may grant sublicenses within the Field of Use, provided that such Sublicensee agrees in writing to be bound by this License Agreement to the same extent as Restoration and its Affiliates.

3. Consideration.

3.1 Payment to HSC. In consideration of the rights and licenses granted by HSC and Harris under this Agreement, Restoration shall (i) issue to HSC 25,000 fully paid and non-assessable shares of Restoration Common Stock, pursuant to the Common Stock Issuance Agreement in substantially the form attached hereto as Exhibit A, and (ii) pay to HSC the sum of twenty-five thousand dollars ($25,000 U.S.), each within thirty (30) days of the Effective Date. By their below signatures to this License Agreement, HSC and Harris acknowledge and confirm that the rights and licenses granted by Harris to Restoration under this License Agreement are in no way contingent upon either Party's performance under the Consulting Agreement. Harris further confirms that the respective stock grant and cash payment to HSC benefit him personally and represent good and valuable consideration to him personally in exchange for the license rights granted by him to Restoration under this Agreement.

4. Patent Infringement.

4.1 Restoration's Right of Patent Enforcement in Field of Use. [***], Restoration and its Affiliates (collectively "Restoration" for the remainder of this Section 4) shall have the right to bring suit against third parties who infringe a Licensed Patent [***], provided that, before communicating to any third party about the possible infringement of a Licensed Patent including serving a complaint filed in any court on such third party alleging infringement of a Licensed Patent, Restoration must first notify HSC and/or Harris, as applicable, in writing. If so requested, Restoration, HSC and/or Harris agree to enter into a Joint Defense and Prosecution Agreement, the same or substantially similar to that provided in Exhibit B, for the purpose of allowing the respective parties to share confidential and attorney-client privileged information regarding the possible infringement of one or more Licensed Patents by third parties [***].

4.2 Costs of Litigation; Allocation of Recoveries. [***] costs and fees of prosecuting any infringement action brought by Restoration against a third party pursuant to Section 4.1 will be [***], and [***] is entitled to [***] recovery it obtains as a result of such infringement action, whether by settlement or judgment.

4.3 Cooperation in Litigation. [***], HSC and Harris each agrees to be joined as a party in any suit or other enforcement, defense or maintenance action brought by Restoration against a third party, and to reasonably cooperate with Restoration in such proceeding, provided that such action shall be initiated and maintained [***]**,** including [***].

4.4 Settlement. Restoration agrees to not settle any suit or other enforcement, defense or maintenance action brought by Restoration against a third party pursuant to Section 4.1 without the prior written consent of HSC and/or Harris, as applicable, [***]. HSC and Harris each agrees to not enter into any agreement or make any binding statement for any reason that refers to, or may otherwise impact on the scope, validity, or enforceability of a Licensed Patent, without the prior written consent of Restoration, [***].

4.5 Notification Involving a Licensed Patent. HSC and Harris each agrees to promptly notify Restoration if they are aware of any pleading filed in any court that alleges infringement, invalidity or unenforceability of a Licensed Patent, or of any request for reexamination, reissue, interference or other post issuance challenge in any patent office of a Licensed Patent.

4.6 Right of Participation. Nothing in this License Agreement prevents any Party hereto from joining any action involving a Licensed Patent, and each of HSC, Harris, and Restoration agree to not contest the joining of any action involving a Licensed Patent in any field of use, in which case all parties to such action may also agree in writing as to allocations of costs and expenses, as well as any recoveries, whether by settlement or judgment.

5. [***].

5.1 [***]. If, upon the [***] of [***] from [***] has [***], the [***] will [***], and [***]. It is not required under this Section 5 that [***].

6. Participation in Patent Prosecution.

6.1 Prosecution. HSC and Harris (individually and collectively "Licensor" for the remainder of this Section 6), as applicable, have sole control and responsibility for ongoing prosecution of the Licensed Patents in all countries, including the payment of maintenance and annuity fees, and for the filing of any new, divisional, continuation, continuation-in-part, reexamination or reissue application that claims priority to an existing Licensed Patent. Licensor will promptly provide copies to Restoration of any correspondence submitted to, or received from, the United States Patent and Trademark Office ("PTO"), non-U.S. counterparts of the PTO, and appointed representatives ("foreign associates") handling prosecution of non-U.S. Licensed Patents on behalf of Licensor. Licensor will also provide by email or other essentially contemporaneous means, at least [***] in advance of any deadline for submission, any proposed communication to the PTO, non-U.S. counterpart of the PTO, or foreign associate regarding any Licensed Patent. Restoration will provide Licensor with input regarding the proposed communication at least [***] prior to the submission deadline. Notwithstanding the foregoing, in the event a deadline for responding to a communication from any patent office is less than [***] from the mailing date of the communication, Licensor will provide its proposed response at least [***] in advance of the submission deadline, and Restoration will provide Licensor with input regarding the proposed response at least [***] prior to the submission deadline. Licensor will [***] Restoration's timely received input regarding any proposed submission and, where [***], modify the proposed communication accordingly prior to its submission. Restoration may from time to time provide Licensor with any materials known to Restoration that may reasonably be required under 37 CFR 1.56 to be submitted to the PTO in an Information Disclosure Statement ("IDS") for a Licensed Patent, and in such event Licensor will promptly submit such IDS to the PTO. Licensor will not intentionally allow a Licensed Patent to become abandoned without providing at least [***] written notice to Restoration in advance of any deadline for making a submission or payment of fee required to maintain such patent, should Licensor determine it does not desire to continue the prosecution, appeal, or maintenance thereof. Upon receipt of such notice, Restoration may request in writing that [***] the prosecution, appeal, or maintenance of such patent, at [***] expense, and Licensor will [***] so long as such written notice from Restoration is received not less than [***] before the respective deadline.

6.2 Election Not to File Continuing Applications. In the event Licensor elects not to file a continuing application for any Licensed Patent that is a pending application which has been allowed and for which [***], Licensor shall so notify Restoration upon payment of the issue fee (or similar requirement for a non-U.S. counterpart of the PTO) for such application. Upon receipt of such notice, Restoration has the option, at [***] expense, to file, prosecute and maintain a continuing application (or similar application with a non-U.S. counterpart of the PTO) claiming priority to such patent application. Licensor shall reasonably cooperate with and assist Restoration in connection with any filing and prosecution of any such continuing patent application undertaken by Restoration in accordance with this section, but at the sole expense of Restoration. Nothing in this Section 6.2 shall be read to constitute an assignment or transfer of any rights to the Licensed Patents from HSC or Harris to Restoration or any third party except for the license within the Field of Use explicitly granted herein.

7. <u>Indemnification</u>.

7.1 HSC Indemnification. HSC shall defend or settle any claims, suits, or proceedings brought by third parties ("Claim(s)") against Restoration to the extent such Claim is directly caused by the breach of any representation or warranty made by HSC under Section 8.1 of this License Agreement, and HSC shall pay [***] assessed to Restoration or settlement amounts entered into by HSC to the extent such amounts are based upon such a Claim.

7.2 Harris Indemnification. Harris shall defend or settle any Claim(s) against Restoration to the extent such Claim is directly caused by the breach of any representation or warranty made by Harris under Section 8.2 of this License Agreement, and Harris shall pay [***] assessed to Restoration or settlement amounts entered into by Harris to the extent such amounts are based upon such a Claim.

7.3 Restoration Indemnification. Restoration shall defend or settle any Claim(s) made against HSC and/or Harris to the extent such Claim is directly caused by (i) the breach of any representation or warranty made by Restoration under Section 8.3 of this License Agreement, or (ii) the manufacture, offer for sale, importation, sale, or practice of Licensed Products or Licensed Methods by Restoration or its Affiliates, and Restoration shall pay **[***]** assessed to HSC or Harris or settlement amounts entered into by Restoration to the extent such amounts are based upon such a Claim.

7.4 Procedures. Each party's obligation to indemnify the other party for Claims covered by this Section 7 shall be subject to its: (i) being notified within [***] ([***]) days after the other party's receipt of notice or becomes aware of such Claims; (ii) being given sole control of the defense and/or settlement thereof; and (iii) receiving the other party's cooperation in the defense and/or settlement thereof.

7.5 Limitation of Liability. IN NO EVENT WILL ANY PARTY HERETO BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR INDIRECT DAMAGES ARISING IN ANY WAY OUT OF THIS LICENSE AGREEMENT, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

8. Representations and Warranties.

8.1 By HSC. HSC hereby represents and warrants to Restoration that: (i) neither HSC's execution and delivery of this License Agreement nor HSC's performance hereunder will result in a breach of any enforceable agreement to which HSC may be a party; (ii) HSC owns all right, title and interest in and to the Licensed Patents, Licensed Methods, and Licensed Technology that is not owned by Harris; (iii) HSC has the full power and authority to execute and deliver this License Agreement and perform its obligations hereunder, including without limitation granting Restoration the licenses in Section 2.1; (iv) HSC has not previously granted and will not grant any rights in the Licensed Patents and Licensed Methods that are inconsistent with the licenses granted to Restoration herein; and (v) to the best of HSC's knowledge, there are no claims of third parties that call into question the rights of HSC to grant to Restoration the rights contemplated hereunder.

8.2 By Harris. Harris hereby represents and warrants to Restoration that: (i) neither Harris's execution and delivery of this License Agreement nor Harris's performance hereunder will result in a breach of any enforceable agreement to which Harris may be a party; (ii) Harris owns all right, title and interest in and to the Licensed Patents, Licensed Methods, and Licensed Technology that is not owned by HSC; (iii) Harris has the full power and authority to execute and deliver this License Agreement and perform its obligations hereunder, including without limitation granting Restoration the licenses in Section 2.1; (iv) Harris has not previously granted and will not grant any rights in the Licensed Patents and Licensed Methods that are inconsistent with the licenses granted to Restoration herein; and (v) to the best of Harris's knowledge, there are no claims of third parties that call into question the rights of Harris to grant to Restoration the rights contemplated hereunder.

8.3 By Restoration. Restoration hereby represents and warrants to HSC and Harris that: (i) neither Restoration's execution and delivery of this License Agreement nor Restoration's performance hereunder will result in a breach of any agreement or contract to which Restoration may be party, and (ii) Restoration has the full power and authority to execute and deliver this License Agreement and perform its obligations hereunder.

9. Bankruptcy.

9.1 Effect of Bankruptcy. All rights and licenses granted under or pursuant to this License Agreement by Harris to Restoration are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the Bankruptcy Code. The parties agree that Restoration, as a licensee of such rights under this License Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code.

10. Miscellaneous Provisions.

10.1 Prior Written Consent. Restoration may not assign its rights and obligations under this License Agreement without the prior written consent of HSC and Harris, except to an Affiliate of Restoration or to a third party that succeeds to all or substantially all of Restoration's business or assets relating to this License Agreement, whether by sale, merger, operation of law or otherwise, provided that such Affiliate or third party agrees in writing to be bound by the License Agreement, HSC and Harris may freely assign their respective rights to the Licensed Patents, subject to the licenses granted to Restoration herein, upon notice to, but without requiring the consent of, Restoration, if the assignee or transferee promptly agrees to be bound by the terms and conditions herein. HSC's and Harris's respective indemnification obligations under Sections 7.1 and 7.2 of this License Agreement may not be assigned without the prior written consent of Restoration.

10.2 License Agreement Confidential. The contents of this License Agreement may not be publicly or privately disclosed to any third party without the prior written consent of all Parties hereto. Further, no Party hereto will issue any press release or make any similar written public disclosure of the existence of this License Agreement without the prior written consent of all Parties hereto. However, nothing in this Section 10.2 shall be construed as requiring a Party to obtain consent from another Party to orally disclose the fact of the existence of this License Agreement to a third party.

10.3 No Joint Venture. The Parties have entered into this License Agreement solely as independent contractors and nothing contained herein shall be construed as giving rise to joint venture, partnership or other form of business organization.

10.4 Written Notices. All notices given hereunder, except those provided in Section 6, shall be in writing and sent by certified mail, return receipt requested, addressed as provided in the first paragraph of this License Agreement, provided that a party may change its address for notice by notice thereof.

10.5 Governing Law. This License Agreement shall be governed by and construed in accordance with the internal substantive laws of the State of Delaware.

10.6 Dispute Resolution. Any dispute arising between the Parties regarding this License Agreement that cannot be resolved amicably through entirely informal means shall first be the subject of a non-binding mediation. Either Party may initiate the mediation by written notice to the other Party. Selection and retention of the mediator shall be the responsibility of the initiating Party. The mediation shall be held within sixty (60) days of the initial notice of mediation, or within such other period as the Parties mutually agree. Each Party shall share equally in the cost of the Mediator's fees and expenses, but each party to the Mediation shall pay his or her or its own attorneys and expert witness fees and any other associated costs. If such dispute is not fully resolved by mutual agreement of the Parties at the Mediation, such dispute shall be resolved exclusively in the state or federal courts located in the state of Delaware.

10.7 Invalidity of Provisions. In the event any provision of this License Agreement shall be held to be invalid or unenforceable in whole or in part, the remainder of this License Agreement shall not be affected thereby and shall remain in full force and effect, and such invalid or unenforceable provision shall be enforced to the maximum extent permissible.

10.8 Headings. The headings in this License Agreement are intended solely for convenience of reference and shall be given no effect in any construction or interpretation of this License Agreement.

10.9 Entire Agreement. This License Agreement and the Consulting Agreement constitute the entire agreements between the Parties concerning their respective subject matter, and supersede any prior or contemporaneous agreements and understandings in connection therewith. This License Agreement may be amended, waived or revoked only by a written instrument executed by the parties hereto.

10.10 Advice of Counsel. Each party acknowledges that, in executing this License Agreement, such party has had the opportunity to seek the advice of independent legal counsel, and has read and understood all of the terms and provisions of this License Agreement. This License Agreement shall not be construed against any party by reason of the drafting or preparation hereof.

10.11 Counterparts. This License Agreement may be executed in counterparts, which taken together shall constitute a single instrument. Execution and delivery of this License Agreement may be evidenced by facsimile or email transmission.

IN WITNESS WHEREOF, the parties hereto have executed this License Agreement as of the date first written above.

/s/ Jim McCollum

Jim McCollum
Chief Executive Officer
Restoration Robotics, Inc.

/s/ James A. Harris

James A. Harris, MD
President
HSC Development, LLC

/s/ James A. Harris

James A. Harris, MD

EXHIBIT A

COMMON STOCK ISSUANCE AGREEMENT

This Common Stock Issuance Agreement (the "Stock Agreement") is made and entered into as of July , 2006, by and between Restoration Robotics, Inc., a Delaware corporation (the "Company"), and HSC Development LLC, a Delaware limited liability company (the "Purchaser").

RECITALS

A. The Company and the Purchaser entered into a License Agreement dated May , 2006, under which the Purchaser has granted a license under certain of its intellectual property rights to the Company (the "License Agreement"); and

B. As consideration thereunder, the Company has agreed to issue shares of its Common Stock to the Purchaser.

NOW, THEREFORE, in consideration of the terms and mutual covenants set forth below, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Issuance of Common Stock. Subject to the terms of this Stock Agreement and the License Agreement, the Company hereby issues to the Purchaser an aggregate of 25,000 shares of Common Stock of the Company (the "Common Shares").

2. Representations, Warranties and Covenants.

2.1 Investment Representations. The Purchaser hereby represents and warrants to the Company that:

(a) The Purchaser is acquiring the Common Shares for investment purposes only, solely for its own account and not with a view to, or for resale in connection with, the distribution or other disposition thereof in violation of any federal or state securities laws;

(b) The Purchaser understands that the Common Shares are a speculative investment which involves a high degree of risk of loss of the investment therein. The Purchaser's knowledge and experience in financial and business matters are such that Purchaser is capable of evaluating the merits and risks of the Purchaser's investment in the Common Shares, and has made the Purchaser's own independent valuation with respect to the value of the Common Shares;

(c) The Purchaser, together with the Purchaser's representatives, including financial, tax, legal and other advisers, has carefully reviewed all documents furnished to them in connection with the investment in the Common Shares, and understands and has considered all the risk factors related to such investment, and no representations or warranties have been made to the Purchaser or the Purchaser's representatives concerning such investment or the Company, its prospects or other matters;

(d) The Purchaser and the Purchaser's representatives have been given the opportunity to examine all documents and to ask questions of, and to receive answers from, the Company concerning the terms and conditions of the acquisition of the Common Shares and the business of the Company and to obtain any additional information which the Purchaser or the Purchaser's representatives deem necessary to verify the accuracy of the information that has been provided to the Purchaser in order for them to evaluate the merits and risk of the investment in the Common Shares;

(e) The Purchaser understands that no federal agency (including the Securities and Exchange Commission), state agency or foreign agency has made or will make any finding or determination as to the fairness of an investment in the Common Shares (including as to the purchase price);

(f) The Purchaser understands that the offer and sale of the Common Shares have not been registered under the Securities Act, by virtue of Section 4(2) of the Securities Act, or under the securities laws of any state of the United States or of any foreign jurisdiction;

(g) The Purchaser understands and agrees that no resales of the Common Shares may be effected unless the resale of such Common Shares is registered under the Securities Act or an exemption therefrom is available and all applicable state and foreign securities laws are complied with; and

(h) The Purchaser understands that a notation shall be made in the appropriate records of the Company, indicating that the Common Shares are subject to restrictions on transfer and appropriate stop-transfer instructions will be issued to the securities transfer agent with respect to the Common Shares (except to the extent that such Common Shares have been registered under the Securities Act).

2.2 Restriction on Transfer.

(a) Legends. The Purchaser understands and agrees that the Common Shares shall be stamped or otherwise imprinted with any or all of the following legends:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) No Transfer. The Common Shares may not be sold, assigned, pledged or otherwise transferred by the Purchaser to any person without the prior written consent of the Company. Notwithstanding the foregoing, the Purchaser may transfer the Common Shares to its members in accordance with its LLC organizational documents. In such case, the Purchaser will give prior written notice to the Company with details of the transfer, and the transferee shall receive and agree in writing to hold the Common Shares so transferred subject to the provisions of this Agreement, and there shall be no further transfer of such Shares except in accordance with the terms of this Agreement. The Company shall not be required (i) to transfer on its books any Common Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Common Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Common Shares shall have been so transferred.

(c) Restrictions Binding on Transferees. All transferees of Common Shares or any interest therein will receive and agree in writing to hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Common Shares shall be void unless the provisions of this Stock Agreement are satisfied.

(d) Termination of Restrictions. The restrictions set forth in Section 2.2(b) above shall terminate upon the closing of an initial public offering of Common Stock of the Company pursuant to an effective registration statement under the Securities Act of 1933, as amended.

2.3 Market Stand-off Agreement. In connection with any underwritten public offering of the Company's securities in connection with an effective registration statement under the Securities Act, the Purchaser agrees, upon request of the Company or the underwriters managing such offering, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed one hundred eighty (180) days) from the effective date of such registration as may be requested by the Company or the underwriters. The Purchaser further agrees that the Company may instruct its transfer agent to place stop-transfer notations in its records to enforce the provisions of this Section 2.3.

3. Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchaser that:

3.1 Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Stock Agreement and the authorization, issuance and delivery of the Common Shares has been taken, and this Agreement constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms.

3.2 Valid Issuance of Securities. The Common Shares being issued to the Purchaser hereunder, when issued, sold and delivered in accordance with the terms hereof for the consideration expressed herein, will be duly and validly issued, fully paid and nonassessable. Based in part upon the representations of the Purchaser in this Stock Agreement, the Common Shares will be issued in compliance with all applicable federal and state securities laws.

4. General Provisions.

4.1 Entire Agreement. This Stock Agreement represents the entire agreement between the Company and the Purchaser solely with respect to the Common Shares and supersedes all prior agreements and understandings with respect to the Common Shares, and may only be amended in writing signed by the Company and the Purchaser.

4.2 Assignment. This Stock Agreement shall bind and benefit the successors, assigns, heirs, executors and administrators of the parties (including without limitation any successor corporation to the Company).

4.3 Governing Law. This Stock Agreement shall be governed in all respects by the laws of the state of California. The federal and state courts within the State of California shall have exclusive jurisdiction to adjudicate any dispute arising out of this letter agreement, and each party hereby agrees to be subject to the personal and exclusive jurisdiction of such courts.

4.4 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be delivered personally, telecopied, delivered via reputable overnight courier or mailed by first-class registered or certified mail, postage prepaid, addressed (i) if to the Purchaser, at its address set forth below its signature, or at such other address as it shall have furnished to the Company in writing, or (ii) if to the Company, at its address set forth below, or at such other address as the Company shall have furnished to the Purchaser in writing. All notices shall be deemed effectively delivered upon confirmation of receipt or actual receipt.

4.5 Counterparts. This Stock Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Stock Agreement as of the day and year first set forth above.

RESTORATION ROBOTICS, INC.

By: /s/ James McCollum
James McCollum, Chief Executive Officer

Address: 1383 Shore Bird Way, Mountain View, CA 94043

HSC DEVELOPMENT, LLC

By: /s/ James A. Harris

James A. Harris, MD

Address: 3003 E. Third Avenue, Suite 201, Denver, CO 80206

EXHIBIT B

JOINT DEFENSE AND ENFORCEMENT AGREEMENT

RECITALS

WHEREAS Restoration Robotics, Inc., a Delaware corporation having a place of business at 1383 Shore Bird Way, Mountain View, CA 94043 ("Restoration"), HSC Development LLC, a Delaware limited liability company having a place of business at 3003 E. Third Avenue, Suite 201, Denver, CO 80206 ("HSC"), and James A. Harris, MD, an individual having an address of [***] ("Harris") have entered into a certain Licensing Agreement in which HSC and Harris granted an exclusive license to Restoration to certain patents in a particular Field of Use,

WHEREAS HSC, Harris, and Restoration desire to enjoy the commercial and legal rights and privileges associated with the aforesaid patents,

WHEREAS HSC, Harris, and Restoration have a common interest in exchanging information to enforce these legal rights and privileges, and in the exchange of all such information that may be relevant in the pursuit of these legal rights and privileges,

WHEREAS the parties are represented by legal counsel for enforcing these rights and privileges, and the sharing of relevant information is in the parties' common interest reasonably necessary to achieve the purpose for which their attorneys were engaged.

JOINT AGREEMENT

1. Definitions shall be as set forth in the Licensing Agreement, with additional definitions, for purposes of this Joint Defense and Enforcement Agreement only, being:

1.1 "**Joint Agreement**" shall mean this Joint Defense and Enforcement Agreement.

1.2 "**Information**" means any information, written or oral, including, but not limited to: documents, electronic data, emails, telephone logs, conversations, memos, opinions, analysis, reports, annotations or comments, and tests.

1.3 "**Shared Information**" means Information possessed by a Party as a result of the gathering or transfer of Information under this Joint Agreement that, as to a Party, either individually or jointly, is subject to attorney client privilege or attorney work product.

1.4 "**Parties**" means HSC, Harris, and Restoration, and attorneys, agents, employees, consultants, or representatives thereof, and combinations of the same.

1.5 "**Party**" means an entity that is one of the Parties.

1.6 "**Counsel**" means an attorney or an agent for an attorney.

1.7 "**Common Interest**" means a common legal interest formed between Parties, either before or after the execution of the Joint Agreement, including, but not limited to, attorney-client privilege, attorney work product, joint defense privilege, and/or joint attorney work product.

2. Confidentiality

2.1 Duration. All Shared Information disclosed by a Party pursuant to this Agreement will be held to be confidential by the other Parties as long as necessary to effectuate the purposes of this Joint Agreement and/or preserve the confidentiality of Shared Information.

2.2 Limited Disclosure. Counsel for Parties will be directed to limit disclosure of Shared Information disclosed pursuant to this Joint Agreement to attorneys and agents for the attorneys that are actually using the Information for legal representation of a client.

3. Joint Defense. The Parties agree to cooperate with respect to the sharing of Information as necessary to defend a patent application or patent that is the subject of a license from HSC and/or Harris to Restoration.

4. Joint Enforcement. The Parties agree to cooperate with respect to the sharing of Information as necessary to enforce a patent application or patent that is the subject of a license from HSC and/or Harris to Restoration.

5. Information related to other matters. The Parties agree to cooperate with respect to the sharing of Information as necessary to accomplish their mutual purposes, and recognize that the scope of discovery and additional legal claims that may be litigated in association with the matters described herein may require disclosure of Information not directly related to patent matters.

6. Cooperation in Litigation. HSC, Harris, and Restoration agree to cooperate in Litigation as set forth in Section 4.3 of the Licensing Agreement.

7. Disclaimers and Waivers.

7.1 Attorney-client relationships. Attorney-client relationships will not be created by a Common Interest. An attorney-client relationship may be formed between a Party and a Counsel before formation of a Common Interest, or by a writing executed by a Counsel and by a Party after formation of a Common Interest. Each Party is represented solely by their own Counsel, unless otherwise specifically agreed in writing.

7.2 Disqualification Waiver. Information shared pursuant to this Joint Agreement will not be a basis for disqualifying representation of a Party to this Joint Agreement by a particular attorney or law firm that is otherwise in conformance with this Joint Agreement and applicable rules of professional responsibility.

7.3 Existence of Common Interest. Execution of this Joint Agreement is not an admission that a prior Common Interest does not already exist.

8. Termination and Miscellaneous Provisions.

8.1 Non-severance of Confidentiality. Confidentiality terms of this Joint Agreement shall survive its termination.

8.2 Settlement. Settlement of a legal claim by a Party is not a basis for disclosing Shared Information.

8.3 Prior Written Consent. This Joint Agreement may not be assigned by either party without the prior written consent of the non-assigning party, except to a third party that succeeds to all or substantially all of the assigning party's business or assets relating to this Joint Agreement whether by sale, merger, operation of law or otherwise; provided that such assignee or transferee promptly agrees in writing to be bound by the terms and conditions of the Joint Agreement.

8.4 No Joint Venture. Nothing contained herein shall be construed as giving rise to joint venture, partnership or other form of business organization.

8.5 Written Notices. All notices given hereunder shall be in writing and sent by certified mail, return receipt requested, addressed as provided above, provided that a party may change its address for notice by notice thereof.

8.6 Invalidity of Provisions. In the event any provision of this Agreement shall be held to be invalid or unenforceable in whole or in part, the remainder of this Joint Agreement shall not be affected thereby and shall remain in full force and effect, and such invalid or unenforceable provision shall be enforced to the maximum extent permissible.

/s/ Jim McCollum
Jim McCollum
Chief Executive Officer
Restoration Robotics, Inc.

/s/ James A. Harris
James A. Harris, MD
President
HSC Development, LLC

/s/ James A. Harris
James A. Harris, MD

Exhibit 10.8

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

FIRST AMENDMENT

TO HARRIS/HSC LICENSE AGREEMENT

This First Amendment to Harris/HSC License Agreement between Restoration Robotics, Inc., James A. Harris, MD and HSC Development LLC (the "First Amendment to License Agreement") is made effective as of January 5, 2009 (the "Effective Date of the First Amendment to License Agreement").

RECITALS

Restoration Robotics, Inc. ("Restoration"), James A. Harris, MD ("Harris"), and HSC Development LLC ("HSC"), have entered into a License Agreement dated as of July 25, 2006 (the "License Agreement").

Restoration and Harris have entered into a consulting agreement dated July 25, 2006 (the "Consulting Agreement") that was first amended effective as of November 3, 2008 and is being concurrently amended by the Second Amendment effective as of the Effective Date of this First Amendment to License Agreement (cumulatively the "Amended Consulting Agreement").

The Restoration, HSC, and Harris each desire to modify and extend the term of the License Agreement to be consistent with the Amended Consulting Agreement and to accurately reflect their current business relationships.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other consideration contained herein and in the Amended Consulting Agreement, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Modification of License Agreement. Restoration, HSC and Harris each agree to modify the License Agreement as follows:

Subsection 1.2 "Field of Use"

Definition of the "Field of Use" is replaced with the following:

"**1.2** "**Field of Use**" means the research, design, development, manufacturing and commercialization of products, devices, methods and technologies for performing hair removal and implantation (including transplantation) procedures using a computer controlled (e.g., robotic) system in' which a needle or other device carried on a mechanized arm is oriented to a follicular unit for extraction of same, or to an implant site for implantation of a follicular unit, or some combination thereof. For purposes of clarity, the Field of Use does not include devices or methods using [***], such as by [***] (e.g., [***].)"

Subsection 1.4 “Licensed Patents”

Definition of the “Licensed Patents” is replaced with the following:

“1.4. “Licensed Patents” means (i) any patents and patent applications naming Harris as an inventor and filed at any time on or before July 25, 2006, and (ii) any patents and patent applications naming Harris as an inventor and filed after July 25, 2006 during the term of the Amended Consulting Agreement or [***], whichever is [***], and as well as (iii) all foreign counterparts thereto, and (iv) any U.S. or foreign, substitute, continuation, continuation-in-part, divisional reexamination, or reissue thereof. Without any limitation on the foregoing, the Licensed Patents include, but are not limited to, [***], as well as any patents and patent applications claiming priority thereto or to [***]. Licensed Patents shall not include any patents and patent applications that Harris has assigned [***] to Restoration under the Amended Consulting Agreement. As between Harris and Restoration, any such patents and patent applications assigned [***] to Restoration are owned by Restoration and are not subject to any terms or restrictions of this License Agreement.”

Section 5.0 Conversion to Non-Exclusive.

The term of the License Agreement has been extended and Section 5.0 has been replaced with the following:

“5.0 [***].

5.1 [***]. If, by [***] has [***], the [***] will [***], and [***]. It is not required under this Section 5.0 that [***]**.”**

No Further Amendments. Except as expressly set forth in this First Amendment, the License Agreement shall remain unmodified and in full force and effect. In the event of any conflict, ambiguity or inconsistency between the terms and provisions of this First Amendment and the terms and provisions of the License Agreement, the terms and provisions of this Amendment shall govern and control.

Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be considered an original and all of which shall constitute one and the same instrument.

Advice of Counsel. EACH PARTY ACKNOWLEDGED THAT, IN EXECUTING THIS FIRST AMENDMENT TO THE LICENSE AGREEMENT, SUCH PARTY HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND HAS READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS FIRST AMENDMENT TO THE LICENSE AGREEMENT. THIS FIRST AMENDMENT TO THE LICENSE AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

IN WITNESS WHEREOF, authorized representatives of the parties have executed this First Amendment as of the date first above written.

RESTORATION ROBOTICS, INC.

By: /s/ Jim McCollum
Name: Jim McCollum
Title: CEO

HARRIS

By: /s/ James Harris, M.D.
Name: James Harris, M.D.

HSC DEVELOPMENT, L.L.C.

By: /s/ James Harris, M.D.
Name: James Harris, M.D.
Title: President

Confidential Portions of this Exhibit marked as [***] have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

SECOND AMENDMENT
TO HARRIS/HSC LICENSE AGREEMENT

This Second Amendment to Harris/HSC License Agreement between Restoration Robotics, Inc., James A. Harris, M.D. and HSC Development LLC (the "Second Amendment to License Agreement") is made effective as of February 23, 2015.

RECITALS

Restoration Robotics, Inc. (the "Restoration"), James A. Harris, M.D. ("Harris") and HSC Development LLC ("HSC") have entered into a License Agreement dated as of July 25, 2006 and subsequently amended on January 5, 2009 (collectively the "License Agreement");

The Restoration, HSC and Harris each desire to modify the License Agreement to accurately reflect their current business arrangement.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Modification of License Agreement. Restoration, HSC and Harris each agree to modify the License Agreement as follows:

Section 4.1 Restoration's Right of Patent Enforcement in Field of Use.

Section 4.1 is hereby deleted and replaced with the following:

"Section 4.1 Restoration's Right of Patent Enforcement.

(a) [***], Restoration and its Affiliates (collectively "Restoration" for the remainder of this Section 4.0) shall have the right but not the obligation to bring suit against third parties who infringe a Licensed Patent [***] in its own name and on its own behalf. In addition, for any Licensed Patent resulting from a patent or patent application that [***] (including but not limited to [***]), Restoration shall have the right but not the obligation to bring suit against third parties who infringe such Licensed Patent [***] in its own name and on its own behalf.

(b) Harris and HSC shall have the first right, but not the obligation, to enforce the Licensed Patents against any third party infringing [***]. Upon learning of such infringement of any Licensed Patent by third parties [***], Harris and/or HSC shall inform Restoration in writing of that fact, and within [***] ([***]) days after learning of such possible infringement shall notify Restoration of its decision whether to pursue any infringement suit against such third party. In the event that Harris and/or HSC fails or decides not to enforce such Licensed Patent within the above-mentioned [***] ([***]) days, Restoration shall have the right, but not the obligation to bring suit against third parties who infringe such Licensed Patent [***] in its own name and on its own behalf.

(c) Before communicating to any third party about the possible infringement of a Licensed Patent including serving a complaint filed in any court on such third party alleging infringement of a Licensed Patent per subsections (a) and (b) above, Restoration must first notify HSC and/or Harris, as applicable, in writing. Harris and/or HSC shall supply Restoration with any evidence (e.g., data, records, samples or the like) available in its possession and control pertaining to the third party infringement, including both enforcement and potential defense of such Licensed Patent. If so requested, Restoration, HSC and/or Harris agree to enter into a Joint Defense and Prosecution Agreement, the same or substantially similar to that provided in Exhibit B, for the purpose of allowing the respective parties to share confidential and attorney-client privileged information regarding the possible infringement of one or more Licensed Patents by third parties.

Section 4.4 Settlement.

Section 4.4 is hereby deleted and replaced with the following:

"Section 4.4 Settlement. Restoration agrees to not settle any suit or other enforcement, defense or maintenance action brought by Restoration against a third party pursuant to Section 4.1 without the prior written consent of HSC and/or Harris, as applicable, [***]. However, for settlement of those Licensed Patents resulting from a patent or patent application that HSC and/or Harris decides not to continue patent prosecution, appeal or maintenance per Section 6.0 below and for which Restoration decides at its option and sole discretion to continue prosecution, appeal or maintenance (as stated in Section 4.1(a) above), Restoration is not required to obtain any prior written consent of HSC and/or Harris. HSC and Harris each agrees to not enter into any agreement or make any binding statement [***] that [***] impact on the scope, validity, or enforceability of a Licensed Patent, without the prior written consent of Restoration, [***].

2. No Further Amendments. Except as expressly set forth in this Second Amendment to License Agreement, the License Agreement shall remain unmodified and in full force and effect (including any Exhibits thereto). In the event of any conflict, ambiguity or inconsistency between the terms and provisions of this Second Amendment to License Agreement and the terms and provisions of the License Agreement, the terms and provisions of this Second Amendment to License Agreement shall govern and control.

3. Counterparts. This Second Amendment to License Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which shall constitute one and the same instrument.

4. Advice of Counsel. EACH PARTY ACKNOWLEDGES THAT, IN ENTERING INTO AND EXECUTING THIS SECOND AMENDMENT TO LICENSE AGREEMENT, SUCH PARTY HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND HAS READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS SECOND AMENDMENT TO LICENSE AGREEMENT. THIS SECOND AMENDMENT TO LICENSE AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

IN WITNESS WHEREOF, authorized representatives of the parties have executed this Second Amendment to License Agreement as of the date first above written.

RESTORATION ROBOTICS, INC.

By: /s/ Jim McCollum
Name: Jim McCollum
Title: President and CEO

HSC DEVELOPMENT LLC

By: /s/ James Harris, M.D.
Name: James Harris, M.D.
Title: President

JAMES A. HARRIS, M.D.

By: /s/ James Harris, MD
Name: James Harris, M.D.

RESTORATION ROBOTICS, INC.

AMENDED AND RESTATED

INVESTORS' RIGHTS AGREEMENT

February 7, 2013

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RESTORATION ROBOTICS, INC.

AMENDED AND RESTATED

INVESTORS' RIGHTS AGREEMENT

This Amended and Restated Investors' Rights Agreement (this "**Agreement**") is made and entered into as of February 7th, 2013 by and among Restoration Robotics, Inc., a Delaware corporation (the "**Company**"), and the holders of the Company's Preferred Stock identified on Exhibit A attached hereto (the "**Investors**"). Other capitalized terms used in this Agreement have the meanings ascribed to them in Section 4.1.

Recitals

WHEREAS, the Company proposes to sell shares of the Company's Series AA Preferred Stock to one or more new investors;

WHEREAS, the Company and certain of the Investors (the "**Existing Investors**") are parties to the Amended and Restated Investor Rights Agreement dated August 2, 2011, by and among the Company and the Investors set forth therein (the "**Prior Rights Agreement**");

WHEREAS, as a condition to purchasing shares of Series AA Preferred Stock, each such new investor shall become a party to this Agreement by executing a countersignature page or joinder to the Agreement and becoming a Stockholder hereunder; and

WHEREAS, the Company and the Investors have mutually agreed to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

Section 1

Restrictions on Transferability of Securities; Registration Rights

1.1 **Restrictions on Transfer**

(a) Each Holder agrees not to make any disposition of all or any portion of the Registrable Securities unless and until (i) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement or (ii) such Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, such Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the

Company, that such disposition will be exempt from registration under the Securities Act. Notwithstanding the foregoing, no such registration statement or opinion of counsel shall be necessary for a transfer without consideration by such Holder:

(i) to a fund, partnership, limited liability company or other entity that is affiliated with such transferring Holder;

(ii) to a partner or member (or retired partner or member) of such transferring Holder, or to the estate of any such partner or member (or retired partner or member);

(iii) to such transferring Holder's spouse, siblings, lineal descendants or ancestors by gift, will or intestate succession; or

(iv) in compliance with Rule 144 (or any successor provision) of the Securities Act so long as the Company is furnished with satisfactory evidence of compliance with such rule;

provided, however, that, in the case of (i), (ii) or (iii), the transferee is not a competitor of the Company as determined in good faith by the Board of Directors and agrees in writing to be subject to the terms hereof to the same extent as if he or she were an original Investor hereunder. Each Holder shall cause any proposed purchaser, assignee, transferee or pledgee of any Registrable Securities held by the Holder to take and hold such securities subject to the provisions and upon the conditions of this Agreement, the Amended and Restated Right of First Refusal and Co-Sale Agreement dated as of August 2, 2011 (the "**Right of First Refusal Agreement**"), the Amended and Restated Voting Agreement dated of even date herewith (the "**Voting Agreement**") and the applicable purchase agreement pursuant to which such Holder acquired the Registrable Securities. Each Holder consents to the Company's making a notation on its records and giving instructions to any transfer agent for its capital stock to implement the restrictions on transfer established in this Agreement, the Right of First Refusal Agreement and Voting Agreement.

(b) Each certificate representing Registrable Securities shall (unless otherwise permitted by the provisions of this Agreement) be stamped or otherwise imprinted with a legend substantially similar to the following (in addition to any legend required under applicable state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "**ACT**") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD OF UP TO 180 DAYS FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT OF THE COMPANY FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR FOR A LONGER PERIOD NOT TO EXCEED 34 DAYS IF THE ISSUER'S TRANSFER AGENT IS NOTIFIED BY THE ISSUER OR THE ISSUER'S COUNSEL THAT THIS LOCK-UP PERIOD RESTRICTION HAS BEEN EXTENDED FOR THE PURPOSE OF COMPLYING WITH NASD RULE 2711(F)(4) OR ANY SUCCESSOR PROVISIONS OR AMENDMENTS THERETO, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

(c) The Company shall be obligated to reissue unlegended certificates at the request of any Holder thereof if the Holder shall have obtained (i) an opinion of counsel at such Holder's expense (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without

(d) registration, qualification or legend, and (ii) delivered such securities to the Company or its transfer agent.

(e) Any legend endorsed on an instrument pursuant to applicable state securities laws and the stop-transfer instructions with respect to such securities shall be removed upon receipt by the Company of an order of the appropriate blue sky authority authorizing such removal.

1.2 **Requested Registration**

(a) **Request for Registration**. If the Company shall receive from Initiating Holders at any time not earlier than the first to occur of (i) one hundred eighty (180) days following the Company's initial public offering and (ii) July 31, 2016, a written request that the Company effect any registration with respect to such number of shares having an aggregate offering price of at least $5,000,000, the Company will:

(i) within thirty (30) days of the receipt of such written request give written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable, use its commercially reasonable efforts to effect such registration (including, without limitation, filing post-effective amendments, appropriate qualifications under applicable blue sky or other state securities laws, and appropriate compliance with the Securities Act) and as would permit or facilitate the sale and distribution of all or such portion of such Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any Holder or Holders joining in such request as are specified in a written request received by the Company within twenty (20) days after such written notice from the Company is mailed or delivered. Notwithstanding anything to the contrary contained herein, if

the registration requested is to be an underwritten offering and if the underwriters have not limited the number of Registrable Securities to be underwritten, the Company shall be entitled, at its election, to join in any such registration with respect to securities to be offered by it or any other party.

The Company shall not be obligated to effect, or to take any action to effect, any such registration pursuant to this Section 1.2:

(A) In any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, qualification, or compliance, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(B) After the Company has initiated two (2) such registrations pursuant to this Section 1.2(a) (counting for these purposes only registrations which have been declared or ordered effective and pursuant to which securities have been sold and registrations which have been withdrawn by the Holders as to which the Holders have not elected to bear the Registration Expenses pursuant to Section 1.4 hereof and would, absent such election, have been required to bear such expenses);

(C) During the period starting with the date of filing, and ending on a date one hundred eighty (180) days after the effective date of, the Company's initial public offering;

(D) If, within thirty (30) days of receipt of any registration request, the Company furnishes to the Holders a notice of the Company's intent to file such a registration statement for a Qualified Public Offering within ninety (90) days of such notice; or

(E) If the Initiating Holders propose to dispose of shares of Registrable Securities which may be immediately registered on Form S-3 pursuant to a request made under Section 1.5 hereof.

(b) Subject to the foregoing clauses, the Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable after receipt of the request or requests of the Initiating Holders; provided, however, that if (i) in the good faith judgment of the Board of Directors of the Company, such registration would be detrimental to the Company and the Board of Directors of the Company concludes, as a result, that it is in the best interests of the Company to defer the filing of such registration statement at such time, and (ii) the Company shall furnish to such Holders within thirty (30) days of receipt of any registration request a certificate signed by an officer of the Company stating that in the good faith judgment of the Board of Directors of the Company, it would be detrimental to the Company for such registration statement to be filed in the near future and that it is, therefore, in the best interests of the Company to defer the filing of such registration statement, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders, and, provided further, that the Company shall not defer its obligation in this manner more than once in any twelve (12) month period.

The registration statement filed pursuant to the request of the Initiating Holders may, subject to the provisions of Sections 1.2(c) and 1.13 hereof, include other securities of the Company, with respect to which registration rights have been granted, and may include securities of the Company being sold for the account of the Company.

(c) **Underwriting.**

(i) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as part of their request and the Company shall include such information in its written notice to the other Holders. The right of any Holder to registration pursuant to Section 1.2 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. Subject to the provisions set forth herein, a Holder may elect to include in such underwriting all or part of the Registrable Securities they hold.

(ii) If the Company shall request inclusion in any registration pursuant to Section 1.2(a) of securities being sold for its own account, or if other persons shall request inclusion in any registration pursuant to Section 1.2(a), the Initiating Holders shall, on behalf of all Holders, offer to include such securities in the underwriting and may condition such offer on their acceptance of the further applicable provisions of this Section 1 (including Section 1.12). The Company shall (together with all Holders and other persons proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected for such underwriting by a majority in interest of the Initiating Holders, which underwriters are reasonably acceptable to the Company. Notwithstanding any other provision of this Section 1.2, if the representative of the underwriters advises the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, the number of shares to be included in the underwriting or registration shall be allocated as set forth in Section 1.13 hereof. If a person who has requested inclusion in such registration as provided above does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company, the underwriter or the Initiating Holders. The securities so excluded shall also be withdrawn from registration. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall also be withdrawn from such registration. If shares are so withdrawn from the registration and if the number of shares to be included in such registration was previously reduced as a result of marketing factors pursuant to this Section 1.2(c), then the Company shall offer to all holders who have retained rights to include securities in the registration the right to include additional securities in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among such Holders requesting additional inclusion in accordance with Section 1.13.

1.3 **Company Registration**

(a) If the Company shall determine to register any of its securities either for its own account or the account of a security holder or holders exercising their respective demand registration rights (other than pursuant to Section 1.2 or 1.5 hereof), other than a registration relating solely to employee benefit plans, a registration relating to the offer and sale of debt securities, or a registration relating to a corporate reorganization or other transaction on Form S-4, or a registration on any registration form that does not permit secondary sales, the Company will:

(i) within fifteen (15) days prior to the filing of any registration statement pursuant thereto give to each Holder written notice thereof; and

(ii) use its commercially reasonable efforts to include in such registration (and any related qualification under blue sky laws or other compliance), except as set forth in Section 1.3(b) below, and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests, made by any Holder and received by the Company within ten (10) days after the written notice from the Company described in clause (i) above is mailed or delivered by the Company. Such written request may specify all or a part of a Holder's Registrable Securities. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein.

(b) Underwriting If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 1.3(a)(i). In such event, the right of any Holder to registration pursuant to this Section 1.3 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other holders of securities of the Company with registration rights to participate therein distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the representative of the underwriter or underwriters selected by the Company.

Notwithstanding any other provision of this Section 1.3, if the representative of the underwriters advises the Company in writing that marketing factors require a limitation on the number of shares to be underwritten, the representative may (subject to the limitations set forth below) exclude all Registrable Securities from, or limit the number of Registrable Securities to be included in, the registration and underwriting, the Company shall so advise all holders of securities requesting registration, and the number of shares of securities that are entitled to be included in the registration and underwriting shall be allocated first to the Company for securities being sold for its own account and thereafter as set forth in Section 1.13; provided, however, that (i) the underwriter may completely cut back any Registrable Securities in connection with the Company's initial public offering so long as such registration does not include shares of any other selling stockholders and

(ii) in connection with any other registration, the underwriter may not cut back the Registrable Securities so that they constitute less than thirty percent (30%) of the shares to be included in such registration. If any person does not agree to the terms of any such underwriting, such person shall be excluded therefrom by written notice from the Company or the underwriter. Any Registrable Securities or other securities excluded or withdrawn from such underwriting shall be withdrawn from such registration. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriter(s) may round the number of shares allocated to any Holder to the nearest 100 shares.

If shares are so withdrawn from the registration and if the number of shares of Registrable Securities to be included in such registration was previously reduced as a result of marketing factors, the Company shall then offer to all persons who have retained the right to include securities in the registration the right to include additional securities in the registration in an aggregate amount equal to the number of shares so withdrawn, with such shares to be allocated among the persons requesting additional inclusion in accordance with Section 1.13 hereof.

(c) **Right to Terminate Registration**. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration.

1.4 **Expenses of Registration** All Registration Expenses incurred in connection with any registration, qualification or compliance pursuant to Sections 1.2, 1.3, and 1.5 hereof shall be borne by the Company. All Selling Expenses relating to securities so registered shall be borne by the holders of such securities *pro rata* on the basis of the number of shares of securities so registered on their behalf, as shall any other expenses in connection with the registration required to be borne by the holders of such securities. The Company shall not, however, be required to pay for expenses of any registration proceeding begun pursuant to Section 1.2 or Section 1.5, the request of which has been subsequently withdrawn by the Holders unless the withdrawal is based upon material adverse information concerning the Company of which the Holders were not aware at the time of such request. If the Holders bear the Registration Expenses for any registration proceeding begun pursuant to Section 1.2 or Section 1.5 and subsequently withdrawn by the Holders registering shares therein, such registration proceeding shall not be counted as a requested registration pursuant to Section 1.2 or Section 1.5 hereof. If the Holders are required to pay the Registration Expenses, such expenses shall be borne by the holders of securities (including Registrable Securities) requesting such registration in proportion to the number of shares for which registration was requested. If the Company is required to pay the Registration Expenses of a withdrawn offering as provided above, then the Holders shall not forfeit their rights pursuant to Section 1.2 or Section 1.5 to a demand registration.

1.5 **Registration on Form S-3**

(a) After its initial public offering, the Company shall use its commercially reasonable efforts to qualify for registration on Form S-3 or any comparable or successor form or forms. After the Company has qualified for the use of Form S-3, in addition to the rights contained in the foregoing provisions of this Section 1, each of the Major Holders shall have the right to

request registrations on Form S-3 (such requests shall be in writing and shall state the number of shares of Registrable Securities to be disposed of and the intended methods of disposition of such shares by such Holder or Holders), provided, however, that the Company shall not be obligated to effect any such registration (i) if the Major Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) on Form S-3 at an aggregate price to the public of less than $l0,000,000, (ii) in the circumstances described in clauses (A) and (C) of Section 1.2(a); (iii) if the Company shall furnish the certification described in Section 1.2(b) (but subject to the limitations set forth therein), or (iv) if, in a given twelve month period, the Company has effected two (2) such registrations.

(b) If a request complying with the requirements of Section 1.5(a) hereof is delivered to the Company, the provisions of Sections 1.2(a)(i) and (ii) and Section 1.2(b) hereof shall apply to such registration. If the registration is for an underwritten offering, the provisions of Sections 1.2(c) hereof shall apply to such registration.

1.6 **Registration Procedures** In the case of each registration effected by the Company pursuant to Section 1, the Company will keep each Holder advised in writing as to the initiation of each registration and as to the completion thereof. At its expense, the Company will use its commercially reasonable efforts to:

(a) Keep such registration effective for a period of one hundred twenty (120) days or until the Holder or Holders have completed the distribution described in the registration statement relating thereto, whichever first occurs;

(b) Prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(c) Furnish such number of prospectuses and other documents incident thereto, including any amendment of or supplement to the prospectus, as a Holder from time to time may reasonably request;

(d) Use commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders; provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) Cause all such Registrable Securities registered pursuant hereunder to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(f) In connection with any underwritten public offering, the Company will enter into an underwriting agreement in form reasonably necessary to effect the offer and sale of Common Stock, provided such underwriting agreement contains reasonable and customary provisions, and provided further, that each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement; provided, further, however, that a Holder will not by any provision in this Agreement be required to enter into any agreement or undertaking in connection with any registration in this Section 1 providing for any indemnification or contribution on the part of the Holder greater than the Holder's obligations under Section 1.7 hereof;

(g) notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, such obligation to continue for ninety (90) days; and

(h) use commercially reasonable efforts to furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to this Section 1, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to this Section 1, if such securities are being sold through underwriters, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering addressed to the underwriters and to the Holders requesting registration of Registrable Securities and (ii) a letter dated such date, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

1.7 **Indemnification**

(a) The Company will indemnify each Holder, each of its officers, directors and partners, members, legal counsel, and accountants and each person controlling such Holder within the meaning of Section 15 of the Securities Act, with respect to which registration, qualification, or compliance has been effected pursuant to this Section 1, and each underwriter, if any, and each person who controls within the meaning of Section 15 of the Securities Act any underwriter, against all expenses, claims, losses, damages, and liabilities (or actions, proceedings, or settlements in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus, offering circular, or other document (including any related registration statement, notification, or the like) incident to any such registration, qualification, or compliance, or based on any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification, or compliance, and the Company will reimburse each such Holder, each of its officers, directors, members, partners,

legal counsel, and accountants and each person controlling such Holder, each such underwriter, and each person who controls any such underwriter, for any legal and any other expenses reasonably incurred in connection with investigating and defending or settling any such claim, loss, damage, liability, or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by such Holder or underwriter and stated to be specifically for use therein. It is agreed that the indemnity agreement contained in this Section 1.7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability, or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld).

(b) Each Holder will, if Registrable Securities held by such Holder are included in the securities as to which such registration, qualification, or compliance is being effected, indemnify the Company, each of its directors, officers, partners, legal counsel, and accountants and each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, each other such Holder and Other Stockholder, and each of their officers, directors, partners, members, and each person controlling such Holder or Other Stockholder, against all claims, losses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular, or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and such Holder will reimburse the Company and such other Holders, Other Stockholders, directors, officers, partners, legal counsel, and accountants, persons, underwriters, or control persons for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular, or other document in reliance upon and in conformity with written information furnished to the Company by such Holder and stated to be specifically for use therein, provided, however, that the obligations of such Holder hereunder shall not apply to amounts paid in settlement of any such claims, losses, damages, or liabilities (or actions in respect thereof) if such settlement is effected without the consent of such Holder (which consent shall not be unreasonably withheld); and provided that in no event shall any indemnity under this Section 1.7 exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder.

(c) Each party entitled to indemnification under this Section 1.7 (the "**Indemnified Party**") shall give notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or any litigation resulting therefrom, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of

any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 1, to the extent such failure is not prejudicial. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If the indemnification provided for in this Section 1.7 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage, or expense referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party hereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, that in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder, except in the case of willful fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 1.7 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1.

1.8 **Information by Holder** Each Holder of Registrable Securities shall furnish to the Company such information regarding such Holder and the distribution proposed by such Holder as the Company may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification, or compliance referred to in this Section 1.

1.9 **Limitations on Subsequent Registration Rights** From and after the date of this Agreement, the Company shall not, without the prior written consent of Holders representing at least fifty-three percent (53%) of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are *pari passu* or senior to the

registration rights granted to the Holders hereunder except for *pari passu* registration rights unanimously approved by the Company's Board of Directors and granted for securities issuable upon the exercise of warrants issued in connection with debt financing by banks or equipment lessors.

1.10 **Rule 144 Reporting** With a view to making available the benefits of certain rules and regulations of the Commission that may permit the sale of the Restricted Securities to the public without registration, the Company agrees to use its commercially reasonable efforts to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 of the Securities Act or any similar or analogous rule promulgated under the Securities Act, at all times after the effective date of the first registration filed by the Company for an offering of its securities to the general public;

(b) File with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at any time after it has become subject to such reporting requirements; and

(c) So long as a Holder owns any Restricted Securities, furnish to the Holder forthwith upon written request: (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 of the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), (ii) a copy of the most recent annual or quarterly report of the Company and (iii) such other reports and documents so filed as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such securities without registration.

1.11 **Transfer or Assignment of Registration Rights** The rights to cause the Company to register securities granted to a Holder by the Company under this Section 1 may be transferred or assigned by a Holder only to a Permitted Transferee, provided that the Company is given written notice at the time of or within a reasonable time after said transfer or assignment, stating the name and address of the transferee or assignee and identifying the securities with respect to which such registration rights are being transferred or assigned, and, provided further, that the transferee or assignee of such rights assumes in writing the obligations of such Holder under this Section 1.

1.12 **"Market Stand-Off" Agreement** Each Holder hereby agrees that such Holder shall not sell, offer, pledge, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, grant any right or warrant to purchase, lend or otherwise transfer or encumber, directly or indirectly, any Common Stock (or other securities) of the Company held by such Holder as of the date of such "lock-up" or "market-standoff" agreement, nor shall the Holder enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) during the one hundred eighty (180) day period following the effective date of a registration statement of the Company filed in connection with the Company's initial public offering under the Securities Act (the "**Lock-Up Period**"); provided that all officers and directors of the Company and holders of at least one percent (1%) of the Company's voting securities are either bound by, or have agreed to be bound

by, similar agreements; and provided further, that, if applicable to the Company, for the purpose of compliance with NASD Rule 2711(f)(4) or any successor provisions or amendments thereto, if (i) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case, Purchaser hereby consents to an extension to the Lock-Up Period until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless such extension is waived in writing. The obligations described in this Section 1.12 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 1.1(b) hereof with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day period. Any discretionary waiver or termination of the restrictions of such "lock-up" or "market-standoff" agreements (including this Agreement) by the Company or the managing underwriter shall apply to all Holders subject to such agreements on a pro rata basis, based upon the number of shares held by such Holder. Each Holder agrees, if so requested by the Company or any representative of the underwriters, to execute such underwriters standard form of "lock-up" or "market standoff" agreement in a form satisfactory to the underwriters and the Company and consistent with the provisions of this Section 1.12.

1.13 **Allocation of Registration Opportunities** Subject to compliance with Sections 1.2(c) and 1.3(b), in any circumstance in which all of the Registrable Securities requested to be included in a registration on behalf of the Holders cannot be so included as a result of limitations of the aggregate number of shares of Registrable Securities that may be so included, the number of shares of Registrable Securities that may be so included shall be allocated among the Holders requesting inclusion of shares *pro rata* on the basis of the number of shares of Registrable Securities that would be held by such Holders, assuming conversion; provided, however, that such allocation shall not operate to reduce the aggregate number of Registrable Securities to be included in such registration, if any Holder does not request inclusion of the maximum number of shares of Registrable Securities allocated to him pursuant to the above-described procedure, in which case the remaining portion of his allocation shall be reallocated among those requesting Holders whose allocations did not satisfy their requests *pro rata* on the basis of the number of shares of Registrable Securities which would be held by such Holders, assuming conversion, and this procedure shall be repeated until all of the shares of Registrable Securities which may be included in the registration on behalf of the Holders have been so allocated. The Company shall not limit the number of Registrable Securities to be included in a registration pursuant to this Agreement in order to include shares held by stockholders with no registration rights pursuant to this Agreement or to include shares of stock issued to founders of the Company or to employees, officers, directors, or consultants pursuant to the Company's stock, option or other equity incentive plans, or in the case of registrations under Sections 1.2 or 1.5 hereof, in order to include in such registration securities registered for the Company's own account, without the consent of Holders holding at least fifty-three percent (53%) of the Registrable Securities.

1.14 **Delay of Registration** No Holder shall have any right to take any action to restrain, enjoin, or otherwise delay any registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.15 **Termination of Registration Rights** The right of any Holder to request registration or inclusion in any registration pursuant to Section 1.2, 1.3 or 1.5 shall terminate on the earlier of (i) such date after the closing of the first registered public offering of Common Stock of the Company as all shares of Registrable Securities held or entitled to be held upon conversion by such Holder, together with its affiliates, may immediately be sold under Rule 144 during any ninety (90)-day period, and (ii) five (5) years after the closing of the Company's initial public offering.

Section 2

Certain Covenants of the Company

The Company hereby covenants and agrees, as follows:

2.1 **Basic Financial Information and Inspection Rights**

(a) **Basic Financial Information**. The Company will furnish the following reports:

(i) to each Major Investor, within ninety (90) days after the end of each fiscal year of the Company, a consolidated balance sheet of the Company and its subsidiaries, if any, as at the end of such fiscal year, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such year, prepared in accordance with generally accepted accounting principles consistently applied, accompanied by a report and opinion thereon by independent public accountants of recognized national standing selected by the Company's Board of Directors;

(ii) to each Major Holder, within forty-five (45) days after the end of the first, second, and third quarterly accounting periods in each fiscal year of the Company, a consolidated balance sheet of the Company and its subsidiaries, if any, as of the end of each such quarterly period, and consolidated statements of income and cash flows of the Company and its subsidiaries, if any, for such period and for the current fiscal year to date, prepared in accordance with generally accepted accounting principles consistently applied and certified by the Company's Chief Financial Officer;

(iii) to each Major Holder, at least thirty (30) days prior to the beginning of each fiscal year a Board-approved operating plan for such fiscal year, forecasting the Company's revenues, expenses and cash position on a month-to-month basis for the upcoming fiscal year;

(iv) to each Major Holder, within thirty (30) days after the end of each month, a monthly unaudited balance sheet and statements of income and cash flows, which also set forth applicable operating plan figures and variances from the plan; and

(v) to each Major Holder, promptly following the end of each quarterly accounting period, a current capitalization table which includes granted and outstanding options during such quarter and which is certified by the Company's Chief Financial Officer.

(b) **Inspection Rights.** The Company will afford to each Major Holder reasonable access during normal business hours to all of the Company's respective properties, books and records. Each Major Holder shall have such other access to management and information as is necessary for it to comply with applicable laws and regulations and reporting obligations. The Company shall not be required to disclose details of contracts with or work performed for specific customers and other business partners where to do so would violate confidentiality obligations to those parties or if the Company determines that withholding such information is reasonably necessary to protect attorney-client privilege. Major Holders may exercise their rights under this Section 2.1(b) only for purposes reasonably related to their interests under this Agreement and related agreements. The rights granted pursuant to this Section 2.1(b) may not be assigned or otherwise conveyed by the Major Holders or by any subsequent transferee of any such rights without the prior written consent of the Company.

2.2 **Confidentiality** Each Holder hereby agrees to hold in confidence and trust and not to misuse or disclose any confidential information provided pursuant to Section 2.1, except that such Holder may disclose such proprietary or confidential information (i) to any partner, subsidiary, parent, advisor, representative or affiliate of such Holder for the purpose of evaluating its investment in, or other possible strategic transaction with, the Company as long as such partner, limited partner, subsidiary, parent, advisor, representative or affiliate is advised of the confidentiality provisions of this Section 2.2 and accepts such information under a similar duty of confidentiality and is not a competitor of the Company, (ii) at such time as it enters the public domain through no fault of such Holder, (iii) that is developed by Holder or its agents independently of and without reference to any confidential information communicated by the Company, (iv) that is in the possession of the Holder at the time of disclosure as shown by the Holder's files and records immediately prior to the time of the disclosure and is not subject to a confidentiality or nondisclosure agreement, (v) is approved in writing for release by the Company, or (vi) is required to be produced by the Holder pursuant to statute, regulation, subpoena, criminal or civil investigative demand or similar process; provided, however, that in the event the Holder is required to make any such production of information, it shall first promptly notify (in writing) the Company so that the Company may have an opportunity to respond to such demand. The Company shall not be required to comply with Section 2.1 in respect of any Holder whom the Board of Directors of the Company determines in good faith to be a competitor of the Company.

2.3 **Employee Stock Plans** The Company hereby agrees that, except as approved by the Board of Directors of the Company or a compensation committee designated by the Board of Directors, (i) shares of Common Stock issued to officers, directors and employees of, or consultants

to, the Company after the date of this Agreement pursuant to stock grants, option plans, purchase plans or other employee stock incentive programs or arrangements will be subject to vesting as follows: 25% to vest at the end of the first year following such issuance, with the remaining 75% to vest monthly over the next three years and (ii) the repurchase option governing stock sold subject to vesting as set forth above shall provide that upon termination of the employment of the stockholder, with or without cause, the Company or its assignee (to the extent permissible under applicable securities law qualification) retains the option to repurchase at cost any unvested shares held by such stockholder.

2.4 **Proprietary Information and Inventions Agreement** The Company shall require all employees and consultants to execute and deliver a Proprietary Information and Inventions Agreement (or similar agreement) substantially in a form approved by the Company's counsel and provided to Investors' counsel or the Board of Directors.

2.5 **Reservation of Common Stock** The Company will at all times reserve and keep available, solely for issuance and delivery upon the conversion of the Preferred Stock, all Common Stock issuable from time to time upon such conversion.

2.6 **Director's Liability and Indemnification**

The Company's Certificate of Incorporation and Bylaws shall provide (a) for elimination of the liability of director to the maximum extent permitted by law and (b) for indemnification of directors for acts on behalf of the Company to the maximum extent permitted by law. Upon the approval by the Board of Directors of the Company, including a majority of the directors designated by the holders of Preferred Stock, the Company shall obtain Director and Officer Liability Insurance in an amount reasonable for a company its size and in its industry as determined by the Company's Board of Directors.

2.7 **Termination of Covenants**

The covenants set forth in this Section 2 (other than Sections 2.2 and 2.6) shall terminate and be of no further force and effect upon the earlier to occur of (i) a Qualified Public Offering or (ii) a Liquidation Event as defined in Article V of the Company's Certificate of Incorporation. Notwithstanding the forgoing, the covenants set forth in Section 2.1 will terminate on the first date on which the Company becomes subject to the reporting requirements of the Exchange Act of 1934.

Section 3

Right of First Refusal

3.1 **Right of First Refusal**

The Company hereby grants to each Major Holder, the right of first refusal to purchase a *pro rata* share of New Securities (as defined in this Section 3.1) which the Company may, from time to time, propose to sell and issue. A Major Holder's "pro rata share", for purposes of this right of

first refusal, is the ratio of the number of shares of Common Stock owned by such Major Holder immediately prior to the issuance of New Securities issued or issuable upon conversion of the Shares, to the total number of shares of Common Stock owned by all Major Holders immediately prior to the issuance of New Securities, assuming full conversion of the Shares and all shares of Preferred Stock then owned by the Major Holders. Each Major Holder shall have a right of over-allotment such that if any Major Holder fails to exercise its right hereunder to purchase its *pro rata* share of New Securities, then the Company shall promptly notify in writing (the "**Company Notice**") the Major Holders who have exercised such rights of the unsubscribed shares of New Securities and shall offer such Major Holders the right to acquire such unsubscribed New Securities on a *pro rata* basis within ten (10) days from the date of receipt of the Company Notice. This right of first refusal shall be subject to the following provisions:

(a) "**New Securities**" shall mean any capital stock (including Common Stock and/or Preferred Stock) of the Company whether now authorized or not, and rights, options or warrants to purchase such capital stock, and securities of any type whatsoever that are, or may become, convertible into capital stock; provided that the term "**New Securities**" does not include:

(i) shares of Common Stock issued or issuable upon conversion of Preferred Stock;

(ii) up to 25,975,000 shares of Common Stock (as presently constituted and subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits and the like) issued or issuable to officers, directors and employees of, or consultants to, the Company pursuant to stock grants, option plans, purchase plans or other employee stock incentive programs or arrangements unanimously approved by the Board of Directors of the Company, or upon exercise of options or warrants granted to such parties pursuant to any such plan or arrangement (provided that any options for such shares that expire or terminate unexercised or any restricted stock repurchased by the Company at cost shall not be counted toward such maximum number unless and until such shares are regranted as new stock grants (or as new options) pursuant to the terms of any such plan, incentive program or arrangement); provided, further that a greater number of shares of Common Stock may be issued pursuant to such plans, incentive programs or arrangements if approved by the Board of Directors of the Company, including at least two (2) of the Preferred Directors;

(iii) shares of Common Stock, options or convertible securities issued to financial institutions or lessors in connection with commercial credit arrangements, equipment financings, commercial property lease transactions or similar transactions approved unanimously by the Board of Directors of the Company;

(iv) shares of Common Stock issued upon the exercise or conversion of options or convertible securities of the Company outstanding as of the date of this Agreement;

(v) shares of Common Stock issued in a Qualified Public Offering;

(vi) shares of Common Stock issued or issuable as a dividend or distribution on Preferred Stock or pursuant to any event for which adjustment is made pursuant to paragraph 4(e), 4(f), 4(g) and 4(h) of the Certificate of Incorporation of the Company;

(vii) shares of Common Stock, options or convertible securities issued in connection with bona fide acquisitions, mergers or similar transactions, the terms of which are approved by the Board of Directors of the Company, including a majority of the directors designated by the holders of Preferred Stock;

(viii) shares of Common Stock issued or issuable to any entity as a component of any business relationship with such entity for the purpose of (A) joint venture, technology licensing or development activities, (B) distribution, supply or manufacture of the Company's products or services or (C) any other arrangement involving corporate partners that are primarily for purposes other than raising capital, the terms of which business relationship with such entity are approved unanimously by the Board of Directors of the Company.

(ix) shares of Common Stock or Preferred Stock of the Company which are otherwise excluded by the affirmative vote or consent of the holders of at least fifty-three percent (53%) of the Registrable Securities;

(x) up to 15,000,000 shares of Series AA Preferred Stock (as presently constituted and subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits and the like); and

(xi) any right, option or warrant to acquire any security convertible into the securities excluded from the definition of New Securities pursuant to subsections (i) through (x) above.

(b) In the event the Company proposes to undertake an issuance of New Securities, it shall give each Holder written notice of its intention, describing the type of New Securities, and their price and the general terms upon which the Company proposes to issue the same. Each Holder shall have fifteen (15) days after any such notice is mailed or delivered to agree to purchase such Holder's pro rata share of such New Securities for the price and upon the terms specified in the notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased.

(c) In the event the Holders fail to exercise fully the right of first refusal within said fifteen (15) day period and after the expiration of the additional ten (10) day period for the exercise of the over-allotment provisions of this Section 3.1, the Company shall have ninety (90) days thereafter to sell or enter into an agreement (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within ninety (90) days from the date of said agreement) to sell the New Securities respecting which the Holders' right of first refusal option set forth in this Section 3.1 was not exercised, at a price and upon terms no more favorable to the purchasers thereof than specified in the Company's notice to the Holders pursuant to Section 3.1(b). In the event the Company has not sold within such ninety (90) day period or entered into an agreement to sell the

New Securities in accordance with the foregoing within sixty (60) days from the date of said agreement, the Company shall not thereafter issue or sell any New Securities, without first again offering such securities to the Holders in the manner provided in Section 3.1(b) above.

(d) The right of first refusal granted under this Agreement shall expire and be of no further force and effect upon a Qualified Public Offering or a Liquidation Event as defined in Article V of the Company's Certificate of Incorporation.

(e) The right of first refusal set forth in this Section 3.1 may only be assigned or transferred pursuant to the provisions relating to the transfer of registration rights set forth in Section 1.11 hereof.

(f) The right of first refusal set forth in this Section 3.1 shall not be applicable with respect to any Holder and any subsequent securities issuance, if (i) at the time of such subsequent securities issuance, the Holder is not an "accredited investor," as that term is defined in Rule 501(a) under the Securities Act, and (ii) such subsequent securities issuance is otherwise being offered only to accredited investors.

Section 4

Miscellaneous

4.1 **Certain Definitions** As used in this Agreement, the following terms shall have the meanings set forth below:

(a) **"Commission"** shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(b) **"Exchange Act"** shall mean the Securities Exchange Act of 1934, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(c) **"Holder"** shall mean any Investor who holds Registrable Securities and any holder of Registrable Securities to whom the registration rights conferred by this Agreement have been transferred in compliance with Section 1.1 and Section 1.11 hereof.

(d) **"Indemnified Party"** is defined in Section 1.7(c).

(e) **"Indemnifying Party"** is defined in Section 1.7(c).

(f) **"Initiating Holders"** shall mean any Holder or Holders who in the aggregate hold at least fifty percent (50%) of the outstanding Registrable Securities.

(g) **"Major Investor"** shall mean any Holder (or group of affiliated Holders) who owns at least 3,000,000 shares of Series A Preferred Stock, 10,000,000 shares of Series B Preferred Stock, 1,398,601 shares of Series C Preferred Stock or 2,500,000 shares of Series AA Preferred Stock (in each case, as presently constituted and subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits and the like), or at least such number of shares of Common Stock issued upon conversion of 3,000,000 shares of Series A Preferred Stock, 10,000,000 shares of Series B Preferred Stock, 1,398,601 shares of Series C Preferred Stock or 2,500,000 shares of Series AA Preferred Stock (in each case, as presently constituted and subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits and the like).

(h) **"Major Holder"** shall mean any Holder (or group of affiliated Holders) that is either (i) a Major Investor by virtue of its ownership of Series A Preferred Stock, Series B Preferred Stock or Series C Preferred Stock or (ii) who owns at least 5,000,000 shares of Series AA Preferred Stock (as presently constituted and subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits and the like) or at least such number of shares of Common Stock issued upon conversion of 5,000,000 shares of Series AA Preferred Stock (as presently constituted and subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits and the like).

(i) **"New Securities"** shall have the meaning set forth in Section 3.1(a) hereto.

(j) **"Other Stockholders"** shall mean persons other than Holders who, by virtue of agreements with the Company, are entitled to include their securities in certain registrations hereunder.

(k) **"Permitted Transferee"** shall mean (i) any subsidiary, parent, general partner, limited partner, member or retired partner or member of any Investor, (ii) any family member of an Investor or trust for the benefit of any individual Investor, (iii) any Investor, (iv) an affiliate of an Investor or (v) any transferee who acquires at least 3,000,000 shares of the Registrable Securities (as presently constituted and subject to subsequent adjustments for stock splits, stock dividends, reverse stock splits and the like) held by the transferring Holder immediately before such transfer; provided, however, that a Permitted Transferee may not be a competitor of the Company as determined in good faith by the Company's Board of Directors.

(l) **"Preferred Directors"** shall have the meaning set forth in the Company's Amended and Restated Certificate of Incorporation, as then in effect.

(m) **"Qualified Public Offering"** shall mean the closing of the Company's initial public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale of the Company's Common Stock to the public pursuant to which all outstanding Preferred Stock is converted into Common Stock pursuant to the terms of Article V Section 4(b) of the Company's Amended and Restated Certificate of Incorporation, as then in effect.

(n) **"Registrable Securities"** shall mean (i) shares of Common Stock issued or issuable pursuant to the conversion of the Shares and (ii) any Common Stock issued as a dividend or other distribution with respect to or in exchange for or in replacement of the shares referenced in (i) above; provided, however, that Registrable Securities shall not include any shares of Common Stock which have previously been registered or which have been sold to the public either pursuant to a registration statement or Rule 144, or which have been sold in a private transaction in which the transferor's rights under this Agreement are not assigned.

(o) The terms **"register," "registered"** and **"registration"** shall refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of the effectiveness of such registration statement.

(p) **"Registration Expenses"** shall mean all expenses incurred in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification, and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, fees and disbursements of one (1) counsel for the Holders, blue sky fees and expenses, and expenses of any regular or special audits incident to or required by any such registration, but shall not include Selling Expenses for the Holders, and the compensation of regular employees of the Company, which shall be paid in any event by the Company.

(q) **"Restricted Securities"** shall mean any Registrable Securities required to bear the first legend set forth in Section 1.1(b) hereof.

(r) **"Rule 144"** shall mean Rule 144 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(s) **"Rule 145"** shall mean Rule 145 as promulgated by the Commission under the Securities Act, as such Rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(t) **"Securities Act"** shall mean the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(u) **"Selling Expenses"** shall mean all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of one (1) counsel for the Holders included in Registration Expenses).

(v) **"Shares"** shall mean the Company's Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series AA Preferred Stock.

4.2 **Amendment** Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Holders holding at least fifty-three percent (53%) of the Registrable Securities (excluding any of such shares that have been sold to the public or pursuant to Rule 144); provided, however, that Investors purchasing shares of Series AA

Preferred Stock after the date hereof may become parties to this Agreement without any amendment of this Agreement pursuant to this paragraph or any consent or approval of any other Holder. Any such amendment, waiver, discharge or termination effected in accordance with this paragraph shall be binding upon each Holder and each future holder of all such securities of Holder. Each Holder acknowledges that by the operation of this paragraph, the holders of at least fifty-three percent (53%) of the Registrable Securities (excluding any of such shares that have been sold to the public or pursuant to Rule 144) will have the right and power to diminish or eliminate all rights of such Holder under this Agreement. In addition, the Company may waive performance of any obligation owing to it, as to some or all of the Holders, or agree to accept alternatives to such performance, without obtaining the consent of any Holder. In the event that an underwriting agreement contains terms differing from this Agreement, as to any such Holder the terms of such underwriting agreement shall govern.

4.3 **Notices** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, or otherwise delivered by hand or by messenger addressed:

(a) if to a Holder, at such Holder's address as shown in the Company's records, as may be updated in accordance with the provisions hereof, with a copy to Kenneth Clark, Wilson Sonsini Goodrich & Rosati Professional Corporation, 650 Page Mill Road, Palo Alto, California 94304, facsimile number (650) 493-6811; or

(b) if to any other holder of any Shares or the underlying Common Stock, at such address as shown in the Company's records, or, until any such holder so furnishes an address to the Company, then to and at the address of the last holder of such Shares or underlying Common Stock for which the Company has contact information in its records; or

(c) if to the Company, one copy should be sent to its address set forth on the cover page of this Agreement and addressed to the attention of the Chief Executive Officer, or at such other address as the Company shall have furnished to the Holders, with a copy to Michael W. Hall, Latham & Watkins LLP, 140 Scott Drive, California 94025, facsimile number (650) 463-2600.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given when delivered if delivered personally, or, if sent by mail, at the earlier of its receipt or 72 hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid.

4.4 **Governing Law** This Agreement shall be governed in all respects by the internal laws of the State of California as applied to agreements entered into among California residents to be performed entirely within California, without regard to principles of conflicts of law.

4.5 **Successors and Assigns** This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by any Holder without the prior written consent of the Company, except to a Permitted Transferee. Except as set forth in the preceding sentence, any attempt by a Holder to assign, transfer, delegate or sublicense

any rights, duties or obligations that arise under this Agreement shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties.

4.6 **Waiver of Right of First Refusal** By signing this Agreement, the Existing Investors, representing at least sixty percent (60%) of the Registrable Securities (excluding any of such shares that have been sold to the public pursuant to Rule 144) immediately prior to the date of this Agreement, hereby waive the Right of First Refusal set forth in Section 3 of the Prior Rights Agreement and any notice requirements related thereto with respect to the Company's issuance and sale of shares of Series AA Preferred Stock.

4.7 **Entire Agreement** The Company and the Existing Investors representing more than sixty percent (60%) of the Registrable Securities held by all Holders (excluding any of such shares that have been sold to the public or pursuant to Rule 144) hereby amend and restate the Prior Rights Agreement with this Agreement pursuant to Section 4.2 of the Prior Rights Agreement. This Agreement and the exhibits hereto, the Purchase Agreement and the documents delivered pursuant thereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof. No party hereto shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein. Each party expressly represents and warrants that it is not relying on any oral or written representations, warranties, covenants or agreements outside of this Agreement.

4.8 **Delays or Omissions** Except as expressly provided herein, no delay or omission to exercise any right, power or remedy accruing to any party to this Agreement upon any breach or default of any other party under this Agreement shall impair any such right, power or remedy of such non-defaulting party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any party to this Agreement, shall be cumulative and not alternative.

4.9 **Severability** Unless otherwise expressly provided herein, the rights of the Holders hereunder are several rights, not rights jointly held with any of the other Holders. In the event that any provision of this Agreement 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, and the parties agree to negotiate, in good faith, a legal and enforceable substitute provision which most nearly effects the parties' intent in entering into this Agreement.

4.10 **Titles and Subtitles** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

4.11 **Counterparts; Execution by Facsimile** This Agreement may be executed in any number of counterparts, each of, which shall be enforceable against the parties that execute such counterparts, and all of which together shall constitute one instrument. This Agreement may be executed via facsimile.

4.12 **Jurisdiction; Venue** With respect to any disputes arising out of or related to this Agreement, the parties consent to the exclusive jurisdiction of, and venue in, the state courts in Santa Clara County in the State of California (or in the event of exclusive federal jurisdiction, the courts of the Northern District of California).

4.13 **Further Assurances** Each party hereto agrees to execute and deliver, by the proper exercise of its corporate, limited liability company, partnership or other powers, all such other and additional instruments and documents and do all such other acts and things as may be necessary to more fully effectuate this Agreement.

4.14 **Attorney's Fees** In the event that any suit or action is instituted under or in relation to this Agreement, including without limitation to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

4.15 **Aggregation** All shares held or acquired by affiliated persons, funds and entities and constituent partners and members will be aggregated for the purpose of determining the availability of any rights under this Agreement.

(SIGNATURE PAGES TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Investors' Rights Agreement effective as of the day and year first above written.

"COMPANY"

RESTORATION ROBOTICS, INC.

a Delaware corporation

By: /s/ Jim McCollum
Name: Jim McCollum
Title: CEO
Address: 128 Baytech Drive
San Jose, CA 95134

Clarus Lifesciences II, LP
By its General Partner, Clarus Ventures II GP, LP
By its General Partner, Clarus Ventures II, LLC

/s/ Kurt Wheeler
By: Kurt Wheeler
Managing Director

[Signature Page to Restoration Robotics, Inc. Amended and Restated Investor Rights Agreement]

InterWest Partners IX, LP
By: InterWest Management Partners IX, LLC its general partner

/s/ Gilbert H. Kliman
By: Gilbert H. Kliman, Managing Director

[Signature Page to Restoration Robotics, Inc. Amended and Restated Investor Rights Agreement]

ALLOY VENTURES 2005, L.P.
by Alloy Ventures 2005, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2005, LLC, the General Partner of Alloy Ventures 2005, L.P.

ALLOY VENTURES 2002, L.P.
by Alloy Ventures 2002, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2002, LLC, the General Partner of Alloy Ventures 2002, L.P.

ALLOY PARTNERS 2002, L.P.
by Alloy Ventures 2002, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2002, LLC, the General Partner of Alloy Partners 2002, L.P.

SUTTER HILL VENTURES,
a California Limited Partnership

By: /s/ Jeffrey W. Bird
Name: Jeffrey W. Bird
Title: Managing Partner of the General Partner

/s/ Frederic H. Moll

Frederic H. Moll

[Signature Page to Restoration Robotics, Inc. Amended and Restated Investor Rights Agreement]

The McCollum Living Trust dtd 11/24/1998,
James W. McCollum, trustee

/s/ James McCollum
James McCollum, Trustee

[Signature Page to Restoration Robotics, Inc. Amended and Restated Investor Rights Agreement]

HKT CO., LTD.

BY: /s/ Hui Hwang
NAME: Hui Hwang
TITLE: CEO & President

[Signature Page to Restoration Robotics, Inc. Amended and Restated Investor Rights Agreement]

EXHIBIT A

INVESTORS

Name and Address

Clarus Lifesciences II, L.P.
801 Gateway Boulevard, Suite 410
South San Francisco, CA 94080

InterWest Partners IX, LP
Attn: Gil Kliman
2710 Sand Hill Road, Second Floor
Menlo Park, CA 94025
Phone: (650) 854-8585
Fax: (650) 854-4706
###############
###############

Alloy Partners 2002, L.P.
Attn: Legal
400 Hamilton Avenue #400, 4th Floor
Palo Alto, CA 94301
Phone: (650) 687-5000
Fax: (650) 687-5010
###############
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###############

Alloy Ventures 2002, L.P.
Attn: Legal
400 Hamilton Avenue #400, 4th Floor
Palo Alto, CA 94301
Phone: (650) 687-5000
Fax: (650) 687-5010
###############
###############
###############

Alloy Ventures 2005, L.P.
Attn: Legal
400 Hamilton Avenue #400, 4th Floor
Palo Alto, CA 94301
Phone: (650) 687-5000
Fax: (650) 687-5010
###############
###############
###############

EXHIBIT A

INVESTORS

Name and Address

Sutter Hill Ventures, A California Limited
Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854
###############
###############

David L. Anderson, Trustee of The Anderson Living
Trust U/A/D 1/22/98
c/o Sutter Hill Ventures, A California Limited
Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

G. Leonard Baker, Jr. and Mary Anne Baker,
Co-Trustees of The Baker Revocable Trust U/A/D 2/3/03
c/o Sutter Hill Ventures, A California Limited
Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

Saunders Holdings, L.P.
Attn: G. Leonard Baker, Jr.
c/o Sutter Hill Ventures, A California Limited
Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

EXHIBIT A

INVESTORS

Name and Address

Yovest, L.P.
Attn: William H. Younger, Jr.
c/o Sutter Hill Ventures, A California Limited
Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

William H. Younger, Jr., Trustee of
The William H. Younger, Jr. Revocable Trust
U/A/D 08/05/09
c/o Sutter Hill Ventures, A California Limited
Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

Tench Coxe and Simone Otus Coxe, Co-Trustees of The Coxe
Revocable Trust U/A/D 4/23/98
c/o Sutter Hill Ventures, A California Limited
Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

Rooster Partners, LP
Attn: Tench Coxe
c/o Sutter Hill Ventures, A California Limited
Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

EXHIBIT A

INVESTORS

Name and Address

Gregory P. Sands and Sarah J.D. Sands as Trustees of Gregory P. Sands and Sarah J.D. Sands Trust Agreement dated 2/24/99
Attn: Gregory P. Sands
c/o Sutter Hill Ventures, A California Limited Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

James C. Gaither, Trustee of the Gaither Revocable Trust U/A/D 9/28/2000
Attn: James C. Gaither
c/o Sutter Hill Ventures, A California Limited Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

Tallack Partners, L.P.
Attn: James C. Gaither
c/o Sutter Hill Ventures, A California Limited Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

James N. White and Patricia A. O'Brien as Trustees of The White Family Trust U/A/D 4/3/97
Attn: James N. White
c/o Sutter Hill Ventures, A California Limited Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

EXHIBIT A

INVESTORS

Name and Address

Jeffrey W. Bird and Christina R. Bird as Trustees of Jeffrey W. and Christina R. Bird Trust Agreement dated 10/31/00
Attn: James W. Bird
c/o Sutter Hill Ventures, A California Limited Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

Andrew T. Sheehan and Nicole J. Sheehan as Trustees of Sheehan 2003 Trust
Attn: Andrew T. Sheehan
c/o Sutter Hill Ventures, A California Limited Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

David E. Sweet and Robin T. Sweet as Trustees of The David and Robin Sweet Living Trust Dated 7/6/04
c/o Sutter Hill Ventures, A California Limited Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

Patricia Tom
c/o Sutter Hill Ventures, A California Limited Partnership
Attn: Robert Yin
755 Page Mill Road, Suite A-200
Palo Alto, CA 94304
Phone: (650) 493-5600
Fax: (650) 858-1854

EXHIBIT A

INVESTORS

Name and Address

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
Sherryl W. Casella
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
David L. Anderson
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Wells Fargo Bank, N.A. FBO
G. Leonard Baker, Jr. Roth IRA
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
Tench Coxe
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

EXHIBIT A

INVESTORS

Name and Address

Wells Fargo Bank, N.A. FBO Tench Coxe Roth IRA
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
David E. Sweet (Rollover)
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
Lynne B. Graw (Rollover)
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
Diane J. Naar
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

EXHIBIT A

INVESTORS

Name and Address

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
Yu-Ying Chen (Rollover)
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
Patricia Tom (Rollover)
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Wells Fargo Bank, N.A. FBO SHV Profit Sharing Plan FBO
Robert Yin
Wells Fargo Bank, N.A., Trustee
Attn: Tom Thurston
600 California Street 12th Floor
MAC A0193-120
San Francisco, CA 94108
Phone: ### ### ####
Fax: ### ### ####
Email: ###############

Frederic H. Moll
######
#####
###############

Thomas J. Fogarty Separate Property Trust DTD 2/6/87
Attn: Chris Schaffer
####
####### ###### ## #####
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EXHIBIT A

INVESTORS

Name and Address

The McCollum Living Trust dtd 11/24/1998,
James W. McCollum, trustee
####
######## ## #####
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RESTORATION ROBOTICS, INC.

SECOND AMENDMENT TO STOCKHOLDER AGREEMENTS

This Second Amendment to the Stockholder Agreements (this "**Amendment**") is made and entered into as of May 29, 2015 (the "**Effective Date**"), by and among Restoration Robotics, Inc., a Delaware corporation (the "**Company**") and the parties set forth on the signature pages hereto, and amends (i) that certain Amended and Restated Voting Agreement, dated as of February 7, 2013, by and among the Company and each of the Investors and Holders (as such terms are defined therein) thereunder, as amended by that certain Amendment to Stockholder Agreements, dated as of November 8, 2013, by and among the Company and the parties listed on the signature pages thereto (such amendment, the "**First Amendment**," and together as amended, the "**Voting Agreement**"), (ii) that certain Amended and Restated Investors' Rights Agreement, dated February 7, 2013, by and among the Company and the Investors (as such term is defined therein) thereunder, as amended by the First Amendment (together as amended, the "**Rights Agreement**"), and (iii) that certain Amended and Restated Right of First Refusal and Co-Sale Agreement, dated August 2, 2011, by and among the Investors and Holders (as such terms are defined therein) thereunder, as amended by the First Amendment (together as amended, the "**Co-Sale Agreement**" and together with the Voting Agreement and Rights Agreement, the "**Stockholder Agreements**")).

RECITALS

WHEREAS, the Company intends to offer shares of the Company's Series C Preferred Stock, par value $0.0001 per share ("**Series C Preferred Stock**") to certain investors (the "**Additional Investors**") pursuant to that certain 2015 Series C Preferred Stock Purchase Agreement with the purchasers named therein, dated as of May 29, 2015 (as may be amended from time to time, the "**Purchase Agreement**").

WHEREAS, pursuant to the Purchase Agreement, the Company may issue up to an aggregate of Twelve Million Dollars ($12,000,000.00) of Series C Preferred Stock to be sold in one or more closings.

WHEREAS, pursuant to the Purchase Agreement, the Company has agreed to amend its Stockholder Agreements to reflect the additional Series C Preferred Stock that may be sold under the Purchase Agreement and provide for the joinder of the Additional Investors to the Stockholder Agreements as holders of Series C Preferred Stock.

WHEREAS, pursuant to Section 16 of the Voting Agreement, the Voting Agreement may be amended only by a written agreement executed by the Company and those Investors (as such term is defined therein) holding at least sixty percent (60%) of the Common Stock (as defined in the Voting Agreement) issued or issuable upon conversion of the Senior Preferred Stock (as defined in the Voting Agreement) of the Company held by all Investors, subject to certain terms and conditions as set forth therein (the "**Voting Agreement Amendment Requirement**").

WHEREAS, pursuant to Section 4.2 of the Rights Agreement, neither the Rights Agreement nor any term thereof may be amended, waived, discharged or terminated other than by a written instrument referencing the Rights Agreement and signed by the Company and the Holders (as defined therein) holding at least fifty-three percent (53%) of the Registrable Securities (as defined in the Rights Agreement), subject to certain terms and conditions as set forth therein (the "**Rights Agreement Amendment Requirement**").

WHEREAS, pursuant to Section 9(D) of the Co-Sale Agreement, neither the Co-Sale Agreement nor any term thereof may be amended, waived, discharged or terminated other than by a written instrument referencing the Co-Sale Agreement and signed by the Company and those Investors holding at least sixty-one percent (61%) of the Common Stock (as defined in the Co-Sale Agreement) issued or issuable upon conversion of the Preferred Stock (as defined in the Co-Sale Agreement) of the Company held by all Investors, subject to certain terms and conditions as set forth therein (the "**Co-Sale Amendment Requirement**" and together with the Voting Agreement Amendment Requirement and the Rights Agreement Amendment Requirement, the "**Amendment Requirements**").

WHEREAS, the execution of this Amendment by the Company and the undersigned will satisfy the Amendment Requirements.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Amendments to Voting Agreement.

(a) The fourth recital is hereby amended and restated in its entirety to read as follows:

"**WHEREAS**, from time to time the Company may issue additional shares of its Series C Preferred Stock to one or more parties pursuant to one or more purchase agreements as may be in effect from time to time, and the purchasers of such Series C Preferred Stock shall, as a condition to such purchase and contingent upon such purchase of shares of Series C Preferred Stock pursuant to such agreement, become a party to this Agreement as an Investor hereunder."

(b) The first paragraph of Section 3(a) is hereby amended and restated in its entirety to read as follows:

"(a) In the event that (i) the holders of at least a majority of the outstanding shares of Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock (collectively, the "**Senior Preferred Stock**") voting together as a single class on an as- converted to Common Stock basis (the "**Requisite Preferred Holders**") and (ii) the Company's Board of Directors approve a transaction or series of related transactions constituting a Liquidation Event (as defined in the Company's Certificate of Incorporation, as may be amended from time to time) (a "**Corporate Transaction**"), then each of the Stockholders agrees:"

(c) Section 4(iii) is hereby amended and restated in its entirety to read as follows:

"(iii) the mutual agreement of the Company, the Holders holding a majority of the Shares then held by the Holders, and those Investors holding at least a majority of the Senior Preferred Stock then held by the Investors; or"

(d) Section 7(b) is hereby amended and restated in its entirety to read as follows:

"(b) **To the Company**. If to the Company, to its address or facsimile number set forth on the signature page of this Agreement, addressed to the attention of the Chief Executive Officer, or to such other address or facsimile number as the Company shall have furnished to the Investors and Holders, with a copy to Brian J. Cuneo, Esq., Latham & Watkins LLP, 140 Scott Drive, California 94025, facsimile number (650) 463-2600; or"

(e) Section 12(b) is hereby amended and restated in its entirety to read as follows:

"(b) those Investors holding at least a majority of the Common Stock issued or issuable upon conversion of the Senior Preferred Stock of the Company held by all Investors."

(f) The first sentence of Section 16 is hereby amended and restated in its entirety to read as follows:

"This Agreement may be amended only by a written agreement executed by (i) the Company and (ii) those Investors holding at least a majority of the Common Stock issued or issuable upon conversion of the Senior Preferred Stock of the Company held by all Investors; provided, that with respect to the Holders' obligations and rights under this Agreement, any amendments to such obligations and rights which materially and adversely affect the Holders will require the written consent of those Holders holding at least a majority of the outstanding Common Stock held by such Holders; provided, further, that no consent of any Holder shall be necessary for any amendment and/or restatement which merely includes additional Investors as parties hereto or other stockholders as "Holders" and as parties hereto and does not materially increase such Holder's obligations hereunder other than the increase in the number of shares as a result of the addition of such additional Investor and/or Holder; provided, further, that investors purchasing shares of Series AA Preferred Stock may become parties to this Agreement without any amendment of this Agreement pursuant to this paragraph or any consent or approval of any other Holder; provided, further, that any amendment to, or waiver of, the provisions of Section 2(a)(i) or Section 2(b)(i) herein with respect to the rights granted to Clarus shall require the written consent of each Stockholder affiliated with Clarus."

2. Amendment to Rights Agreement.

(a) The third recital of the Rights Agreement is hereby amended and restated in its entirety as follows:

"**WHEREAS**, from time to time the Company may issue additional shares of its Series C Preferred Stock to one or more parties pursuant to one or more purchase agreements as may be in effect from time to time, and the purchasers of such Series C Preferred Stock shall, as a condition to such purchase and contingent upon such purchase of shares of Series C Preferred Stock pursuant to such agreement, become a party to this Agreement as an Investor hereunder;"

(b) Section 1.9 of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

"From and after the date of this Agreement, the Company shall not, without the prior written consent of Holders representing at least a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are *pari passu* or senior to the registration rights granted to the Holders hereunder except for *pari passu* registration rights unanimously approved by the Company's Board of Directors and granted for securities issuable upon the exercise of warrants issued in connection with debt financing by banks or equipment lessors."

(c) The last sentence of Section 1.13 of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

"The Company shall not limit the number of Registrable Securities to be included in a registration pursuant to this Agreement in order to include shares held by stockholders with no registration rights pursuant to this Agreement or to include shares of stock issued to founders of the Company or to employees, officers, directors, or consultants pursuant to the Company's stock, option or other equity incentive plans, or in the case of registrations under Sections 1.2 or 1.5 hereof, in order to include in such registration securities registered for the Company's own account, without the consent of Holders holding at least a majority of the Registrable Securities."

(d) Section 3.1(a)(ii) of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

"shares of Common Stock (as presently constituted and subject to subsequent adjustment for stock splits, stock dividends, reverse stock splits and the like) issued or issuable to officers, directors and employees of, or consultants to, the Company pursuant to stock grants, option plans, purchase plans or other employee stock incentive programs or arrangements unanimously approved by the Board of Directors of the Company, or upon exercise of options or warrants granted to such parties pursuant to any such plan or arrangement (provided that any options for such shares that expire or terminate unexercised or any restricted stock repurchased by the Company at cost shall not be counted toward such maximum number unless and until such shares are regranted as new stock grants (or as new options) pursuant to the terms of any such plan, incentive program or arrangement); provided, further that a greater number of shares of Common Stock may be issued pursuant to such plans, incentive programs or arrangements if approved by the Board of Directors of the Company, including at least two (2) of the Preferred Directors;"

(e) Section 3.1(a)(ix) of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

"(ix) shares of Common Stock or Preferred Stock of the Company which are otherwise excluded by the affirmative vote or consent of the holders of at least a majority of the Registrable Securities;"

(f) Section 4.2 of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

"**Amendment.** Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by the Company and the Holders holding at least a majority of the Registrable Securities (excluding any of such shares that have been sold to the public or pursuant to Rule 144); provided, however, that Investors purchasing shares of Series AA Preferred Stock or Series C Preferred Stock after the date hereof may become parties to this Agreement without any amendment of this Agreement pursuant to this paragraph or any consent or approval of any other Holder. Any such amendment, waiver, discharge or termination effected in accordance with this paragraph shall be binding upon each Holder and each future holder of all such securities of Holder. Each Holder acknowledges that by the operation of this paragraph, the holders of at least a majority of the Registrable Securities (excluding any of such shares that have been sold to the public or pursuant to Rule 144) will have the right and power to diminish or eliminate all rights of such Holder under this Agreement. In addition, the Company may waive performance of any obligation owing to it, as to some or all of the Holders, or agree to accept alternatives to such performance, without obtaining the consent of any Holder. In the event that an underwriting agreement contains terms differing from this Agreement, as to any such Holder the terms of such underwriting agreement shall govern."

(g) Section 4.3(c) of the Rights Agreement is hereby amended and restated in its entirety to read as follows:

"(c) if to the Company, one copy should be sent to its address set forth on the cover page of this Agreement and addressed to the attention of the Chief Executive Officer, or at such other address as the Company shall have furnished to the Holders, with a copy to Brian J. Cuneo, Esq., Latham & Watkins LLP, 140 Scott Drive, California 94025, facsimile number (650) 463-2600."

3. Amendment to Co-Sale Agreement.

(a) A new third recital of the Co-Sale Agreement is hereby added to read as follows:

"**WHEREAS**: The Company proposes to sell additional shares of the Company's Series C Preferred Stock to certain new Investors (the "**New Series C Investors**", and collectively with the Initial Series C Investors, the "**Series C Investors**") pursuant to one or more purchase agreements as may be in effect from time to time, and the New Series C Investors shall, as a condition to the purchase and contingent upon such purchase of shares of Series C Preferred Stock pursuant to such agreement, become a party to this Agreement as an Investor hereunder;"

(b) Section 8(A) of the Co-Sale Agreement is hereby amended and restated in its entirety to read as follows:

"**Termination**. The Investors' Right of First Refusal and Right of Co-Sale will terminate upon the earliest to occur of (i) a Qualified IPO, (ii) the date on which this Agreement is terminated by a writing executed by holders of a majority of the Common Stock issued or issuable upon conversion of the Preferred Stock then held by the Investors or (iii) a Liquidation Event as defined in Article V of the Company's Certificate of Incorporation. The Company's Right of First Refusal will terminate upon the earliest to occur of (i) a written election of the Company pursuant to an action by the Board of Directors (ii) the occurrence of any of (i) or (iii) in the preceding sentence."

(c) Section 8(B) of the Co-Sale Agreement is hereby amended and restated in its entirety to read as follows:

"**Waiver**. Any waiver by a party of its rights hereunder will be effective only if evidenced by a written instrument executed by such party or its authorized representative; provided that one or more Investors holding at least a majority of the Common Stock issued or issuable upon conversion of the Preferred Stock may waive in writing any of the rights of all Investors hereunder, either prospectively or retroactively."

(d) Section 9(A)(4) of the Co-Sale Agreement is hereby amended and restated in its entirety to read as follows:

"(4) if to the Company, one copy should be sent to 128 Baytech Drive, San Jose, California 95134 and addressed to the attention of the Chief Executive Officer, or at such other address as the Company shall have furnished to the Investors, with a copy to Brian J. Cuneo, Esq., Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California 94025, facsimile number (650) 463-2600."

(e) The first sentence of Section 9(D) of the Co-Sale Agreement is hereby amended and restated in its entirety to read as follows:

"D. **Amendment**. Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by (i) the Company and (ii) those Investors holding at least a majority of the Common Stock issued or issuable upon conversion of the Preferred Stock of the Company held by all Investors; provided, that with respect to the Holders' obligations under this Agreement, any amendments to such obligations and rights which materially and adversely affect the Holders will require the written consent of those Holders holding at least a majority of the outstanding Common Stock held by such Holders; provided, further, that no consent of any Holder shall be necessary for any amendment and/or restatement which merely includes additional Investors as parties hereto or other stockholders as "Holders" and as parties hereto and does not materially increase such Holder's obligations hereunder other than the increase in the number of shares as a result of the addition of such additional Investor and/or Holder; provided, further, that Investors purchasing shares pursuant to the Purchase Agreement after the date hereof may become parties to this Agreement without any amendment of this Agreement pursuant to this paragraph or any consent or approval of any other Investor or Holder."

(f) The last sentence of Section 9(D) of the Co-Sale Agreement is hereby amended and restated in its entirety to read as follows:

"Each Investor acknowledges that by the operation of this paragraph, the holders of at least a majority of the Common Stock issued or issuable upon conversion of the Preferred Stock held by all Investors will have the right and power to diminish or eliminate all rights of such Investor under this Agreement."

4. Joinder of Additional Investors to the Stockholder Agreements. The undersigned hereby acknowledge and agree that, immediately upon, and contingent to, the issuance of shares of Series C Preferred Stock to Additional Investors pursuant to the Purchase Agreement, such Additional Investors shall deliver a countersignature page or joinder agreement to the Stockholder Agreements and thereby become a party to each of the Stockholder Agreements, as amended hereby.

5. Effectiveness of Amendment. This Amendment shall be effective as of the Effective Date.

6. Reference to and Effect on the Stockholder Agreements. On or after the date hereof, each reference in the Stockholder Agreements, as applicable, to "this Agreement," "hereunder," "herein" or words of like import shall mean and be a reference to the Stockholder Agreements, as applicable, as amended hereby. No reference to this Amendment need be made in any instrument or document at any time referring to the Stockholder Agreements, as applicable, a reference to the Stockholder Agreements, as applicable, in any of such to be deemed a reference to the Agreements, as applicable, as amended hereby.

7. No Other Amendments. Except as set forth herein, the Voting Agreement, the Rights Agreement and the Co-Sale Agreement shall each remain in full force and effect in accordance with their respective terms.

8. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

9. Titles and Subtitles. The titles and subtitles used in this Amendment are used for convenience only and are not to be considered in construing or interpreting this Amendment.

10. Governing Law. This Amendment and all acts and transactions pursuant hereto and the rights of obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California without regard to its choice of laws principles.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

"COMPANY"

RESTORATION ROBOTICS, INC.
a Delaware corporation

By: /s/ James McCollum
Name: James McCollum
Title: Chief Executive Officer

[SIGNATURE PAGE TO RESTORATION ROBOTICS, INC. SECOND AMENDMENT TO STOCKHOLDER AGREEMENTS]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

Clarus Lifesciences II, LP
By its General Partner, Clarus Ventures II GP, LP
By its General Partner, Clarus Ventures II, LLC

/s/ Kurt Wheeler
By: Kurt Wheeler
Managing Director

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

InterWest Partners IX, LP
By: InterWest Management Partners IX, LLC
its general partner

/s/ Gilbert H. Kliman
By: Gilbert H. Kliman, Managing Director

[SIGNATURE PAGE TO RESTORATION ROBOTICS, INC. SECOND AMENDMENT TO STOCKHOLDER AGREEMENTS]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTORS:

ALLOY VENTURES 2005, L.P.
by Alloy Ventures 2005, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2005, LLC, the General Partner of Alloy Ventures 2005, L.P.

ALLOY VENTURES 2002, L.P.
by Alloy Ventures 2002, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2002, LLC, the General Partner of Alloy Ventures 2002, L.P.

ALLOY PARTNERS 2002, L.P.
by Alloy Ventures 2002, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2002, LLC, the General Partner of Alloy Partners 2002, L.P.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

SUTTER HILL VENTURES,
a California Limited Partnership

By: Sutter Hill Ventures, L.L.C.
Its: General Partner

By: /s/ Jeffrey W. Bird
Name: Jeffrey W. Bird
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTORS:

JEFFREY W. BIRD AND CHRISTINA R. BIRD AS TRUSTEES OF JEFFREY W. AND CHRISTINA R. BIRD TRUST AGREEMENT DATED 10/31/00

By: /s/ Jeffrey W. Bird
Jeffrey W. Bird, Trustee

THE BIRD 2011 IRREVOCABLE CHILDREN'S TRUST

By: /s/ Jeffrey W. Bird
Jeffrey W. Bird, Trustee

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

/s/ Frederic H. Moll
Frederic H. Moll

[SIGNATURE PAGE TO RESTORATION ROBOTICS, INC. SECOND AMENDMENT TO STOCKHOLDER AGREEMENTS]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

The McCollum Living Trust dtd 11/24/1998,
James W. McCollum, trustee

/s/ James McCollum
James McCollum, trustee

[SIGNATURE PAGE TO RESTORATION ROBOTICS, INC. SECOND AMENDMENT TO STOCKHOLDER AGREEMENTS]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

/s/ Hany Awadalla
Hany Awadalla

[SIGNATURE PAGE TO RESTORATION ROBOTICS, INC. SECOND AMENDMENT TO STOCKHOLDER AGREEMENTS]

RESTORATION ROBOTICS, INC.

AMENDMENT TO STOCKHOLDER AGREEMENTS

This Amendment (this "**Amendment**") is made and entered into as of November 8, 2013 (the "**Effective Date**"), and amends that certain Amended and Restated Voting Agreement, dated as of February 7, 2013 (the "**Voting Agreement**") by and among Restoration Robotics, Inc., a Delaware corporation (the "**Company**"), and each of the Investors and Holders (as such terms are defined therein) thereunder, that certain Amended and Restated Investors' Rights Agreement, dated February 7, 2013 (the "**Rights Agreement**") by and among the Company and the Investors (as such term is defined therein) thereunder, and that certain Amended and Restated Right of First Refusal and Co-Sale Agreement, dated August 2, 2011 (the "**Co-Sale Agreement**" and together with the Voting Agreement and Rights Agreement, the "**Stockholder Agreements**")) by and among the Investors and Holders (as such terms are defined therein) thereunder.

RECITALS

WHEREAS, the Company intends to offer to certain of its existing investors ("**Existing Investors**") and new investors ("**New Investors**") pursuant to that certain Series C Preferred Stock Purchase Agreement with the purchasers named therein, as of November 8, 2013 (as may be amended from time to time, the "**Purchase Agreement**") shares of the Company's Series C Preferred Stock, par value $0.0001 per share ("**Series C Preferred Stock**").

WHEREAS, pursuant to the Purchase Agreement, the Company may issue up to an aggregate of Twenty-Five Million Dollars ($25,000,000.00) of Series C Preferred Stock to be sold in one or more closings.

WHEREAS, pursuant to the Purchase Agreement, the Company has agreed to amend its Stockholder Agreements to reflect the additional Series C Preferred Stock that may be sold under the Purchase Agreement and provide for the joinder of the New Investors to the Stockholder Agreements as holders of Series C Preferred Stock.

WHEREAS, pursuant to Section 16 of the Voting Agreement, the Voting Agreement may be amended only by a written agreement executed by the Company and those Investors holding at least sixty percent (60%) of the Common Stock (as defined in the Voting Agreement) issued or issuable upon conversion of the Senior Preferred Stock (as defined in the Voting Agreement) of the Company held by all Investors (the "**Voting Agreement Amendment Requirement**").

WHEREAS, pursuant to Section 4.2 of the Rights Agreement, neither the Rights Agreement nor any term thereof may be amended, waived, discharged or terminated other than by a written instrument referencing the Rights Agreement and signed by the Company and the Holders holding at least fifty-three percent (53%) of the Registrable Securities (as defined in the Rights Agreement) (the "**Rights Agreement Amendment Requirement**").

WHEREAS, pursuant to Section 9(D) of the Co-Sale Agreement, neither the Co-Sale Agreement nor any term thereof may be amended, waived, discharged or terminated other than by a written instrument referencing the Co-Sale Agreement and signed by the Company and those Investors holding at least sixty-one percent (61%) of the Common Stock (as defined in the Co-Sale Agreement) issued or issuable upon conversion of the Preferred Stock (as defined in the Co-Sale Agreement) of the Company held by all Investors (the "**Co-Sale Amendment Requirement**" and together with the Voting Agreement Amendment Requirement and the Rights Agreement Amendment Requirement, the "**Amendment Requirements**").

WHEREAS, the execution of this Amendment by the Company and the undersigned will satisfy the Amendment Requirements.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Amendments to Voting Agreement.

(a) The first and fourth recital of the Voting Agreement are hereby deleted in their entirety.

(b) A new fifth recital to the Voting Agreement is hereby added to read as follows:

"**WHEREAS**, from time to time the Company may issue additional shares of its Series C Preferred Stock to one or more parties pursuant to that certain Series C Preferred Stock Purchase Agreement, dated as of November 8, 2013 and the purchasers of such Series C Preferred Stock shall, as a condition to such purchase and contingent upon such purchase of shares of Series C Preferred Stock, become a party to this Agreement as an Investor and Voting Party hereunder;"

2. Amendment to Rights Agreement.

(a) The first recital of the Rights Agreement is hereby deleted in its entirety.

(b) The third recital of the Rights Agreement is hereby amended and restated in its entirety as follows:

"**WHEREAS**, from time to time the Company may issue additional shares of its Series C Preferred Stock to one or more parties pursuant to that certain Series C Preferred Stock Purchase Agreement, dated as of November 8, 2013 and the purchasers of such Series C Preferred Stock shall, as a condition to such purchase and contingent upon such purchase of shares of Series C Preferred Stock, become a party to this Agreement as an Investor hereunder;"

3. Amendment to Co-Sale Agreement.

(a) The second recital of the Co-Sale Agreement is hereby amended and restated in its entirety to read as follows:

"**WHEREAS**: The Company and certain of the Investors are parties to the that certain Series C Preferred Stock Purchase Agreement dated as of August 2, 2011 (the "**Purchase Agreement**");"

(b) A new third recital of the Co-Sale Agreement is hereby added to read as follows:

"**WHEREAS**: The Company proposes to sell additional shares of the Company's Series C Preferred Stock to certain new Investors (the "**New Series C Investors**", and collectively with the Initial Series C Investors, the "**Series C Investors**") pursuant to the Series C Preferred Stock Purchase Agreement dated as of November 8, 2013 (the "**Series C Extension Purchase Agreement**") and the New Series C Investors shall, as a condition to the purchase and contingent upon such purchase of shares of Series C Preferred Stock, become a party to this Agreement as an Investor hereunder;"

(c) Section 9(A)(1) of the Co-Sale Agreement is hereby amended and restated in its entirety to read as follows:

"(1) if to an Investor, at the Investor's address as shown in the Company's records, as may be updated in accordance with the provisions hereof."

(d) Section 9(A)(4) of the Co-Sale Agreement is hereby amended and restated in its entirety to read as follows:

"(1) if to the Company, one copy should be sent to 128 Baytech Drive, San Jose, California 95134 and addressed to the attention of the Chief Executive Officer, or at such other address as the Company shall have furnished to the Investors, with a copy to Michael W. Hall, Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California 94025, facsimile number (650) 463-2600."

4. Joinder of New Investors to the Stockholder Agreements. The undersigned hereby acknowledge and agree that, immediately upon, and contingent to, the issuance of shares of Series C Preferred Stock to New Investors, such New Investors shall deliver a countersignature page or joinder agreement to the Stockholder Agreements and thereby become a party to each of the Stockholder Agreements, as amended hereby.

5. Effectiveness of Amendment. This Amendment shall be effective as of the Effective Date.

6. Reference to and Effect on the Stockholder Agreements. On or after the date hereof, each reference in the Stockholder Agreements, as applicable, to "this Agreement," "hereunder," "herein" or words of like import shall mean and be a reference to the Stockholder Agreements, as applicable, as amended hereby. No reference to this Amendment need be made in any instrument or document at any time referring to the Stockholder Agreements, as applicable, a reference to the Stockholder Agreements, as applicable, in any of such to be deemed a reference to the Agreements, as applicable, as amended hereby.

7. No Other Amendments. Except as set forth herein, the Voting Agreement, the Rights Agreement and the Co-Sale Agreement shall each remain in full force and effect in accordance with their respective terms.

8. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

9. Titles and Subtitles. The titles and subtitles used in this Amendment are used for convenience only and are not to be considered in construing or interpreting this Amendment.

10. Governing Law. This Amendment and all acts and transactions pursuant hereto and the rights of obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California without regard to its choice of laws principles.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

"COMPANY"

RESTORATION ROBOTICS, INC.
a Delaware corporation

By: /s/ Jim McCollum
Name: Jim McCollum
Title: CEO

[SIGNATURE PAGE TO RESTORATION ROBOTICS, INC. AMENDMENT TO STOCKHOLDER AGREEMENTS]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

Clarus Lifesciences II, LP
By its General Partner, Clarus Ventures II GP, LP
By its General Partner, Clarus Ventures II, LLC

/s/ Kurt Wheeler
By: Kurt Wheeler
Managing Director

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

InterWest Partners IX, LP
By: InterWest Management Partners IX, LLC its general partner

/s/ Nina Kjellson
By: Nina Kjellson, Managing Director

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

ALLOY VENTURES 2005, L.P.
by Alloy Ventures 2005, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2005, LLC, the General Partner of Alloy Ventures 2005, L.P.

ALLOY VENTURES 2002, L.P.
by Alloy Ventures 2002, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2002, LLC, the General Partner of Alloy Ventures 2002, L.P.

ALLOY PARTNERS 2002, L.P.
by Alloy Ventures 2002, LLC
its General Partner

By: /s/ Douglas E. Kelly
Name: Douglas E. Kelly
Title: Managing Member of Alloy Ventures 2002, LLC, the General Partner of Alloy Partners 2002, L.P.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

SUTTER HILL VENTURES,
a California Limited Partnership

By: Sutter Hill Ventures, L.L.C.
Its: General Partner

By: /s/ Jeffrey W. Bird
Name: Jeffrey W. Bird
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

Wells Fargo Bank, N.A. FBO
SHV Profit Sharing Plan FBO Diane J. Naar
(Rollover)

By: /s/ Thomas M. Thurston
Wells Fargo Bank, N.A., Trustee
By: Thomas M. Thurston, Vice President

Wells Fargo Bank, N.A. FBO
SHV Profit Sharing Plan FBO Robert Yin

By: /s/ Thomas M. Thurston
Wells Fargo Bank, N.A., Trustee
By: Thomas M. Thurston, Vice President

Wells Fargo Bank, N.A. FBO
SHV Profit Sharing Plan FBO Yu-Ying Chen
(Rollover)

By: /s/ Thomas M. Thurston
Wells Fargo Bank, N.A., Trustee
By: Thomas M. Thurston, Vice President

Wells Fargo Bank, N.A. FBO
SHV Profit Sharing Plan FBO Patricia Tom
(Rollover)

By: /s/ Thomas M. Thurston
Wells Fargo Bank, N.A., Trustee
By: Thomas M. Thurston, Vice President

Wells Fargo Bank, N.A. FBO
SHV Profit Sharing Plan FBO
David L. Anderson

By: /s/ Thomas M. Thurston
Wells Fargo Bank, N.A., Trustee
By: Thomas M. Thurston, Vice President

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

Wells Fargo Bank, N.A. FBO
G. Leonard Baker, Jr. Roth IRA

By: /s/ Thomas M. Thurston
Wells Fargo Bank, N.A., Trustee
By: Thomas M. Thurston, Vice President

[SIGNATURE PAGE TO RESTORATION ROBOTICS, INC. AMENDMENT TO STOCKHOLDER AGREEMENTS]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

INVESTOR:

/s/ Frederic H. Moll

Frederic H. Moll

[SIGNATURE PAGE TO RESTORATION ROBOTICS, INC. AMENDMENT TO STOCKHOLDER AGREEMENTS]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS, AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF ARTICLE 4 BELOW, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO RULE 144 OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

FORM OF WARRANT TO PURCHASE STOCK

Company:	Restoration Robotics, Inc., a Delaware corporation
Number of Shares:	
Class of Stock:	Series C Preferred Stock
Warrant Price:	per share (Subject to adjustment as provided in this Warrant, including but not limited to Section 1.6)
Issue Date:	
Expiration Date:	
Warrant Number:	

THIS WARRANT TO PURCHASE STOCK (THIS "WARRANT") CERTIFIES THAT, for good and valuable consideration, the receipt of which is hereby acknowledged, NATIONAL SECURITIES CORPORATION, or its assignee ("Holder"), is entitled to purchase the number of fully paid and nonassessable shares of the class of securities (the "Shares") of RESTORATION ROBOTICS, INC. (the "Company") at the Warrant Price, all as set forth above and as adjusted pursuant to the terms of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

ARTICLE 1
EXERCISE

1.1 Method of Exercise. Holder may exercise this Warrant by a duly executed Notice of Exercise in substantially the form attached as Appendix I to the principal office of the Company (or such other appropriate location as Holder is so instructed by the Company). Holder shall also deliver to the Company a check, wire transfer (to an account designated by the Company), or exercise via Net Issuance (as set forth in Addendum 1) or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 [Reserved].

1.3 Delivery of Certificate and New Warrant. Within 30 days after Holder exercises this Warrant and the Company receives payment of the aggregate Warrant Price, the Company shall deliver to Holder certificates for the Shares acquired and, if this Warrant has not been fully exercised and has not expired, a new warrant with respect to the Shares not so acquired.

1.4 Replacement of Warrants. In the case of loss, theft or destruction of this Warrant, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company at its expense shall execute and deliver, in lieu of this Warrant, a new warrant of like tenor.

1.5 Acquisition of the Company.

1.5.1 "Acquisition." For the purpose of this Warrant, "Acquisition" means (a) any sale, license, or other disposition of all or substantially all of the assets (including intellectual property) of the Company, or (b) any reorganization, consolidation, merger, sale of the voting securities of the Company or other transaction or series of related transactions where the holders of the Company's securities before the transaction or series of related transactions beneficially own less than fifty percent (50%) of the outstanding voting securities of the surviving entity after the transaction or series of related transactions (other than in connection with a bona fide sale or issuance of securities of the Company for capital raising purposes).

1.5.2 Treatment of Warrant in the Event of an Acquisition. The Company shall give Holder written notice at least ten (10) days prior to the closing of any proposed Acquisition.

(a) If the Acquirer assumes this Warrant, then this Warrant shall be exercisable for the same securities, cash, and property as would be payable for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on the record date for the Acquisition and subsequent closing. The Warrant Price shall be adjusted accordingly, and the Warrant Price and number and class of Shares shall continue to be subject to adjustment from time to time in accordance with the provisions hereof.

(b) If the Acquirer does not affirmatively agree to assume this Warrant, then in connection with the Acquisition, the Company shall give Holder written notice at least ten (10) days prior to the closing of the Acquisition of such fact. In such event, notwithstanding any other provision of this Warrant to the contrary, Holder may immediately exercise this Warrant in the manner specified in this Warrant with such exercise effective immediately prior to closing of the Acquisition. Notwithstanding the foregoing in the event of an Acquisition (other than an Excluded Acquisition (as defined below)) if (A) the Holder has elected not to exercise the Warrant and (B) the Acquirer refuses to assume this Warrant in connection with such Acquisition, the Company shall have the option to cancel the Warrant in exchange for cash consideration equal to the product of (i) the number of Shares issuable hereunder and (ii) two (2) times the Warrant Price (as adjusted) ("Cancellation Option") payable upon the closing of such Acquisition; *provided, however,* if the Acquirer has agreed to assume any other warrants of the Company exercisable for shares of the Company's preferred stock, the Holder shall have the option to either accept the Cancellation Option or require that the Acquirer assume this Warrant Agreement. Subject to the foregoing proviso, in the event the Company exercises the Cancellation Option, this Warrant will terminate immediately prior to the closing of an Acquisition.

(c) As used herein, an "Excluded Acquisition" means, an Acquisition where the consideration that the holders of the Shares are entitled to receive on account of the Shares consists entirely of cash and/or shares of common stock that are publicly traded on a national exchange. This Warrant shall be automatically net exercised in the event of an Excluded Acquisition in accordance with Section 4.1, or otherwise expire immediately prior to the closing of an Excluded Acquisition.

1.6 Adjustment in Warrant Price. If after the Issue Date the Company sells or issues to any investors Series D Preferred Stock at a price per share lower than the Original Issue Price (as defined in the Certificate of Incorporation (as defined below)) for a share of Series C Preferred Stock, the Warrant Price of this Warrant shall, concurrent with the issuance of such shares of Series D Preferred Stock, automatically be adjusted to instead be equal to the per share purchase price of such Series D Preferred Stock.

ARTICLE 2
ADJUSTMENTS TO THE SHARES

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend on its common stock payable in common stock, or other securities, or subdivides the outstanding common stock into a greater amount of common stock, then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without cost to Holder, the total number and kind of securities to which Holder would have been entitled had Holder owned the Shares of record as of the date the dividend or subdivision occurred.

2.2 Reclassification, Exchange or Substitution. Upon any reclassification, exchange, substitution, or other event that results in a change of the number and/or class of the securities issuable upon exercise or conversion of this Warrant, Holder shall be entitled to receive, upon exercise or conversion of this Warrant, the number and kind of securities and property that Holder would have received for the Shares if this Warrant had been exercised immediately before such reclassification, exchange, substitution, or other event. Such an event shall include any automatic conversion of the outstanding or issuable securities of the Company of the same class or series as the Shares to common stock pursuant to the terms of the Company's Certificate of Incorporation upon the closing of a registered public offering of the Company's common stock. The Company or its successor shall promptly issue to Holder a new warrant for such new securities or other property. The new warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article 2 including, without limitation, adjustments to the Warrant Price, the number of securities or property issuable upon exercise of the new warrant and expiration date. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, substitutions, or other events.

2.3 Adjustments for Combinations, Etc. If the outstanding Shares are combined or consolidated, by reclassification, reverse split or otherwise, into a lesser Number of Shares, the Warrant Price shall be proportionately increased. If the outstanding Shares are split or multiplied, by reclassification or otherwise, into a greater Number of Shares, the Warrant Price shall be proportionately decreased.

2.4 Adjustments for Diluting Issuances. In the event of the issuance (a "Diluting Issuance") by the Company, after the Issue Date of this Warrant, of securities at a price per share less than the Warrant Price, other than an issuance of Series D Preferred Stock contemplated in Section 1.6 above, then the number of shares of common stock issuable upon conversion of the Shares shall be adjusted in accordance with those provisions of the Company's Amended and Restated Certificate of Incorporation (as may be amended from time to time, the "Certificate of Incorporation"), a copy of which has been provided to the National Securities (as defined below), which apply to Diluting Issuances as if the Shares were outstanding on the date of such Diluting Issuance. The provisions set forth for the Shares in the Company's Certificate of Incorporation relating to the above in effect as of the Issue Date may not be amended, modified or waived, without the prior written consent of Holder unless such amendment, modification or waiver affects the rights associated with the Shares in the same manner as such amendment, modification or waiver affects the rights associated with all other shares of the same series and class as the Shares granted to the Holder Under no circumstances shall the aggregate Warrant Price payable by the Holder upon exercise of this Warrant increase as a result of any adjustment arising from a Diluting Issuance.

2.5 No Impairment. The Company shall not, by amendment of its Certificate of Incorporation or through a reorganization, transfer of assets, consolidation, merger, dissolution, issue, or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Warrant by the Company, but shall at all times in good faith assist in carrying out all the provisions of this Article 2 and in taking all such action as may be necessary or appropriate to protect Holder's rights under this Article 2 against impairment. Notwithstanding the foregoing, nothing shall prohibit the Company from amending its Certificate of Incorporation with the requisite consent of its Board of Directors and Stockholders, and the Company shall not have been deemed to have impaired Holder's rights hereunder, if it amends its Certificate of Incorporation, if the holders of the Company's capital stock consent to such amendment or waive their rights thereunder so long as such amendment or waiver affects the Shares in the same manner as such amendment or waiver affects the other shares of the same series and class of stock as the Shares (without taking into account the particular circumstances of any holder of such series and class of stock).

2.6 Certificate as to Adjustments. Upon each adjustment of the Warrant Price, the Company at its expense shall promptly compute such adjustment, and furnish Holder with a certificate signed by its Chief Financial Officer setting forth such adjustment and the facts upon which such adjustment is based. The Company shall, upon written request, furnish Holder a certificate setting forth the Warrant Price in effect upon the date thereof and the series of adjustments leading to such Warrant Price.

2.7 Fractional Shares. No fractional Shares shall be issuable upon exercise of this Warrant and the Number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise of this Warrant, the Company shall eliminate such fractional share interest by paying Holder an amount in cash computed by multiplying the fractional interest by the fair market value, as determined by the Company's Board of Directors, of a full Share.

ARTICLE 3
REPRESENTATIONS AND COVENANTS OF THE COMPANY

3.1 Representations and Warranties. The Company hereby represents and warrants to, and agrees with, the Holder as follows:

3.1.1 The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which the Series C Preferred Stock was last sold for cash consideration prior to the Issue Date.

3.1.2 All Shares which may be issued upon the exercise of the purchase right represented by this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and nonassessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein, as provided in the Rights Agreement (as defined below) or under applicable federal and state securities laws.

3.1.3 The Company's capitalization table delivered to Holder as of the Issue Date is true and complete as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon its stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend; (b) to offer for subscription pro rata to the holders of any class or series of its stock any additional shares of stock of any class or series or other rights; (c) to effect any reclassification or recapitalization of stock; or (d) to merge or consolidate with or into any other corporation, or sell, lease, license, or convey all or substantially all of its assets, or to liquidate, dissolve or wind up, then, in connection with each such event, the Company shall give Holder (1) at least twenty (20) days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of stock will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above; and (2) in the case of the matters referred to in (c) and (d) above at least ten (10) days prior written notice of the date when the same will take place (and specifying the date on which the holders of stock will be entitled to exchange their stock for securities or other property deliverable upon the occurrence of such event). Upon request, the Company shall provide Holder with such information reasonably necessary for Holder to evaluate its rights as a holder of this Warrant or Warrant Shares in the case of matters referred to (a), (b), (c) and (d) herein above.

3.3 Information Rights. So long as the Holder holds this Warrant and/or any of the Shares, the Company shall deliver to the Holder (a) promptly after mailing, copies of all communications, information and/or communiqués to the shareholders of the Company, (b) within one hundred eighty (180) days after the end of each fiscal year of the Company, the annual audited financial statements of the Company certified by independent public accountants of recognized standing and (c) within forty-five (45) days after the end of each of the first three quarters of each fiscal year, the Company's quarterly, unaudited financial statements. In addition, and without limiting the generality of the foregoing, so long as the Holder holds this Warrant and/or any of the Shares, the Company shall afford to the Holder the same access to information concerning the Company and its business and financial condition as would be afforded to a holder of the class of Shares under applicable state law and/or any agreement with any holder of the class of Shares. The information rights set forth in this Article 3.3 shall terminate and be of no further force and effect upon the earlier of (a) the closing of the Company's initial public offering of its Common Stock pursuant an effective registration statement filed under the Act and (b) the consummation of a Liquidation Event (as defined in the Certificate of Incorporation).

3.4 Registration Under the Act. The Company agrees that the Shares or, if the Shares are convertible into common stock of the Company, such common stock, shall be deemed "Registrable Securities" under the terms of the that certain Amended and Restated Investors' Rights Agreement between the Company and its investors dated as of February 7, 2013, as amended to date (as may be amended from time to time, the "Rights Agreement"), a copy of which has been provided to the National Securities. The Company agrees that no amendments will be made to

the Agreement that would have an adverse impact on Holder's registration rights thereunder without the consent of Holder, unless such amendment, modification or waiver affects the rights associated with the Shares in the same manner as such amendment, modification or waiver affects the rights associated with other shares of the same class as the Shares (without taking into account the particular circumstances of any holder of shares). Holder shall be deemed to be a party to the Agreement solely for the purpose of the above-mentioned registration rights.

3.5 Market "Stand-Off Agreement". Holder hereby agrees that it shall not sell, offer, pledge, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, grant any right or warrant to purchase, lend or otherwise transfer or encumber, directly or indirectly, any Common Stock (or other securities) of the Company held by such Holder as of the date of such "lock-up" or "market-standoff" agreement, nor shall the Holder enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) during the one hundred eighty (180) day period following the effective date of a registration statement of the Company filed in connection with the Company's initial public offering under the Securities Act (the "Lock-Up Period"); provided, that, if applicable to the Company, for the purpose of compliance with NASD Rule 2711(f)(4) or any successor provisions or amendments thereto, if (i) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case, Purchaser hereby consents to an extension to the Lock-Up Period until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless such extension is waived in writing. The obligations described in this Section 3.5 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with a legend with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day period. Holder agrees, if so requested by the Company or any representative of the underwriters, to execute such underwriters standard form of "lock-up" or "market standoff agreement in a form satisfactory to the underwriters and the Company and consistent with the provisions of this Section 3.5.

ARTICLE 4
INVESTMENT REPRESENTATIONS AND WARRANTIES

With respect to the acquisition of this Warrant and any of the Shares, Holder hereby represents and warrants to, and agrees with, the Company as follows:

4.1 Purchase Entirely for Own Account. This Warrant is issued to Holder in reliance upon Holder's representation to the Company that this Warrant and the Shares (and the shares of Common Stock issuable upon conversion of the Shares) will be acquired for investment for Holder's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof other than to a National Securities Affiliate (as defined below), and that Holder has no present intention of selling, granting any participation in, or otherwise distributing the same other than to a National Securities Affiliate. By executing this Warrant, Holder further represents that Holder does not have any contract, undertaking, agreement or arrangement with any person, other than a National Securities Affiliate, to sell, transfer or grant participations to such person or to any third person with respect to any of the Shares.

4.2 Reliance upon Holder's Representations. Holder understands that this Warrant and the Shares are not registered under the Act on the ground that the issuance of such securities is exempt from registration under the Act, and that the Company's reliance on such exemption is predicated on Holder's representations set forth herein.

4.3 Accredited Investor Status. Holder represents to the Company that Holder is an Accredited Investor (as defined in the Act).

4.4 Restricted Securities. Holder understands that this Warrant and the Shares are "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such federal securities laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

ARTICLE 5
MISCELLANEOUS

5.1 Term; Exercise Upon Expiration. This Warrant is exercisable in whole or in part, at any time and from time to time on or before the Expiration Date set forth above. The Company agrees that Holder may terminate this Warrant, upon notice to the Company, at any time in its sole discretion. To the extent this Warrant is not previously exercised as to all of the Shares subject hereto, and if the fair market value of one Share is greater than the Warrant Price then in effect, this Warrant shall be deemed automatically exercised pursuant Net Issuance (as set forth below in Addendum 1) (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one Share upon such expiration shall be determined pursuant to Section A (3) of the Addendum 1. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section, the Company agrees to notify the Holder, within a reasonable period of time, of the number of Shares, if any, the Holder is to receive by reason of such automatic exercise.

5.2 Legends. This Warrant and the Shares (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) shall be imprinted with a legend in substantially the following form:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS, AND, EXCEPT AND PURSUANT TO THE PROVISIONS OF ARTICLE 5 OF THE WARRANT, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO RULE 144 OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issuable upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part without compliance with applicable federal and state securities laws by the transferor and the transferee. The Company shall not require National Securities Corporation ("National Securities") or a National Securities Affiliate (as defined herein) to provide an opinion of counsel or investment representation letter if the transfer is to any affiliate of National Securities ("National Securities Affiliate").

5.4 Transfer Procedure. Subject to the provisions of Section 5.3, Holder may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any) by giving the Company notice of the portion of this Warrant being transferred setting forth the name, address and taxpayer identification number of the transferee and surrendering this Warrant to the Company for reissuance to the transferee(s) (and Holder, if applicable); provided, however, that Holder may transfer all or part of this Warrant to its affiliates, at any time without notice or the delivery of any other instrument to the Company, and such affiliate shall then be entitled to all the rights of Holder under this Warrant and any related agreements, and the Company shall cooperate fully in ensuring that any stock issued upon exercise of this Warrant is issued in the name of the affiliate that exercises this Warrant. The terms and conditions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the holders hereof and their respective permitted successors and assigns.

5.5 Notices. All notices and other communications from the Company to the Holder, or vice versa, shall be deemed delivered and effective when given personally or mailed by first-class registered or certified mail, postage prepaid, or sent via a nationally recognized overnight courier service (such as, but not limited to, Federal Express, DHL or UPS), fee prepaid, or on the first business day after transmission by facsimile, at such address or facsimile number as may have been furnished to the Company or the Holder, as the case may be, in writing by the Company or such Holder from time to time. Effective upon the receipt of executed Warrant and initial transfer

described in Article 4 above, all notices to the Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

National Securities Corporation
Attn: Hany S. Awadalla, Managing Director
410 Park Avenue, 14th Floor
New York, NY 10022
Phone: (646) 237-3431
Fax: (212)380-2828

All notices to the Company shall be addressed as follows:

Restoration Robotics, Inc.
Attn: Chief Financial Officer
128 Baytech Drive
San Jose, CA 95134
Facsimile No._____

With a copy to (which copy shall not constitute notice):

Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025
Attn: Michael Hall and Brian Cuneo
Facsimile No. (650) 463-2600

5.6 Amendments; Waiver. This Warrant and any term hereof may be amended, changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such amendment, change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.9 Counterparts. This Warrant may be executed in counterparts, all of which taken together shall constitute one and the same instrument

[Remainder of Page Intentionally Left Blank]

The undersigned executed this Warrant as of the date and year first above written.

RESTORATION ROBOTICS, INC.
a Delaware corporation

By: _____
Name:
Title:

NATIONAL SECURITIES CORPORATION

By: _____
Name: _____
Title: _____

APPENDIX I

NOTICE OF EXERCISE

1. The undersigned hereby elects to purchase _____ shares of the _____ stock of **Restoration Robotics, Inc.,** a Delaware corporation, pursuant to the terms of the attached Warrant, and:

(a) _____ tenders herewith payment of the purchase price of such shares in full; or

(b) _____ elects to exercise its net issuance rights pursuant to the terms of the attached Warrant with respect to _____ shares of [Series __ Preferred Stock][Common Stock].

2. Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name as is specified below:

National Securities Corporation
Attn: Hany S. Awadalla, Managing Director
410 Park Avenue, 14th Floor
New York, NY 10022
Phone: (646) 237-3431
Fax: (212) 380-2828

3. The undersigned represents it is acquiring the shares solely for its own account and not as a nominee for any other party and not with a view toward the resale or distribution thereof except in compliance with applicable securities laws, and hereby confirms the representations and warranties set forth in Article 4 of the attached Warrant.

NATIONAL SECURITIES CORPORATION or
Assignee

_____
(Signature)

_____
(Name and Title)

_____
(Date)

ADDENDUM 1
(Net Issuance)

A. Right to Convert Warrant into Stock: Net Issuance.

(1) Net Issuance Right. In addition to and without limiting the rights of the Holder under the terms of this Warrant, the Holder shall have the right to convert this Warrant or any portion thereof (the ***"Net Issuance Right")*** into Shares as provided in this Section A at any time or from time to time during the term of this Warrant. Upon exercise of the Net Issuance Right with respect to a particular number of shares subject to this Warrant (the ***"Converted Warrant Shares"),*** the Company shall deliver to the Holder (without payment by the Holder of any exercise price or any cash or other consideration) that number of shares of fully paid and nonassessable Shares as is determined according to the following formula:

$$X = \frac{A - B}{Y}$$

Where: X = the number of Shares that shall be issued to Holder

Y = the fair market value of one Share

A = the aggregate fair market value of the specified number of Converted Warrant Shares *(i.e.,* the number of Converted Warrant Shares *multiplied by* the fair market value of one Converted Warrant Share)

B = the aggregate Warrant Price of the specified number of Converted Warrant Shares immediately prior to the exercise of the Net Issuance Right *(i.e.,* the number of Converted Warrant Shares *multiplied by* the Warrant Price)

No fractional shares shall be issuable upon exercise of the Net Issuance Right, and, if the number of shares to be issued determined in accordance with the foregoing formula is other than a whole number, the Company shall pay to the Holder an amount in cash equal to the fair market value of the resulting fractional share on the Conversion Date (as hereinafter defined). For purposes of this Addendum of this Warrant, shares issued pursuant to the Net Issuance Right shall be treated as if they were issued upon the exercise of this Warrant.

(2) Exercise of Net Issuance Right. The Net Issuance Right may be exercised by the Holder by the surrender of this Warrant at the principal office of the Company together with a written statement (which may be in the form of Appendix I) specifying that the Holder thereby intends to exercise the Net Issuance Right and indicating the number of shares subject to this Warrant which are being surrendered (referred to as the Converted Warrant Shares) in exercise of the Net Issuance Right. Such conversion shall be effective upon receipt by the Company of this Warrant together with the aforesaid written statement, or on such later date as is specified therein (the ***"Conversion Date"),*** and, at the election of the Holder, may be made contingent upon the closing of the sale of the Company's Common Stock to the public in a public offering (a ***"Public Offering")*** pursuant to a Registration Statement under the Securities Act of 1933, amended (the ***"Act").*** Certificates for the shares issuable upon exercise of the Net Issuance Right and, if applicable, a new warrant evidencing the balance of the shares remaining subject to this Warrant, shall be issued as of the Conversion Date and shall be delivered to the Holder within thirty (30) days following the Conversion Date.

(3) Determination of Fair Market Value. For purposes of this Addendum "fair market value" of a Share (which shall be Common Stock if the Share has been converted into Common Stock) as of a particular date (the ***"Determination Date")*** shall mean:

(a) If the Net Issuance Right is exercised in connection with and contingent upon a Public Offering, and if the Company's Registration Statement relating to such Public Offering ***("Registration Statement")*** has been declared effective by the Securities and Exchange Commission, then the initial "price to the public" specified in the final prospectus with respect to such offering.

(b) If the Net Issuance Right is not exercised in connection with and contingent upon a Public Offering, then as follows:

(i) If traded on a securities exchange, then the fair market value shall be the average of the closing prices of the Common Stock on such exchange over the five trading days ending three days prior to the Determination Date;

(ii) If traded on the Nasdaq Stock Market or other over-the-counter system, then the fair market value shall be the average of the closing bid and ask prices of the Common Stock over the five trading days ending three days prior to the Determination Date; and

(iii) If there is no public market, then fair market value (the highest price per share which Company could obtain from a willing buyer (not a current employee or director) for shares of Common Stock sold, from authorized but unissued shares) shall be determined in good faith by the Company's Board of Directors unless the Company shall become subject to a merger, acquisition or other consolidation pursuant to which the Company is not the surviving party, in which case the fair market value of Common Stock shall be deemed to be the value received by the holders of the Common Stock pursuant to such merger or acquisition or other consolidation.

In making a determination under clauses (i) or (ii) above, if on the Determination Date, five trading days have not passed since the Company's initial Public Offering then the fair market value of the Common Stock shall be the average closing prices or closing bid and ask prices, as applicable, for the shorter period beginning on and including the date of the initial Public Offering and ending on the trading day prior to the Determination Date (or if such period includes only one trading day the closing price or closing bid and ask price, as applicable, for such trading day). If closing prices or closing bid and ask prices are no longer reported by a securities exchange or other trading system, the closing price or closing bid and ask price shall be that which is reported by such securities exchange or other trading system at 4:00 p.m. New York City time on the applicable trading day.

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (as the same may from time to time be amended, modified, supplemented or restated, this "**Agreement**") dated as of May 19, 2015 (the "**Effective Date**") among OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 ("**Oxford**"), as collateral agent (in such capacity, "**Collateral Agent**"), the Lenders listed on Schedule 1.1 hereof or otherwise a party hereto from time to time including Oxford in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**"), and RESTORATION ROBOTICS, INC., a Delaware corporation with offices located at 128 Baytech Drive, San Jose, CA 95134 ("**Borrower**"), provides the terms on which the Lenders shall lend to Borrower and Borrower shall repay the Lenders. The parties agree as follows:

1. ACCOUNTING AND OTHER TERMS

1.1 Accounting terms not defined in this Agreement shall be construed in accordance with GAAP. Calculations and determinations must be made in accordance with GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. All references to "**Dollars**" or "**$**" are United States Dollars, unless otherwise noted.

2. LOANS AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay each Lender, the outstanding principal amount of all Term Loans advanced to Borrower by such Lender and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

2.2 Term Loan.

(a) Availability. (i) Subject to the terms and conditions of this Agreement, the Lenders agree, severally and not jointly, to make term loans to Borrower on the Effective Date in an aggregate amount of Twenty Million Dollars ($20,000,000.00) according to each Lender's Term Loan Commitment as set forth on Schedule 1.1 hereto (such term loans are hereinafter referred to singly as a "**Term Loan**", and collectively as the "**Term Loans**"). After repayment, no Term Loan may be re-borrowed.

(b) Repayment. Borrower shall make monthly payments of interest only commencing on the first (1st) Payment Date following the Funding Date of the Term Loans, and continuing on the Payment Date of each successive month thereafter through and including the Payment Date immediately preceding the Amortization Date. Borrower agrees to pay, on the Funding Date of the Term Loans, any initial partial monthly interest payment otherwise due for the period between the Funding Date of the Term Loans and the first Payment Date thereof. Commencing on the Amortization Date, and continuing on the Payment Date of each month thereafter, Borrower shall make consecutive equal monthly payments of principal, together with applicable interest, in arrears, to each Lender, as calculated by Collateral Agent (which calculations shall be deemed correct absent manifest error) based upon: (1) the amount of such Lender's Term Loan, (2) the effective rate of interest, as determined in Section 2.3(a), and (3) a repayment schedule equal to (x) thirty (30) months, if the Amortization Date is January 1, 2017, or (y) twenty-four (24) months, if the Amortization Date is July 1, 2017. All unpaid principal and accrued and unpaid interest with respect to the Term Loans are due and payable in full on the Maturity Date. The Term Loans may only be prepaid in accordance with Sections 2.2(c) and 2.2(d).

(c) Mandatory Prepayments. If the Term Loans are accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (ii) the Final Payment, (iii) the Prepayment Fee, plus (iv) all other Obligations that are due and payable, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts. Notwithstanding (but without duplication with) the foregoing, on the Maturity Date, if the Final Payment had not previously been paid in full in connection with the prepayment of the Term Loans in full, Borrower shall pay to Collateral Agent, for payment to each Lender in accordance with its respective Pro Rata Share, the Final Payment in respect of the Term Loan(s).

(d) Permitted Prepayment of Term Loans. Borrower shall have the option to prepay all, but not less than all, of the Term Loans advanced by the Lenders under this Agreement, provided Borrower (i) provides written notice to Collateral Agent of its election to prepay the Term Loans at least ten (10) days prior to such prepayment, and (ii) pays to the Lenders on the date of such prepayment, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of (A) all outstanding principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (B) the Final Payment, (C) the Prepayment Fee, plus (D) all other Obligations that are due and payable, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts.

2.3 Payment of Interest on the Credit Extensions.

(a) Interest Rate. Subject to Section 2.3(b), the principal amount outstanding under the Term Loans shall accrue interest at a floating per annum rate equal to the Basic Rate, initially determined by Collateral Agent on the Funding Date of the applicable Term Loan, which interest shall be payable monthly in arrears in accordance with Sections 2.2(b) and 2.3(e). Interest shall accrue on each Term Loan commencing on, and including, the Funding Date of such Term Loan, and shall accrue on the principal amount outstanding under such Term Loan through and including the day on which such Term Loan is paid in full.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall accrue interest at a fixed per annum rate equal to the rate that is otherwise applicable thereto plus five percentage points (5.00%) (the "**Default Rate**"). Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Collateral Agent.

(c) 360-Day Year. Interest shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days.

(d) Debit of Accounts. Collateral Agent and each Lender may debit (or ACH) any deposit accounts, maintained by Borrower or any of its Subsidiaries, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes the Lenders under the Loan Documents when due. Any such debits (or ACH activity) shall not constitute a set-off.

(e) Payments. Except as otherwise expressly provided herein, all payments by Borrower under the Loan Documents shall be made to the respective Lender to which such payments are owed, at such Lender's office in immediately available funds on the date specified herein. Unless otherwise provided, interest is payable monthly on the Payment Date of each month. Payments of principal and/or interest received after 2:00 p.m. Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the next Business Day and additional fees or interest, as applicable, shall continue to accrue until paid. All payments to be made by Borrower hereunder or under any other Loan Document, including payments of principal and interest, and all fees, expenses, indemnities and reimbursements, shall be made without set-off, recoupment or counterclaim, in lawful money of the United States and in immediately available funds.

2.4 Secured Promissory Notes. Each Term Loan shall be evidenced by a Secured Promissory Note or Notes in the form attached as Exhibit D hereto (each a "**Secured Promissory Note**"), and shall be repayable as set forth in this Agreement. Borrower irrevocably authorizes each Lender to make or cause to be made, on or about the Funding Date of any Term Loan or at the time of receipt of any payment of principal on such Lender's Secured Promissory Note, an appropriate notation on such Lender's Secured Promissory Note Record reflecting the making of such Term Loan or (as the case may be) the receipt of such payment. The outstanding amount of each Term Loan set forth on such Lender's Secured Promissory Note Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Lender, but the failure to record, or any error in so recording, any such amount on such Lender's Secured Promissory Note Record shall not limit or otherwise affect the obligations of Borrower under any Secured Promissory Note or any other Loan Document to make payments of principal of or interest on any Secured Promissory Note when due. Upon receipt of an affidavit of an officer of a Lender as to the loss, theft, destruction, or mutilation of its Secured Promissory Note**,** Borrower shall issue, in lieu thereof, a replacement Secured Promissory Note in the same principal amount thereof and of like tenor.

2.5 Fees. Borrower shall pay to Collateral Agent:

(a) Facility Fee. A fully earned, non-refundable facility fee of Two Hundred Thousand Dollars ($200,000.00), receipt of which hereby is acknowledged by Collateral Agent;

(b) Final Payment. The Final Payment, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares;

(c) Prepayment Fee. The Prepayment Fee, when due hereunder, to be shared between the Lenders in accordance with their respective Pro Rata Shares; and

(d) Lenders' Expenses. All Lenders' Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

2.6 Withholding. Payments received by the Lenders from Borrower hereunder will be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any governmental authority (including any interest, additions to tax or penalties applicable thereto). Specifically, however, if at any time any Governmental Authority, applicable law, regulation or international agreement requires Borrower to make any withholding or deduction from any such payment or other sum payable hereunder to the Lenders, Borrower hereby covenants and agrees that the amount due from Borrower with respect to such payment or other sum payable hereunder will be increased to the extent necessary to ensure that, after the making of such required withholding or deduction, each Lender receives a net sum equal to the sum which it would have received had no withholding or deduction been required and Borrower shall pay the full amount withheld or deducted to the relevant Governmental Authority; provided that Borrower shall not be responsible for any changes in Lender's tax status or regulatory status after the Effective Date (other than as a result of a change in law). Borrower will, upon request, furnish the Lenders with proof reasonably satisfactory to the Lenders indicating that Borrower has made such withholding payment; provided, however, that Borrower need not make any withholding payment if the amount or validity of such withholding payment is contested in good faith by appropriate and timely proceedings and as to which payment in full is bonded or reserved against by Borrower. The agreements and obligations of Borrower contained in this Section 2.6 shall survive the termination of this Agreement.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Each Lender's obligation to make a Term Loan is subject to the condition precedent that Collateral Agent and each Lender shall consent to or shall have received, in form and substance satisfactory to Collateral Agent and each Lender, such documents, and completion of such other matters, as Collateral Agent and each Lender may reasonably deem necessary or appropriate, including, without limitation:

(a) original Loan Documents, each duly executed by Borrower and each Subsidiary, as applicable;

(b) duly executed original Control Agreements with respect to any Collateral Accounts maintained by Borrower or any of its Subsidiaries;

(c) duly executed original Secured Promissory Notes in favor of each Lender according to its Term Loan Commitment Percentage;

(d) the Operating Documents and good standing certificates (as applicable) of Borrower and its Subsidiaries certified by the Secretary of State (or equivalent agency) of Borrower's and such Subsidiaries' jurisdiction of organization or formation and each jurisdiction in which Borrower and each Subsidiary is qualified to conduct business, each as of a date no earlier than thirty (30) days prior to the Effective Date**;**

(e) a completed Perfection Certificate for Borrower and each of its Subsidiaries;

(f) the Annual Projections, for the current calendar year;

(g) duly executed original officer's certificate for Borrower and each Subsidiary that is a party to the Loan Documents, in a form acceptable to Collateral Agent and the Lenders;

(h) certified copies, dated as of date no earlier than thirty (30) days prior to the Effective Date, of financing statement searches, as Collateral Agent shall request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(i) a landlord's consent executed in favor of Collateral Agent in respect of all of Borrower's and each domestic Subsidiaries' leased locations;

(j) a bailee waiver executed in favor of Collateral Agent in respect of each third party bailee where Borrower or any domestic Subsidiary maintains Collateral having a book value in excess of One Hundred Thousand Dollars ($100,000.00);

(k) a duly executed legal opinion of counsel to Borrower dated as of the Effective Date;

(l) evidence satisfactory to Collateral Agent and the Lenders that the insurance policies required by Section 6.5 hereof are in full force and effect, together with appropriate evidence showing loss payable and/or additional insured clauses or endorsements in favor of Collateral Agent, for the ratable benefit of the Lenders;

(m) a copy of any applicable Registration Rights Agreement or Investors' Rights Agreement and any amendments thereto;

(n) a payoff letter from each Existing Lender in respect of the Existing Indebtedness;

(o) evidence that (i) the Liens securing the Existing Indebtedness will be terminated and (ii) the documents and/or filings evidencing the perfection of such Liens, including without limitation any financing statements and/or control agreements, have or will, concurrently with the initial Credit Extension, be terminated; and

(p) payment of the fees and Lenders' Expenses then due as specified in Section 2.5 hereof.

3.2 Conditions Precedent to all Credit Extensions. The obligation of each Lender to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) receipt by Collateral Agent of an executed Disbursement Letter in the form of Exhibit B attached hereto;

(b) the representations and warranties in Section 5 hereof shall be true, accurate and complete in all material respects on the date of the Disbursement Letter and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in Section 5 hereof are true, accurate and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(c) in such Lender's sole discretion, there has not been any Material Adverse Change or any material adverse deviation by Borrower from the Annual Projections of Borrower presented to and accepted by Collateral Agent and each Lender;

(d) to the extent not delivered at the Effective Date, duly executed original Secured Promissory Notes and Warrants, in number, form and content acceptable to each Lender, and in favor of each Lender according to its Commitment Percentage, with respect to each Credit Extension made by such Lender after the Effective Date; and

(e) payment of the fees and Lenders' Expenses then due as specified in Section 2.5 hereof.

3.3 Covenant to Deliver. Borrower agrees to deliver to Collateral Agent and the Lenders each item required to be delivered to Collateral Agent under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Collateral Agent or any Lender of any such item shall not constitute a waiver by Collateral Agent or any Lender of Borrower's obligation to deliver such item, and any such Credit Extension in the absence of a required item shall be made in each Lender's sole discretion.

3.4 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of a Term Loan set forth in this Agreement, to obtain a Term Loan, Borrower shall notify the Lenders (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 2:00 p.m. Eastern time three (3) Business Days prior to the date the Term Loan is to be made. Together with any such electronic, facsimile or telephonic notification, Borrower shall deliver to the Lenders by electronic mail or facsimile a completed Disbursement Letter executed by a Responsible Officer or his or her designee. The Lenders may rely on any telephone notice given by a person whom a Lender reasonably believes is a Responsible Officer or designee. On the Funding Date, each Lender shall credit and/or transfer (as applicable) to the Designated Deposit Account, an amount equal to its Term Loan Commitment.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Collateral Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Collateral Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral, subject only to Permitted Liens that are permitted by the terms of this Agreement or pursuant to applicable law, in each case, to have priority over Collateral Agent's Lien. If Borrower shall acquire a commercial tort claim (as defined in the Code) greater than Twenty-Five Thousand Dollars ($25,000.00), Borrower shall promptly notify Collateral Agent in a writing signed by Borrower, of the general details thereof (and further details as may be required by Collateral Agent) and grant to Collateral Agent, for the ratable benefit of the Lenders, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Collateral Agent.

If this Agreement is terminated, Collateral Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders' obligation to make Credit Extensions has terminated, Collateral Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower.

4.2 Authorization to File Financing Statements. Borrower hereby authorizes Collateral Agent to file financing statements or take any other action required to perfect Collateral Agent's security interests in the Collateral, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Collateral Agent's interest or rights under the Loan Documents.

4.3 Pledge of Collateral. Borrower hereby pledges, assigns and grants to Collateral Agent, for the ratable benefit of the Lenders, a security interest in all the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing, as security for the performance of the Obligations. On the Effective Date, or, to the extent not certificated as of the Effective Date, within ten (10) days of the certification of any Shares, the certificate or certificates for the Shares will be delivered to Collateral Agent, accompanied by an instrument of assignment duly executed in blank by Borrower. To the extent required by the terms and conditions governing the Shares, Borrower shall cause the books of each entity whose Shares are part of the Collateral and any transfer agent to reflect the pledge of the Shares. Upon the occurrence and during the continuance of an Event of Default hereunder, Collateral Agent may effect the transfer of any securities included in the Collateral (including but not limited to the Shares) into the name of Collateral Agent and cause new (as applicable) certificates representing such securities to be issued in the name of Collateral Agent or its transferee. Borrower will execute and deliver such documents, and take or cause to be taken such actions, as Collateral Agent may reasonably request to perfect or continue the perfection of Collateral Agent's security interest in the Shares. Unless an Event of Default shall have occurred and be continuing, Borrower shall be entitled to exercise any voting rights with respect to the Shares and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights to vote and give consents, waivers and ratifications shall terminate upon the occurrence and continuance of an Event of Default. Collateral Agent reserves the right to take such steps in the jurisdictions of organization of each Foreign Subsidiary to perfect and maintain the perfection of Collateral Agent's security interest in the Shares of such Foreign Subsidiaries.

5. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Collateral Agent and the Lenders as follows:

5.1 Due Organization, Authorization: Power and Authority. Borrower and each of its Subsidiaries is duly existing and in good standing as a Registered Organization in its jurisdictions of organization or formation and Borrower and each of its Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Change. In connection with this Agreement, Borrower and each of its Subsidiaries has delivered to Collateral Agent a completed perfection certificate signed by an officer of Borrower or such Subsidiary (each a "**Perfection Certificate**" and collectively, the "**Perfection Certificates**"). Borrower represents and warrants that (a) Borrower and each of its Subsidiaries' exact legal name is that which is indicated on its respective Perfection Certificate and on the signature page of each Loan Document to which it is a party; (b) Borrower and each of its Subsidiaries is an organization of the type and is organized in the jurisdiction set forth on its respective Perfection Certificate; (c) each Perfection Certificate accurately sets forth each of Borrower's and its Subsidiaries' organizational identification number or accurately states that Borrower or such Subsidiary has none; (d) each Perfection Certificate accurately sets forth Borrower's and each of its Subsidiaries' place of business, or, if more than one, its chief executive office as well as Borrower's and each of its Subsidiaries' mailing address (if different than its chief executive office); (e) Borrower and each of its Subsidiaries (and each of its respective predecessors) have not, in the past five (5) years, changed its jurisdiction of organization, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificates pertaining to Borrower and each of its Subsidiaries, is accurate and complete (it being understood and agreed that Borrower and each of its Subsidiaries may from time to time update certain information in the Perfection Certificates (including the information set forth in clause (d) above) after the Effective Date to the extent permitted by one or more specific provisions in this Agreement); such updated Perfection Certificates subject to the review and approval of Collateral Agent. If Borrower or any of its Subsidiaries is not now a Registered Organization but later becomes one, Borrower shall notify Collateral Agent of such occurrence and provide Collateral Agent with such Person's organizational identification number within five (5) Business Days of receiving such organizational identification number.

The execution, delivery and performance by Borrower and each of its Subsidiaries of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's or such Subsidiaries' organizational documents, including its respective Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or such Subsidiary, or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect) or are being obtained pursuant to Section 6.1(b), or (v) constitute an event of default under any material agreement by which Borrower or any of such Subsidiaries, or their respective properties, is bound. Neither Borrower nor any of its Subsidiaries is in default under any agreement to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to have a Material Adverse Change.

5.2 Collateral.

(a) Borrower and each its Subsidiaries have good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens, and neither Borrower nor any of its Subsidiaries have any Deposit Accounts, Securities Accounts, Commodity Accounts or other investment accounts other than the Collateral Accounts or the other investment accounts, if any, described in the Perfection Certificates delivered to Collateral Agent in connection herewith with respect of which Borrower or such Subsidiary has given Collateral Agent notice and taken such actions as are necessary to give Collateral Agent a perfected security interest therein or as otherwise permitted under Section 6.6. The Accounts are bona fide, existing obligations of the Account Debtors.

(b) On the Effective Date, and except as disclosed on the Perfection Certificate (i) the Collateral (other than Collateral in transit in the ordinary course of business) is not in the possession of any third party bailee (such as a warehouse), and (ii) no such third party bailee possesses components of the Collateral in excess of One Hundred Thousand Dollars ($100,000.00). None of the components of the Collateral shall be maintained at locations other than as disclosed in the Perfection Certificates on the Effective Date or as permitted pursuant to Section 6.11.

(c) All Inventory is in all material respects of good and marketable quality, free from material defects.

(d) Borrower and each of its Subsidiaries is the sole owner of the Intellectual Property each respectively purports to own, free and clear of all Liens other than Permitted Liens. Except as noted on the Perfection Certificates, and except for Permitted Licenses, neither Borrower nor any of its Subsidiaries is a party to, nor is bound by, any material license or other material agreement with respect to which Borrower or such Subsidiary is the licensee that (i) prohibits or otherwise restricts Borrower or its Subsidiaries from granting a security interest in Borrower's or such Subsidiaries' interest in such material license or material agreement or any other property, or (ii) for which a default under or termination of could interfere with Collateral Agent's or any Lender's right to sell any Collateral. Borrower shall notify Collateral Agent and each Lender of Borrower or any of its Subsidiaries entering into or becoming bound by any license or agreement with respect to which Borrower or any Subsidiary is the licensee (other than over-the-counter software that is commercially available to the public), in each case in the next Compliance Certificate due hereunder.

5.3 Litigation. Except as disclosed (i) on the Perfection Certificates, or (ii) in accordance with Section 6.9 hereof, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than One Hundred Fifty Thousand Dollars ($150,000.00).

5.4 No Material Deterioration in Financial Condition; Financial Statements. All consolidated financial statements for Borrower and its Subsidiaries, delivered to Collateral Agent fairly present, in conformity with GAAP, in all material respects the consolidated financial condition of Borrower and its Subsidiaries, and the consolidated results of operations of Borrower and its Subsidiaries. Unless otherwise disclosed in writing to Collateral Agent, there has not been any material deterioration in the consolidated financial condition of Borrower and its Subsidiaries since the date of the most recent financial statements submitted to Collateral Agent; provided, however, any disclosure of deterioration in the financial condition of Borrower and its Subsidiaries shall not, in any manner whatsoever, mitigate, cure or prevent any Event of Default that such deterioration may constitute hereunder.

5.5 Solvency. Borrower and each of its Subsidiaries is Solvent.

5.6 Regulatory Compliance. Neither Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Neither Borrower nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Borrower nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a Material Adverse Change. Neither Borrower's nor any of its Subsidiaries' properties or assets has been used by Borrower or such Subsidiary or, to Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

None of Borrower, any of its Subsidiaries, or any of Borrower's or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) is a Blocked Person. None of Borrower, any of its Subsidiaries, or to the knowledge of Borrower and any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law.

5.7 Investments. Neither Borrower nor any of its Subsidiaries owns any stock, shares, partnership interests or other equity securities except for Permitted Investments.

5.8 Tax Returns and Payments; Pension Contributions. Borrower and each of its Subsidiaries has timely filed all required federal, and material foreign, state and local tax returns and reports, and Borrower and each of its Subsidiaries, has timely paid all federal taxes, assessments, deposits and contributions, and material foreign, state and local taxes, assessments, deposits and contributions, owed by Borrower and such Subsidiaries, in all jurisdictions in which Borrower or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in accordance with the following sentence. Borrower and each of its Subsidiaries, may defer payment of any contested taxes, provided that Borrower or such Subsidiary, (a) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Collateral Agent in writing of the commencement of, and any material development in, such proceedings, and (c) posts bonds or takes any other steps required to prevent the Governmental Authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "**Permitted Lien**." Neither Borrower nor any of its Subsidiaries is aware of any claims or adjustments proposed for any of Borrower's or such Subsidiaries', prior tax years which could result in additional taxes becoming due and payable by Borrower or its Subsidiaries. Borrower and each of its Subsidiaries have paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and neither Borrower nor any of its Subsidiaries have, withdrawn from participation in, and have not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority. For the purposes of this Section 5.8, "material foreign, state and local taxes, assessments, deposits and contributions" shall mean foreign, state and local taxes, assessments, deposits and contributions exceeding in the aggregate Fifty Thousand Dollars ($50,000.00).

5.9 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital and to fund its general business requirements in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes. A portion of the proceeds of the Term Loans shall be used by Borrower to repay the Existing Indebtedness in full on the Effective Date.

5.10 Shares. Borrower has full power and authority to create a first lien on the Shares and no disability or contractual obligation exists that would prohibit Borrower from pledging the Shares pursuant to this Agreement. To Borrower's knowledge, there are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. The Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. To Borrower's knowledge, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Borrower knows of no reasonable grounds for the institution of any such proceedings.

5.11 Full Disclosure. No written representation, warranty or other statement of Borrower or any of its Subsidiaries in any certificate or written statement given to Collateral Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Collateral Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Definition of "**Knowledge.**" For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of the Responsible Officers.

6. AFFIRMATIVE COVENANTS

Borrower shall, and shall cause each of its Subsidiaries to, do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change. Comply with all laws, ordinances and regulations to which Borrower or any of its Subsidiaries is subject, the noncompliance with which could reasonably be expected to have a Material Adverse Change.

(b) Obtain and keep in full force and effect, all of the material Governmental Approvals necessary for the performance by Borrower and its Subsidiaries of their respective businesses and obligations under the Loan Documents and the grant of a security interest to Collateral Agent for the ratable benefit of the Lenders, in all of the Collateral. Borrower shall provide copies to Collateral Agent of any material Governmental Approvals obtained by Borrower or any of its Subsidiaries with the delivery of the next Compliance Certificate due hereunder.

6.2 Financial Statements, Reports, Certificates.

(a) Deliver to each Lender:

(i) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated and consolidating balance sheet, income statement and cash flow statement covering the consolidated operations of Borrower and its Subsidiaries for such month certified by a Responsible Officer and in a form reasonably acceptable to Collateral Agent;

(ii) as soon as available, but no later than one hundred eighty (180) days after the last day of Borrower's fiscal year or within five (5) days of filing with the SEC, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified (other than with respect to going concern) opinion on the financial statements from an independent certified public accounting firm acceptable to Collateral Agent in its reasonable discretion**;**

(iii) as soon as available after approval thereof by Borrower's Board of Directors, but no later than ten (10) days after such approval or sixty (60) days after the last day of each of Borrower's fiscal years, Borrower's annual financial projections for the entire current fiscal year as approved by Borrower's Board of Directors, which such annual financial projections shall be set forth in a month-by-month format (such annual financial projections as originally delivered to Collateral Agent and the Lenders are referred to herein as the "**Annual Projections**"; provided that, any revisions of the Annual Projections approved by Borrower's Board of Directors shall be delivered to Collateral Agent and the Lenders no later than seven (7) days after such approval);

(iv) within five (5) days of delivery, copies of all statements, reports and notices made available to Borrower's security holders or holders of Subordinated Debt (excluding any materials provided to such security holders or holders of Subordinated Debt solely in their capacity as members of Borrower's Board of Directors);

(v) in the event that Borrower becomes subject to the reporting requirements under the Securities Exchange Act of 1934, as amended, within five (5) days of filing, all reports on Form 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission; provided, however, that notwithstanding anything stated herein to the contrary, the posting of a link on Borrower's website on the Internet to any annual, regular, periodic and special reports, registration statements and notices shall satisfy the delivery requirements hereunder;

(vi) with the delivery of the next Compliance Certificate due hereunder, (A) notice of any material changes to the capitalization table of Borrower, and (B) notice of any material amendments or changes to the Operating Documents of Borrower or any of its Subsidiaries, together with, in each of (A) and (B), any copies reflecting such amendments or changes with respect thereto;

(vii) prompt notice of any event that could reasonably be expected to materially and adversely affect the value of the Intellectual Property;

(viii) as soon as available, but no later than thirty (30) days after the last day of each month, copies of the month-end account statements for each Collateral Account maintained by Borrower or its Subsidiaries, which statements may be provided to Collateral Agent and each Lender by Borrower or directly from the applicable institution(s), and

(ix) other information as reasonably requested by Collateral Agent or any Lender.

Notwithstanding the foregoing, documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower posts such documents, or provides a link thereto, on Borrower's website on the internet at Borrower's website address.

(b) Concurrently with the delivery of the financial statements specified in Section 6.2(a)(i) above but no later than thirty (30) days after the last day of each month, deliver to each Lender, a duly completed Compliance Certificate signed by a Responsible Officer.

(c) Keep proper books of record and account in accordance with GAAP in all material respects, in which full, true and correct entries shall be made of all dealings and transactions in relation to its business and activities. Borrower shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Borrower, Collateral Agent or any Lender, during regular business hours upon reasonable prior notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of its books and records, and to conduct a collateral audit and analysis of its operations and the Collateral. Such audits shall be conducted no more often than once every year unless (and more frequently if) an Event of Default has occurred and is continuing.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects, except for Inventory for which adequate reserves are maintained. Returns and allowances between Borrower, or any of its Subsidiaries, and their respective Account Debtors shall follow Borrower's, or such Subsidiary's, customary practices as they exist at the Effective Date. Borrower must promptly notify Collateral Agent and the Lenders of all returns, recoveries, disputes and claims that involve more than One Hundred Thousand Dollars ($100,000.00) individually or in the aggregate in any calendar year.

6.4 Taxes; Pensions. Timely file and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all federal taxes, assessments, deposits and contributions, and all material foreign, state and local taxes, assessments, deposits and contributions owed by Borrower or its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.8 hereof or as otherwise permitted pursuant to Section 5.8 hereof, and shall deliver to Lenders, on demand, appropriate certificates attesting to such payments, and pay all material amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with the terms of such plans. Notwithstanding anything to the contrary contained in this Agreement, Borrower shall not be in breach of this Section 6.4 if the aggregate amount of (i) foreign, state and local taxes covered by tax returns with respect to such foreign, state and local taxes and reports with respect to such foreign, state and local taxes that have not been timely filed or the aggregate amount of foreign, state and local taxes that have not been timely paid, in either case, does not exceed Fifty Thousand Dollars ($50,000.00), and (ii) any liabilities or obligations resulting from the failure to make any payments to fund all present pension, profit sharing and deferred compensation plans in the immediately preceding sentence, does not exceed Fifty Thousand Dollars ($50,000.00).

6.5 Insurance. Keep Borrower's and its Subsidiaries' business and the Collateral insured for risks and in amounts standard for companies in Borrower's and its Subsidiaries' industry and location and as Collateral Agent may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are reasonably satisfactory to Collateral Agent. All property policies shall have a lender's loss payable endorsement showing Collateral Agent as lender loss payee and waive subrogation against Collateral Agent, and all liability policies shall show, or have endorsements showing, Collateral Agent, as additional insured. The Collateral Agent shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral, and each provider of any such insurance shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to the Collateral Agent, that it will give the Collateral Agent thirty (30) days' prior written notice before any such policy or policies shall be materially altered or canceled (or, ten (10) days' prior written notice for cancellation for non-payment of premium). At Collateral Agent's request, Borrower shall deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy shall, at Collateral Agent's option, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to One Hundred Thousand Dollars ($100,000.00) with respect to any loss, but not exceeding One Hundred Thousand Dollars ($100,000.00), in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Collateral Agent has been granted a first priority security interest, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Collateral Agent, be payable to Collateral Agent, for the ratable benefit of the Lenders, on account of the Obligations. If Borrower or any of its Subsidiaries fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons, Collateral Agent and/or any Lender may make, at Borrower's expense, all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Collateral Agent or such Lender deems prudent.

6.6 Operating Accounts.

(a) Maintain all of Borrower's and its domestic Subsidiaries' Collateral Accounts in accounts which are subject to a Control Agreement in favor of Collateral Agent.

(b) Borrower shall provide Collateral Agent five (5) days' prior written notice before Borrower or any of its domestic Subsidiaries establishes any Collateral Account at or with any Person other than as identified in the Perfection Certificate delivered to Collateral Agent as of the Effective Date. In addition, for each Collateral Account that Borrower or any of its domestic Subsidiaries, at any time maintains, Borrower or such Subsidiary shall cause the applicable bank or financial institution at or with which such Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Collateral Agent's Lien in such Collateral Account in accordance with the terms hereunder prior to the establishment of such Collateral Account, which Control Agreement may not be terminated without prior written consent of Collateral Agent (which shall be provided upon termination of this Agreement and satisfaction in full of all Obligations (other than inchoate indemnity obligations)). The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's, or any of its Subsidiaries', employees and identified to Collateral Agent by Borrower as such in the Perfection Certificates.

(c) Neither Borrower nor any of its Subsidiaries shall maintain any Collateral Accounts except Collateral Accounts maintained in accordance with Sections 6.6(a) and (b).

6.7 Protection of Intellectual Property Rights. Borrower and each of its Subsidiaries shall: (a) use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its Intellectual Property that is material to Borrower's business; (b) promptly advise Collateral Agent in writing of material infringement by a third party of its Intellectual Property; and (c) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Collateral Agent's prior written consent.

6.8 Litigation Cooperation. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to Collateral Agent and the Lenders, without expense to Collateral Agent or the Lenders, Borrower and each of Borrower's officers, employees and agents and Borrower's Books, to the extent that Collateral Agent or any Lender may reasonably deem them necessary to prosecute or defend any third-party suit or proceeding instituted by or against Collateral Agent or any Lender with respect to any Collateral or relating to Borrower.

6.9 Notices of Litigation and Default. Borrower will give prompt written notice to Collateral Agent and the Lenders of any litigation or governmental proceedings pending or threatened (in writing) against Borrower or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of One Hundred Fifty Thousand Dollars ($150,000.00) or more or which could reasonably be expected to have a Material Adverse Change. Without limiting or contradicting any other more specific provision of this Agreement, promptly (and in any event within three (3) Business Days) upon Borrower becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, Borrower shall give written notice to Collateral Agent and the Lenders of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

6.10 Intentionally Omitted.

6.11 Landlord Waivers; Bailee Waivers. In the event that Borrower or any of its Subsidiaries, after the Effective Date, intends to add any new offices or business locations, including warehouses, or otherwise store any portion of the Collateral with, or deliver any portion of the Collateral to, a bailee, in each case pursuant to Section 7.2, then Borrower or such Subsidiary will first notify the Collateral Agent and, in the event that the Collateral at any new location is valued in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate, or includes the books and records of Borrower or any of its Subsidiaries, such bailee or landlord, as applicable, must execute and deliver a bailee waiver or landlord waiver, as applicable, in form and substance reasonably satisfactory to Collateral Agent prior to the addition of any new offices or business locations, or any such storage with or delivery to any such bailee, as the case may be.

6.12 Creation/Acquisition of Subsidiaries. In the event Borrower, or any of its Subsidiaries creates or acquires any Subsidiary, Borrower shall provide prior written notice to Collateral Agent and each Lender of the creation or acquisition of such new Subsidiary and take all such action as may be reasonably required by Collateral Agent or any Lender to cause each such Subsidiary to become a co-Borrower hereunder or to guarantee the Obligations of Borrower under the Loan Documents and, in each case, grant a continuing pledge and security interest in and to the assets of such Subsidiary (substantially as described on Exhibit A hereto); and Borrower (or its Subsidiary, as applicable) shall grant and pledge to Collateral Agent, for the ratable benefit of the Lenders, a perfected security interest in the stock, units or other evidence of ownership of each such newly created Subsidiary; provided, however, that solely in the circumstance in which Borrower or any Subsidiary creates or acquires a Foreign Subsidiary in an acquisition permitted by Section 7.7 hereof or otherwise approved by the Required Lenders, (i) such Foreign Subsidiary shall not be required to guarantee the Obligations of Borrower under the Loan Documents and grant a continuing pledge and security interest in and to the assets of such Foreign Subsidiary, and (ii) Borrower shall not be required to grant and pledge to Collateral Agent, for the ratable benefit of Lenders, a perfected security interest in more than sixty five percent (65%) of the stock, units or other evidence of ownership of such Foreign Subsidiary, if Borrower demonstrates to the reasonable satisfaction of Collateral Agent that such Foreign Subsidiary providing such guarantee or pledge and security interest or Borrower providing a perfected security interest in more than sixty five percent (65%) of the stock, units or other evidence of ownership would create a present and existing adverse tax consequence to Borrower under the U.S. Internal Revenue Code.

6.13 Further Assurances.

(a) Execute any further instruments and take further action as Collateral Agent or any Lender reasonably requests to perfect or continue Collateral Agent's Lien in the Collateral or to effect the purposes of this Agreement.

(b) Deliver to Collateral Agent and Lenders, within five (5) days after the same are sent or received, copies of all material correspondence, reports, documents and other filings with any Governmental Authority that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals material to Borrower's business or otherwise could reasonably be expected to have a Material Adverse Change; provided that Borrower shall be deemed to have delivered to Collateral Agent and the Lenders any document or other filing made with the Securities and Exchange Commission.

7. NEGATIVE COVENANTS

Borrower shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of the Required Lenders:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn out or obsolete Equipment; (c) in connection with Permitted Liens, Permitted Investments and Permitted Licenses; and (d) of cash and Cash Equivalents (i) in connection with transactions not prohibited hereunder, in the ordinary course of Borrower's business, or (ii) in connection with transactions that (A) are approved by Borrower's board of directors, are (B) customary for Borrower's industry and (C) not otherwise prohibited hereunder.

7.2 Changes in Business, Management, Ownership, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by Borrower as of the Effective Date or reasonably related thereto; (b) liquidate or dissolve; or (c) (i) any Key Person shall cease to be actively engaged in the management of Borrower unless written notice thereof is provided to Collateral Agent within ten (10) days of such change, or (ii) enter into any transaction or series of related transactions in which the stockholders of Borrower who were not stockholders immediately prior to the first such transaction own more than forty nine percent (49%) of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities in a public offering, a

private placement of public equity or to venture capital investors so long as Borrower identifies to Collateral Agent the venture capital investors prior to the closing of the transaction). Borrower shall not, without at least thirty (30) days' prior written notice to Collateral Agent: (A) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than One Hundred Fifty Thousand Dollars ($150,000.00) in assets or property of Borrower or any of its Subsidiaries); (B) change its jurisdiction of organization, (C) change its organizational structure or type, (D) change its legal name, or (E) change any organizational number (if any) assigned by its jurisdiction of organization.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock, shares or property of another Person. A Subsidiary may merge or consolidate into another Subsidiary (provided such surviving Subsidiary is a "co-Borrower" hereunder or has provided a secured Guaranty of Borrower's Obligations hereunder) or with (or into) Borrower provided Borrower is the surviving legal entity, and as long as no Event of Default is occurring prior thereto or arises as a result therefrom. Without limiting the foregoing, Borrower shall not, without prior written notice to Collateral Agent, enter into any binding contractual arrangement with any Person to attempt to facilitate a merger or acquisition of Borrower.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens that are permitted by the terms of this Agreement to have priority over Collateral Agent's Lien), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Collateral Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or such Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "**Permitted Liens**" herein.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

7.7 Distributions; Investments. (a) Pay any dividends (other than dividends payable solely in capital stock) or make any distribution or payment in respect of or redeem, retire or purchase any capital stock (other than repurchases pursuant to the terms of employee stock purchase plans, employee restricted stock agreements, stockholder rights plans, director or consultant stock option plans, or similar plans, provided such repurchases do not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate per fiscal year) or (b) directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower or any of its Subsidiaries, except for (a) transactions that are in the ordinary course of Borrower's or such Subsidiary's business, upon fair and reasonable terms that are no less favorable to Borrower or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person, (b) Subordinated Debt or equity investments by Borrower's investors in Borrower or its Subsidiaries and (c) compensation arrangements for Borrower's employees and consultants that are consistent with Borrower's past practices or prevalent standards in Borrower's industry, provided (x) the same are approved by Borrower's Board of directors, (y) any deviation from Borrower's Annual Projections related to such arrangements are reported in the next Compliance Certificate to be delivered to Collateral Agent hereunder and (z) no Event of Default exists at the time of, or would occur as a result of entering into, any such arrangements.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof or adversely affect the subordination thereof to Obligations owed to the Lenders.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a Material Adverse Change, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower or any of its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

7.11 Compliance with Anti-Terrorism Laws. Collateral Agent hereby notifies Borrower and each of its Subsidiaries that pursuant to the requirements of Anti-Terrorism Laws, and Collateral Agent's policies and practices, Collateral Agent is required to obtain, verify and record certain information and documentation that identifies Borrower and each of its Subsidiaries and their principals, which information includes the name and address of Borrower and each of its Subsidiaries and their principals and such other information that will allow Collateral Agent to identify such party in accordance with Anti-Terrorism Laws. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries permit any Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Borrower and each of its Subsidiaries shall immediately notify Collateral Agent if Borrower or such Subsidiary has knowledge that Borrower, or any Subsidiary or Affiliate of Borrower, is listed on the OFAC Lists or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries, permit any Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti-Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti-Terrorism Law.

7.12 Subsidiary Assets. Permit the aggregate value of assets held by Restoration UK, Restoration HK and Restoration Korea to exceed Three Million Five Hundred Thousand Dollars ($3,500,000.00) at any time.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension on its due date, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1 (a) hereof). During the cure period, the failure to cure the payment default is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower or any of its Subsidiaries fails or neglects to perform any obligation in Sections 6.2 (Financial Statements, Reports, Certificates), 6.4 (Taxes), 6.5 (Insurance), 6.6 (Operating Accounts), 6.7 (Protection of Intellectual Property Rights), 6.9 (Notice of Litigation and Default), 6.11 (Landlord Waivers; Bailee Waivers) or 6.12 (Creation/Acquisition of Subsidiaries) or Borrower violates any covenant in Section 7; or

(b) Borrower, or any of its Subsidiaries, fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Grace periods provided under this Section shall not apply, among other things, to financial covenants or any other covenants set forth in subsection (a) above;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or any of its Subsidiaries or of any entity under control of Borrower or its Subsidiaries on deposit with any Lender or any Lender's Affiliate or any bank or other institution at which Borrower or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of lien, levy, or assessment is filed against Borrower or any of its Subsidiaries or their respective assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; and

(b) (i) any material portion of Borrower's or any of its Subsidiaries' assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower or any of its Subsidiaries from conducting any material part of its business;

8.5 Insolvency. (a) Borrower or any of its Subsidiaries is or becomes Insolvent; (b) Borrower or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower or any of its Subsidiaries and not dismissed or stayed within forty-five (45) days (but no Credit Extensions shall be made while Borrower or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is a default in any agreement to which Borrower or any of its Subsidiaries is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) or that could reasonably be expected to have a Material Adverse Change;

8.7 Judgments. One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Two Hundred Fifty Thousand Dollars ($250,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of ten (10) days after the entry thereof (provided that no Credit Extensions will be made prior to the satisfaction, vacation, or stay of such judgment, order or decree);

8.8 Misrepresentations. Borrower or any of its Subsidiaries or any Person acting for Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Collateral Agent and/or Lenders or to induce Collateral Agent and/or the Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt. A default or breach occurs under any agreement between Borrower or any of its Subsidiaries and any creditor of Borrower or any of its Subsidiaries that signed a subordination, intercreditor, or other similar agreement with Collateral Agent or the Lenders, or any creditor that has signed such an agreement with Collateral Agent or the Lenders breaches any terms of such agreement;

8.10 Reserved.

8.11 Governmental Approvals. Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term *and* such revocation, rescission, suspension, modification or non-renewal has resulted in or could reasonably be expected to result in a Material Adverse Change; or

8.12 Lien Priority. Any Lien created hereunder or by any other Loan Document shall at any time fail to constitute a valid and perfected Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens which are permitted to have priority in accordance with the terms of this Agreement, provided that such circumstance is not due to Collateral Agent's failure to file an appropriate continuation financing statement, amendment financing statement or initial financing statement.

9. RIGHTS AND REMEDIES

9.1 Rights and Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, Collateral Agent may, and at the written direction of Required Lenders shall, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Borrower, (ii) by notice to Borrower declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations shall be immediately due and payable without any action by Collateral Agent or the Lenders) or (iii) by notice to Borrower suspend or terminate the obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders (but if an Event of Default described in Section 8.5 occurs all obligations, if any, of the Lenders to advance money or extend credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Collateral Agent and/or the Lenders shall be immediately terminated without any action by Collateral Agent or the Lenders).

(b) Without limiting the rights of Collateral Agent and the Lenders set forth in Section 9.1(a) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right at the written direction of the Required Lenders, without notice or demand, to do any or all of the following:

(i) foreclose upon and/or sell or otherwise liquidate, the Collateral;

(ii) apply to the Obligations any (a) balances and deposits of Borrower that Collateral Agent or any Lender holds or controls, or (b) any amount held or controlled by Collateral Agent or any Lender owing to or for the credit or the account of Borrower; and/or

(iii) commence and prosecute an Insolvency Proceeding or consent to Borrower commencing any Insolvency Proceeding.

(c) Without limiting the rights of Collateral Agent and the Lenders set forth in Sections 9.1(a) and (b) above, upon the occurrence and during the continuance of an Event of Default, Collateral Agent shall have the right, without notice or demand, to do any or all of the following:

(i) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Collateral Agent considers advisable, notify any Person owing Borrower money of Collateral Agent's security interest in such funds, and verify the amount of such account;

(ii) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Collateral Agent requests and make it available in a location as Collateral Agent reasonably designates. Collateral Agent may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Collateral Agent a license to enter and occupy any of its premises, without charge, to exercise any of Collateral Agent's rights or remedies;

(iii) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, and/or advertise for sale, the Collateral. Collateral Agent is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's and each of its Subsidiaries' labels, patents, copyrights, mask works, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Collateral Agent's exercise of its rights under this Section 9.1, Borrower's and each of its Subsidiaries' rights under all licenses and all franchise agreements inure to Collateral Agent, for the benefit of the Lenders;

(iv) place a "hold" on any account maintained with Collateral Agent or the Lenders and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(v) demand and receive possession of Borrower's Books;

(vi) appoint a receiver to seize, manage and realize any of the Collateral, and such receiver shall have any right and authority as any competent court will grant or authorize in accordance with any applicable law, including any power or authority to manage the business of Borrower or any of its Subsidiaries; and

(vii) subject to clauses 9.1(a) and (b), exercise all rights and remedies available to Collateral Agent and each Lender under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

Notwithstanding any provision of this Section 9.1 to the contrary, upon the occurrence of any Event of Default, Collateral Agent shall have the right to exercise any and all remedies referenced in this Section 9.1 without the written consent of Required Lenders following the occurrence of an Exigent Circumstance. As used in the immediately preceding sentence, "**Exigent Circumstance**" means any event or circumstance that, in the reasonable judgment of Collateral Agent, imminently threatens the ability of Collateral Agent to realize upon all or any material portion of the Collateral, such as, without limitation, fraudulent removal, concealment, or abscondment thereof, destruction or material waste thereof, or failure of Borrower or any of its Subsidiaries after reasonable demand to maintain or reinstate adequate casualty insurance coverage, or which, in the judgment of Collateral Agent, could reasonably be expected to result in a material diminution in value of the Collateral.

9.2 Power of Attorney. Borrower hereby irrevocably appoints Collateral Agent as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's or any of its Subsidiaries' name on any checks or other forms of payment or security; (b) sign Borrower's or any of its Subsidiaries' name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Collateral Agent determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Collateral Agent or a third party as the Code or any applicable law permits. Borrower hereby appoints Collateral Agent as its lawful attorney-in-fact to sign Borrower's or any of its Subsidiaries' name on any documents necessary to perfect or continue the perfection of Collateral Agent's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and Collateral Agent and the Lenders are under no further obligation to make Credit Extensions hereunder. Collateral Agent's foregoing appointment as Borrower's or any of its Subsidiaries' attorney in fact, and all of Collateral Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and Collateral Agent's and the Lenders' obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower or any of its Subsidiaries fail to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which Borrower or any of its Subsidiaries is obligated to pay under this Agreement or any other Loan Document, Collateral Agent may obtain such insurance or make such payment, and all amounts so paid by Collateral Agent are Lenders' Expenses and immediately due and payable, bearing interest at the Default Rate, and secured by the Collateral. Collateral Agent will make reasonable efforts to provide Borrower with notice of Collateral Agent obtaining such insurance or making such payment at the time it is obtained or paid or within a reasonable time thereafter. No such payments by Collateral Agent are deemed an agreement to make similar payments in the future or Collateral Agent's waiver of any Event of Default.

9.4 Application of Payments and Proceeds. Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, (a) Borrower irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Collateral Agent from or on behalf of Borrower or any of its Subsidiaries of all or any part of the Obligations, and, as between Borrower on the one hand and Collateral Agent and Lenders on the other, Collateral Agent shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations in such manner as Collateral Agent may deem advisable notwithstanding any previous application by Collateral Agent, and (b) the proceeds of any sale of, or other realization upon all or any part of the Collateral shall be applied: first, to the Lenders' Expenses; second, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of the United States Bankruptcy Code, would have accrued on such amounts); third, to the principal amount of the Obligations outstanding; and fourth, to any other indebtedness or obligations of Borrower owing to Collateral Agent or any Lender under the Loan Documents. Any balance remaining shall be delivered to Borrower or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out the foregoing, (x) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category, and (y) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category. Any reference in this Agreement to an allocation between or sharing by the Lenders of any right, interest or obligation "ratably," "proportionally" or in similar terms shall refer to Pro Rata Share unless expressly provided otherwise. Collateral Agent, or if applicable, each Lender, shall promptly remit to the other Lenders such sums as may be necessary to ensure the ratable repayment of each Lender's portion of any Term Loan and the ratable distribution of interest, fees and reimbursements paid or made by Borrower. Notwithstanding the foregoing, a Lender receiving a scheduled payment shall not be responsible for determining whether the other Lenders also received their scheduled payment on such date; provided, however, if it is later determined that a Lender received more than its ratable share of scheduled payments made on any date or dates, then such Lender shall remit to Collateral Agent or other Lenders such sums as may be necessary to ensure the ratable payment of such scheduled payments, as instructed by Collateral Agent. If any payment or distribution of any kind or character, whether in cash, properties or securities, shall be received by a Lender in excess of its ratable share, then the portion of such payment or distribution in excess of such Lender's ratable share shall be received by such Lender in trust for and shall be promptly paid over to the other Lender for application to the payments of amounts due on the other Lenders' claims. To the extent any payment for the account of Borrower is required to be returned as a voidable transfer or otherwise, the Lenders shall contribute to one another as is necessary to ensure that such return of payment is on a pro rata basis. If any Lender shall obtain possession of any Collateral, it shall hold such Collateral for itself and as agent and bailee for Collateral Agent and other Lenders for purposes of perfecting Collateral Agent's security interest therein.

9.5 Liability for Collateral. So long as Collateral Agent and the Lenders comply with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Collateral Agent and the Lenders, Collateral Agent and the Lenders shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Failure by Collateral Agent or any Lender, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Collateral Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by

Collateral Agent and the Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Collateral Agent and the Lenders under this Agreement and the other Loan Documents are cumulative. Collateral Agent and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by Collateral Agent or any Lender of one right or remedy is not an election, and Collateral Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Collateral Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives, to the fullest extent permitted by law, demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Collateral Agent or any Lender on which Borrower or any Subsidiary is liable.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, "**Communication**") by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any of Collateral Agent, Lender or Borrower may change its mailing address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	RESTORATION ROBOTICS, INC. 128 Baytech Drive San Jose, CA 95134 Attn: Vice President – Finance & Administration Fax: (408) 883-6889 Email: charlotteh@restorationrobotics.com
with copies (which shall not constitute notice) to:	LATHAM & WATKINS 140 Scott Drive Menlo Park, CA 94025 Attn: Brian J. Cuneo, Esq. Fax: (650) 463-2600 Email: brian.cuneo@lw.com LATHAM & WATKINS 505 Montgomery Street, Suite 2000 San Francisco, CA 94111 Attn: Haim Zaltzman, Esq. Fax: (415) 395-8095 Email: haim.zaltzman@lw.com
If to Collateral Agent:	OXFORD FINANCE LLC 133 North Fairfax Street Alexandria, Virginia 22314 Attention: Legal Department Fax: (703) 519-5225 Email: LegalDepartment@oxfordfinance.com
with a copy (which shall not constitute notice) to:	DLA Piper LLP (US) 4365 Executive Drive, Suite 1100 San Diego, California 92121-2133 Attn: Troy Zander Fax: (858) 638-5086 Email: troy.zander@dlapiper.com

11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

New York law governs the Loan Documents without regard to principles of conflicts of law. Borrower, Lenders and Collateral Agent each submit to the exclusive jurisdiction of the State and Federal courts in the City of New York, Borough of Manhattan. NOTWITHSTANDING THE FOREGOING, COLLATERAL AGENT AND THE LENDERS SHALL HAVE THE RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION WHICH COLLATERAL AGENT AND THE LENDERS (IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9.1) DEEM NECESSARY OR APPROPRIATE TO REALIZE ON THE COLLATERAL OR TO OTHERWISE ENFORCE COLLATERAL AGENT'S AND THE LENDERS' RIGHTS AGAINST BORROWER OR ITS PROPERTY. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, first class, registered or certified mail return receipt requested, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER, COLLATERAL AGENT, AND THE LENDERS EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

12. GENERAL PROVISIONS

12.1 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not transfer, pledge or assign this Agreement or any rights or obligations under it without Collateral Agent's and each Lender's prior written consent (which may be granted or withheld in Collateral Agent's and each Lender's discretion, subject to Section 12.6). The Lenders have the right, without the consent of or notice to Borrower, to sell, transfer, assign, pledge, negotiate, or grant participation in **(any** such sale, transfer, assignment, negotiation**,** or grant of a participation, a **"Lender Transfer")** all or any part of, or any interest in, the Lenders' obligations, rights, and benefits under this Agreement and the other Loan Documents; *provided*, *however*, that any such Lender Transfer (other than a transfer, pledge, sale or assignment to an Eligible Assignee) of its obligations, rights, and benefits under this Agreement and the other Loan Documents shall require the prior written consent of the Required Lenders (such approved assignee, an "**Approved Lender**")**.** Borrower and Collateral Agent shall be entitled to continue to deal solely and directly with such Lender in connection with the interests so assigned until Collateral Agent shall have received and accepted an effective assignment agreement in form satisfactory to Collateral Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee or Approved Lender as Collateral Agent reasonably shall require. Notwithstanding anything to the contrary contained herein, so long as no Event of Default has occurred and is continuing, no Lender Transfer (other than a Lender Transfer (i) in respect of the Warrants or (ii) in connection with (x) assignments by a Lender due to a forced divestiture at the request of any regulatory agency; or (y) upon the occurrence of a default, event of default or similar occurrence with respect to a Lender's own financing or securitization transactions) shall be permitted, without Borrower's consent, to any Person which is an Affiliate or Subsidiary of Borrower, a direct competitor of Borrower or a vulture hedge fund, each as determined by Collateral Agent.

12.2 Indemnification. Borrower agrees to indemnify, defend and hold Collateral Agent and the Lenders and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Collateral Agent or the Lenders (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or Lenders' Expenses incurred, or paid by Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between Collateral Agent, and/or the Lenders and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct. Borrower hereby further indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Borrower, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Collateral Agent or Lenders) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan provided hereunder, in each case except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person's gross negligence or willful misconduct.

12.3 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.4 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.5 Correction of Loan Documents. Collateral Agent and the Lenders may correct patent errors and fill in any blanks in this Agreement and the other Loan Documents consistent with the agreement of the parties.

12.6 Amendments in Writing; Integration. (a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, or any consent to any departure by Borrower or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower, Collateral Agent and the Required Lenders provided that:

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender's Term Loan Commitment or Commitment Percentage shall be effective as to such Lender without such Lender's written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Collateral Agent shall be effective without Collateral Agent's written consent or signature;

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Term Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Term Loan (B) postpone the date fixed for, or waive, any payment of principal of any Term Loan or of interest on any Term Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term "**Required Lenders**" or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of all or substantially all or any material portion of the Collateral or release any Guarantor of all or any portion of the Obligations or its guaranty obligations with respect thereto, except, in each case with respect to this clause (D), as

otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 12.6 or the definitions of the terms used in this Section 12.6 insofar as the definitions affect the substance of this Section 12.6; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions of Section 9.4 or amend any of the definitions of Pro Rata Share, Term Loan Commitment, Commitment Percentage or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; (H) subordinate the Liens granted in favor of Collateral Agent securing the Obligations; or (I) amend any of the provisions of Section 12.10. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G) and (H) of the preceding sentence;

(iv) the provisions of the foregoing clauses (i), (ii) and (iii) are subject to the provisions of any interlender or agency agreement among the Lenders and Collateral Agent pursuant to which any Lender may agree to give its consent in connection with any amendment, waiver or modification of the Loan Documents only in the event of the unanimous agreement of all Lenders.

(b) Other than as expressly provided for in Section 12.6(a)(i)-(iii), Collateral Agent may, if requested by the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Borrower.

(c) This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

12.7 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.8 Survival. All covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. The obligation of Borrower in Section 12.2 to indemnify each Lender and Collateral Agent, as well as the confidentiality provisions in Section 12.9 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

12.9 Confidentiality. In handling any confidential information of Borrower, the Lenders and Collateral Agent shall exercise the same degree of care that it exercises for their own proprietary information, but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Lenders' and Collateral Agent's Subsidiaries or Affiliates, or in connection with a Lender's own financing or securitization transactions and upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Credit Extensions (provided, however, the Lenders and Collateral Agent shall, except upon the occurrence and during the continuance of an Event of Default, obtain such prospective transferee's or purchaser's agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, or other order; (d) to Lenders' or Collateral Agent's regulators or as otherwise required in connection with an examination or audit; (e) as Collateral Agent reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to third party service providers of the Lenders and/or Collateral Agent so long as such service providers have executed a confidentiality agreement with the Lenders and Collateral Agent with terms no less restrictive than those contained herein. Confidential information does not include information that either: (i) is in the public domain or in the Lenders' and/or Collateral Agent's possession when disclosed to the Lenders and/or Collateral Agent, or becomes part of the public domain after disclosure to the Lenders and/or Collateral Agent; or (ii) is disclosed to the Lenders and/or Collateral Agent by a third party, if the Lenders and/or Collateral Agent does not know that the third party is prohibited from disclosing the information. Collateral Agent

and the Lenders may use confidential information for any purpose, including, without limitation, for the development of client databases, reporting purposes, and market analysis, so long as Collateral Agent and Lenders do not disclose Borrower's identity or the identity of any person associated with Borrower unless otherwise expressly permitted by this Agreement. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 12.9 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 12.9.

12.10 Right of Set Off. Borrower hereby grants to Collateral Agent and to each Lender, a lien, security interest and right of set off as security for all Obligations to Collateral Agent and each Lender hereunder, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Collateral Agent or the Lenders or any entity under the control of Collateral Agent or the Lenders (including a Collateral Agent affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Collateral Agent or the Lenders may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE COLLATERAL AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

12.11 Cooperation of Borrower. If necessary, Borrower agrees to (i) execute any documents (including new Secured Promissory Notes) reasonably required to effectuate and acknowledge each assignment of a Term Loan Commitment or Loan to an assignee in accordance with Section 12.1, (ii) make Borrower's management available to meet with Collateral Agent and prospective participants and assignees of Term Loan Commitments or Credit Extensions (which meetings shall be conducted no more often than twice every twelve months unless an Event of Default has occurred and is continuing), and (iii) assist Collateral Agent or the Lenders in the preparation of information relating to the financial affairs of Borrower as any prospective participant or assignee of a Term Loan Commitment or Term Loan reasonably may request. Subject to the provisions of Section 12.9, Borrower authorizes each Lender to disclose to any prospective participant or assignee of a Term Loan Commitment, any and all information in such Lender's possession concerning Borrower and its financial affairs which has been delivered to such Lender by or on behalf of Borrower pursuant to this Agreement, or which has been delivered to such Lender by or on behalf of Borrower in connection with such Lender's credit evaluation of Borrower prior to entering into this Agreement.

13. DEFINITIONS

13.1 Definitions. As used in this Agreement, the following terms have the following meanings:

"**Account**" is any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Debtor**" is any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Affiliate**" of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agreement**" is defined in the preamble hereof.

"**Amortization Date**" is January 1, 2017; provided that, if Borrower achieves trailing six (6) months' revenues (determined in accordance with GAAP), for the period ending October 31, 2016, of at least Fourteen Million Dollars ($14,000,000.00) (determined by Collateral Agent based upon evidence reasonably satisfactory to Collateral Agent), then the Amortization Date shall be July 1, 2017.

"**Annual Projections**" is defined in Section 6.2(a).

"**Anti-Terrorism Laws**" are any laws relating to terrorism or money laundering, including Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.

"**Approved Fund**" is any (i) investment company, fund, trust, securitization vehicle or conduit that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business or (ii) any Person (other than a natural person) which temporarily warehouses loans for any Lender or any entity described in the preceding clause (i) and that, with respect to each of the preceding clauses (i) and (ii), is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) a Person (other than a natural person) or an Affiliate of a Person (other than a natural person) that administers or manages a Lender.

"**Approved Lender**" is defined in Section 12.1.

"**Basic Rate**" is the per annum rate of interest (based on a year of three hundred sixty (360) days) equal to the greater of (i) eight and one half percent (8.50%) and (ii) the sum of (a) the three (3) month U.S. Dollar LIBOR rate reported in the Wall Street Journal on the date occurring on the last Business Day of the month that immediately precedes the month in which the interest will accrue (which shall not be less than one-half of one percent (0.50%), plus (b) eight percent (8.00%). Without limiting the foregoing, the Basic Rate for the Term Loan as of the Effective Date shall be eight and one half percent (8.50%).

"**Blocked Person**" is any Person: (a) listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) a Person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (d) a Person that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13224, or (e) a Person that is named a "specially designated national" or "blocked person" on the most current list published by OFAC or other similar list.

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are Borrower's or any of its Subsidiaries' books and records including ledgers, federal, and state tax returns, records regarding Borrower's or its Subsidiaries' assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Collateral Agent is closed.

"**Cash Equivalents**" are (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc., and (c) certificates of deposit maturing no more than one (1) year after issue provided that the account in which any such certificate of deposit is maintained is subject to a Control Agreement in favor of Collateral Agent. For the avoidance of doubt, the direct purchase by Borrower or any of its Subsidiaries of any Auction Rate Securities, or purchasing participations in, or entering into any type of swap or other derivative transaction, or otherwise holding or engaging in any ownership interest in any type of Auction Rate Security by Borrower or any of its Subsidiaries shall be conclusively determined by the Lenders as an ineligible Cash Equivalent, and any such transaction shall expressly violate each other provision of this Agreement governing Permitted Investments. Notwithstanding the foregoing, Cash Equivalents does not include and Borrower, and each of its Subsidiaries, are prohibited from purchasing, purchasing

participations in, entering into any type of swap or other equivalent derivative transaction, or otherwise holding or engaging in any ownership interest in any type of debt instrument, including, without limitation, any corporate or municipal bonds with a long-term nominal maturity for which the interest rate is reset through a dutch auction and more commonly referred to as an auction rate security (each, an "**Auction Rate Security**").

"**Claims**" are defined in Section 12.2.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Collateral Agent's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account, or any other bank account maintained by Borrower or any Subsidiary at any time.

"**Collateral Agent**" is, Oxford, not in its individual capacity, but solely in its capacity as agent on behalf of and for the benefit of the Lenders.

"**Commitment Percentage**" is set forth in Schedule 1.1, as amended from time to time.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Communication**" is defined in Section 10.

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit C.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower or any of its Subsidiaries maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower or any of its Subsidiaries maintains a Securities Account or a Commodity Account, Borrower and such Subsidiary, and Collateral Agent pursuant to which Collateral Agent obtains control (within the meaning of the Code) for the benefit of the Lenders over such Deposit Account, Securities Account, or Commodity Account.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Term Loan or any other extension of credit by Collateral Agent or Lenders for Borrower's benefit.

"**Default Rate**" is defined in Section 2.3(b).

"**Deposit Account**" is any "deposit account" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is Borrower's deposit account, account number 3300393464, maintained with Silicon Valley Bank.

"**Disbursement Letter**" is that certain form attached hereto as Exhibit B.

"**Dollars**," "**dollars**" and "$" each mean lawful money of the United States.

"**Effective Date**" is defined in the preamble of this Agreement.

"**Eligible Assignee**" is (i) a Lender, (ii) an Affiliate of a Lender, (iii) an Approved Fund and (iv) any commercial bank, savings and loan association or savings bank or any other entity which is an "accredited investor" (as defined in Regulation D under the Securities Act of 1933, as amended) and which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case, which either (A) has a rating of BBB or higher from Standard & Poor's Rating Group and a rating of Baa2 or higher from Moody's Investors Service, Inc. at the date that it becomes a Lender or (B) has total assets in excess of Five Billion Dollars ($5,000,000,000.00), and in each case of clauses (i) through (iv), which, through its applicable lending office, is capable of lending to Borrower without the imposition of any withholding or similar taxes; provided that notwithstanding the foregoing, "Eligible Assignee" shall not include, unless an Event of Default has occurred and is continuing, (i) Borrower or any of Borrower's Affiliates or Subsidiaries or (ii) a direct competitor of Borrower or a vulture hedge fund, each as determined by Collateral Agent. Notwithstanding the foregoing, (x) in connection with assignments by a Lender due to a forced divestiture at the request of any regulatory agency, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party and (y) in connection with a Lender's own financing or securitization transactions, the restrictions set forth herein shall not apply and Eligible Assignee shall mean any Person or party providing such financing or formed to undertake such securitization transaction and any transferee of such Person or party upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; provided that no such sale, transfer, pledge or assignment under this clause (y) shall release such Lender from any of its obligations hereunder or substitute any such Person or party for such Lender as a party hereto until Collateral Agent shall have received and accepted an effective assignment agreement from such Person or party in form satisfactory to Collateral Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such Eligible Assignee as Collateral Agent reasonably shall require.

"**Equipment**" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, as amended, and its regulations.

"**Existing Indebtedness**" is the indebtedness of Borrower to Existing Lenders in the aggregate principal outstanding amount as of the Effective Date of approximately Thirteen Million Five Hundred Thousand Dollars ($13,500,000.00), as more particularly described in those certain payoff letters dated as of the Effective Date.

"**Existing Lenders**" are Comerica Bank and TriplePoint Capital.

"**Event of Default**" is defined in Section 8.

"**Final Payment**" is a payment (in addition to and not a substitution for the regular monthly payments of principal plus accrued interest) due on the earliest to occur of (a) the Maturity Date, or (b) the acceleration of any Term Loan, or (c) the prepayment of a Term Loan pursuant to Section 2.2(c) or (d), equal to the original principal amount of such Term Loan multiplied by the Final Payment Percentage, payable to Lenders in accordance with their respective Pro Rata Shares.

"**Final Payment Percentage**" is six and one-half percent (6.50%).

"**Foreign Subsidiary**" is a Subsidiary that is not an entity organized under the laws of the United States or any territory thereof.

"**Funding Date**" is any date on which a Credit Extension is made to or on account of Borrower which shall be a Business Day.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession in the United States, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" are all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, any trade secret rights, including any rights to unpatented inventions, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income and other tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Guarantor**" is any Person providing a Guaranty in favor of Collateral Agent.

"**Guaranty**" is any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.2.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Insolvent**" means not Solvent.

"**Intellectual Property**" means all of Borrower's or any Subsidiary's right, title and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to Borrower;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance, payment or capital contribution to any Person.

"**Key Person**" is each of Borrower's (i) President & Chief Executive Officer, who is Jim McCollum as of the Effective Date, (ii) Medical Director & Sr. VP, who is Miguel G. Canales, M.D. as of the Effective Date and (iii) VP, Finance & Administration, who is Charlotte Holland as of the Effective Date.

"**Lender**" is any one of the Lenders.

"**Lenders**" are the Persons identified on Schedule 1.1 hereto and each assignee that becomes a party to this Agreement pursuant to Section 12.1.

"**Lenders' Expenses**" are all audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses, as well as appraisal fees, fees incurred on account of lien searches, inspection fees, and filing fees) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred by Collateral Agent and/or the Lenders in connection with the Loan Documents.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" are, collectively, this Agreement, the Warrants, the Perfection Certificates, each Compliance Certificate, each Disbursement Letter, the Post Closing Letter, any subordination agreements, any note, or notes or guaranties executed by Borrower or any other Person, and any other present or future agreement entered into by Borrower, any Guarantor or any other Person for the benefit of the Lenders and Collateral Agent in connection with this Agreement; all as amended, restated, or otherwise modified.

"**Material Adverse Change**" is (a) a material impairment in the perfection or priority of Collateral Agent's Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations or condition (financial or otherwise) of Borrower or any Subsidiary; or (c) a material impairment of the prospect of repayment of any portion of the Obligations.

"**Maturity Date**" is June 1, 2019.

"**Obligations**" are all of Borrower's obligations to pay when due any debts, principal, interest, Lenders' Expenses, the Prepayment Fee, the Final Payment, and other amounts Borrower owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents (other than the Warrants or any equity instrument), or otherwise, and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Collateral Agent, and the performance of Borrower's duties under the Loan Documents (other than the Warrants or any equity instrument).

"**OFAC**" is the U.S. Department of Treasury Office of Foreign Assets Control.

"**OFAC Lists**" are, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders.

"**Operating Documents**" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment Date**" is the first (1st) calendar day of each calendar month, commencing on June 1, 2015.

"**Perfection Certificate**" and "**Perfection Certificates**" is defined in Section 5.1.

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to the Lenders and Collateral Agent under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s);

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness consisting of capitalized lease obligations and purchase money Indebtedness, in each case incurred by Borrower or any of its Subsidiaries to finance the acquisition, repair, improvement or construction of fixed or capital assets of such person, provided that (i) the aggregate outstanding principal amount of all such Indebtedness does not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) at any time and (ii) the principal amount of such Indebtedness does not exceed the lower of the cost or fair market value of the property so acquired or built or of such repairs or improvements financed with such Indebtedness (each measured at the time of such acquisition, repair, improvement or construction is made);

(f) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of Borrower's business;

(g) Indebtedness of Borrower with respect to corporate credit cards, not exceeding Two Hundred Thousand Dollars ($200,000.00) in the aggregate at any given time;

(h) other unsecured Indebtedness not otherwise permitted by Section 7.4 not exceeding One Hundred Fifty Thousand Dollars ($150,000.00) in the aggregate at any given time;

(i) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (h) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose materially more burdensome terms upon Borrower, or its Subsidiary, as the case may be.

"**Permitted Investments**" are:

(a) Investments disclosed on the Perfection Certificate(s) and existing on the Effective Date;

(b) (i) Investments consisting of cash and Cash Equivalents, and (ii) any other Investments permitted by Borrower's investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved in writing by Collateral Agent;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;

(d) Investments consisting of deposit accounts in which Collateral Agent has a perfected security interest;

(e) Investments in connection with Transfers permitted by Section 7.1;

(f) Investments by Borrower in (i) Restoration HK not to exceed Fifty Thousand Dollars ($50,000.00), (ii) Restoration Korea not to exceed Two Hundred Thousand Dollars ($200,000.00) and (iii) Restoration UK not to exceed One Million Five Hundred Thousand Dollars ($1,500,000.00); in each case, in any fiscal year;

(g) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's Board of Directors; not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate for (i) and (ii) in any fiscal year;

(h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(i) repurchases of stock from former employees or directors of Borrower under the terms of applicable repurchase agreements in an aggregate amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) in any fiscal year, provided that no Event of Default has occurred, is continuing or would exist after giving effect to any such repurchase;

(j) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (h) shall not apply to Investments of Borrower in any Subsidiary; and

(k) Cash and non-cash Investments in joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the licensing of technology pursuant to a Permitted License, the development of technology or the providing of technical support; provided that any cash Investments do not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate in any fiscal year.

"**Permitted Licenses**" are (A) licenses of over-the-counter software that is commercially available to the public, (B) non-exclusive and exclusive licenses for the use of the Intellectual Property of Borrower or any of its Subsidiaries entered into in the ordinary course of business, provided, that, with respect to each such license described in clause (B), (i) no Event of Default has occurred or is continuing at the time such license is entered into; (ii) the license constitutes an arms-length transaction, the terms of which, on their face, do not provide for a sale or assignment of any Intellectual Property and do not restrict the ability of Borrower or any of its Subsidiaries, as applicable, to pledge, grant a security interest in or lien on, or assign or otherwise Transfer any Intellectual Property; (iii) in the case of any exclusive license, (x) if not already disclosed, Borrower delivers ten (10) days' prior written notice and a brief summary of the terms of the proposed license to Collateral Agent and the Lenders and delivers to Collateral Agent and the Lenders copies of the final executed licensing documents in connection with the exclusive license promptly upon consummation thereof, and (y) any such license could not result in a legal transfer of title of the licensed property but may be exclusive in respects other than territory and may be exclusive as to territory only as to discrete geographical areas outside of the United States; and (iv) all upfront payments, royalties, milestone payments or other proceeds arising from the licensing agreement that are payable to Borrower or any of its Subsidiaries are paid to a Deposit Account that is governed by a Control Agreement and (C) non-perpetual licenses that may be exclusive solely in the fields of use outside hair restoration in geographic locations within in the United States or outside the United States.

"Permitted Liens" are:

(a) Liens existing on the Effective Date and disclosed on the Perfection Certificates or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) Liens securing Indebtedness permitted under clause (e) of the definition of "**Permitted Indebtedness**," provided that (i) such liens exist prior to the acquisition of, or attach substantially simultaneous with, or within twenty (20) days after the, acquisition, lease, repair, improvement or construction of, such property financed or leased by such Indebtedness and (ii) such liens do not extend to any property of Borrower other than the property (and proceeds thereof) acquired, leased or built, or the improvements or repairs, financed by such Indebtedness;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Twenty Five Thousand Dollars ($25,000.00), and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Collateral Agent or any Lender a security interest therein;

(h) banker's liens, rights of setoff and Liens in favor of financial institutions incurred in the ordinary course of business arising in connection with Borrower's deposit accounts or securities accounts held at such institutions solely to secure payment of fees and similar costs and expenses and provided such accounts are maintained in compliance with Section 6.6(b) hereof;

(i) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 8.4 or 8.7;

(j) Liens on insurance proceeds in favor of insurance companies granted solely to secure financed insurance premiums, securing liabilities in an aggregate amount not to exceed Three Hundred Fifty Thousand Dollars ($350,000); and

(k) Liens consisting of Permitted Licenses.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Post Closing Letter**" is that certain Post Closing Letter dated as of the Effective Date by and between Collateral Agent and Borrower.

"**Prepayment Fee**" is, with respect to any Term Loan subject to prepayment prior to the Maturity Date, whether by mandatory or voluntary prepayment, acceleration or otherwise, an additional fee payable to the Lenders in amount equal to:

(i) for a prepayment made on or after the Funding Date of such Term Loan through and including the first anniversary of the Funding Date of such Term Loan, three percent (3.00%) of the principal amount of such Term Loan prepaid;

(ii) for a prepayment made after the date which is after the first anniversary of the Funding Date of such Term Loan through and including the second anniversary of the Funding Date of such Term Loan, two percent (2.00%) of the principal amount of the Term Loans prepaid; and

(iii) for a prepayment made after the date which is after the second anniversary of the Funding Date of such Term Loan and prior to the Maturity Date, one percent (1.00%) of the principal amount of the Term Loans prepaid.

"**Pro Rata Share**" is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of Term Loans held by such Lender by the aggregate outstanding principal amount of all Term Loans.

"**Registered Organization**" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Required Lenders**" means (i) for so long as all of the Persons that are Lenders on the Effective Date (each an "**Original Lender**") have not assigned or transferred any of their interests in their Term Loan, Lenders holding one hundred percent (100%) of the aggregate outstanding principal balance of the Term Loan, or (ii) at any time from and after any Original Lender has assigned or transferred any interest in its Term Loan, Lenders holding at least sixty six percent (66%) of the aggregate outstanding principal balance of the Term Loan and, in respect of this clause (ii), (A) each Original Lender that has not assigned or transferred any portion of its Term Loan, (B) each assignee or transferee of an Original Lender's interest in the Term Loan, but only to the extent that such assignee or transferee is an Affiliate or Approved Fund of such Original Lender, and (C) any Person providing financing to any Person described in clauses (A) and (B) above; provided, however, that this clause (C) shall only apply upon the occurrence of a default, event of default or similar occurrence with respect to such financing.

"**Requirement of Law**" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**" is any of the President, Chief Executive Officer, or Chief Financial Officer of Borrower acting alone.

"**Restoration HK**" is Restoration Robotics Inc. Ltd., a wholly-owned Subsidiary of Borrower organized under the laws of Hong Kong.

"**Restoration Korea**" is Restoration Robotics Korea Yuhan Hosea, a wholly-owned Subsidiary of Borrower organized under the laws of South Korea.

"**Restoration UK**" is Restoration Robotics Europe Ltd., a wholly-owned Subsidiary of Borrower organized under the laws of the United Kingdom.

"**Secured Promissory Note**" is defined in Section 2.4.

"**Secured Promissory Note Record**" is a record maintained by each Lender with respect to the outstanding Obligations owed by Borrower to Lender and credits made thereto.

"**Securities Account**" is any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"**Shares**" is one hundred percent (100%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by Borrower or Borrower's Subsidiary, in any Subsidiary; provided that, in the event Borrower, demonstrates to Collateral Agent's reasonable satisfaction, that a pledge of more than sixty-five percent (65%) of the Shares of such Subsidiary which is a Foreign Subsidiary, would create a present and existing adverse tax consequence to Borrower under the U.S. Internal Revenue Code, "Shares" shall mean sixty-five percent (65%) of the issued and outstanding capital stock, membership units or other securities owned or held of record by Borrower or its Subsidiary in such Foreign Subsidiary. Notwithstanding anything herein to the contrary, Borrower shall not be obligated to pledge more than sixty-five percent (65%) of any Shares or equity interests of Restoration UK, Restoration HK or Restoration Korea.

"**Solvent**" is, with respect to any Person: the fair salable value of such Person's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person's liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature in accordance with their terms.

"**Subordinated Debt**" is indebtedness incurred by Borrower or any of its Subsidiaries subordinated to all Indebtedness of Borrower and/or its Subsidiaries to the Lenders (pursuant to a subordination, intercreditor, or other similar agreement in form and substance reasonably satisfactory to Collateral Agent and the Lenders entered into between Collateral Agent, Borrower, and/or any of its Subsidiaries, and the other creditor), on terms acceptable to Collateral Agent and the Lenders.

"**Subsidiary**" is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries.

"**Term Loan**" is defined in Section 2.2(a) hereof.

"**Term Loan Commitment**" is, for any Lender, the obligation of such Lender to make a Term Loan, up to the principal amount shown on Schedule 1.1**.** "**Term Loan Commitments**" means the aggregate amount of such commitments of all Lenders.

"**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"**Transfer**" is defined in Section 7.1.

"**Warrants**" are those certain Warrants to Purchase Stock dated as of the Effective Date, or any date thereafter, issued by Borrower in favor of each Lender or such Lender's Affiliates.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

BORROWER:

RESTORATION ROBOTICS, INC.

By /s/ Charlotte Holland
Name: Charlotte Holland
Title: Vice President - Finance & Administration

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By /s/ Mark Davis
Name: Mark Davis
Title: Vice President - Finance, Secretary & Treasurer

SCHEDULE 1.1

Lenders and Commitments

Term Loans

Lender	Term Loan Commitment	Commitment Percentage
OXFORD FINANCE LLC	$20,000,000.00	100.00%
TOTAL	**$20,000,000.00**	**100.00%**

EXHIBIT A

Description of Collateral

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property; provided that, if a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Collateral Agent's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property; (ii) more than sixty-five percent (65%) of the total combined voting power of all classes of stock entitled to vote the shares of capital stock (the "Shares") of any Foreign Subsidiary, if Borrower demonstrates to Collateral Agent's reasonable satisfaction that a pledge of more than sixty-five percent (65%) of the Shares of such Subsidiary creates a present and existing adverse tax consequence to Borrower under the U.S. Internal Revenue Code; (iii) more than sixty-five percent (65%) of any Shares or equity interests of Restoration UK, Restoration HK or Restoration Korea; or (iv) any license or contract, in each case if the granting of a Lien in such license or contract is prohibited by or would constitute a default under the agreement governing such license or contract (but (A) only to the extent such prohibition is enforceable under applicable law and (B) other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-408 or 9-409 (or any other Section) of Article 9 of the Code); provided that upon the termination, lapsing or expiration of any such prohibition, such license or contract, as applicable, shall automatically be subject to the security interest granted in favor of Collateral Agent hereunder and become part of the "Collateral."

Pursuant to the terms of a certain negative pledge arrangement with Collateral Agent and the Lenders, Borrower has agreed not to encumber any of its Intellectual Property.

EXHIBIT B

Form of Disbursement Letter

[see attached]

DISBURSEMENT LETTER

May 19, 2015

The undersigned, being the duly elected and acting of RESTORATION ROBOTICS, INC., a Delaware corporation with offices located at 128 Baytech Drive, San Jose, CA 95134 ("**Borrower**"), does hereby certify to **OXFORD FINANCE LLC** ("**Oxford**" and "**Lender**"), as collateral agent (the "**Collateral Agent**") in connection with that certain Loan and Security Agreement dated as of May 19, 2015, by and among Borrower, Collateral Agent and the Lenders from time to time party thereto (the "**Loan Agreement**"; with other capitalized terms used below having the meanings ascribed thereto in the Loan Agreement) that:

1. The representations and warranties made by Borrower in Section 5 of the Loan Agreement and in the other Loan Documents are true and correct in all material respects as of the date hereof.

2. No event or condition has occurred that would constitute an Event of Default under the Loan Agreement or any other Loan Document.

3. Borrower is in compliance with the covenants and requirements contained in Sections 4, 6 and 7 of the Loan Agreement.

4. All conditions referred to in Section 3 of the Loan Agreement to the making of the Loan to be made on or about the date hereof have been satisfied or waived by Collateral Agent.

5. No Material Adverse Change has occurred.

6. The undersigned is a Responsible Officer.

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7. The proceeds of the Term Loan shall be disbursed as follows:

Disbursement from Oxford:

Loan Amount	$ 20,000,000.00
Plus:	
—Facility Fee deposit received	$ 200,000.00
Less:	
—Facility Fee	($ 200,000.00)
—Existing Debt Payoff to be remitted to Comerica Bank per the Payoff Letter dated May 18, 2015	($ 6,137,115.71)
—Existing Debt Payoff to be remitted to TriplePoint Capital per the Payoff Letter dated May 12, 2015	($ 6,940,798.37)
—Interim Interest	($ 56,666.67)
—Lender's Legal Fees	($ 42,600.25)*
TOTAL TERM LOAN NET PROCEEDS FROM OXFORD	**$ 6,822,819.00**

8. The Term Loan shall amortize in accordance with the Amortization Table attached hereto.

9. The aggregate net proceeds of the Term Loan shall be transferred to the Designated Deposit Account as follows:

Account Name:	########## ######## ###
Bank Name:	####### ###### ####
Bank Address:	#### ###### ##### ##### ##### ########## #####
Account Number:	##########
ABA Number:	#########

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* Legal fees and costs are through the Effective Date. Post-closing legal fees and costs, payable after the Effective Date, to be invoiced and paid post-closing.

Dated as of the date first set forth above.

BORROWER:

RESTORATION ROBOTICS, INC.

By_____
Name:_____
Title:_____

COLLATERAL AGENT AND LENDER:

OXFORD FINANCE LLC

By_____
Name:_____
Title:_____

[Signature Page to Disbursement Letter]

AMORTIZATION TABLE
(Term Loan)

[see attached]

EXHIBIT C

Compliance Certificate

TO: OXFORD FINANCE LLC, as Collateral Agent and Lender

FROM: RESTORATION ROBOTICS, INC.

The undersigned authorized officer ("**Officer**") of RESTORATION ROBOTICS, INC. ("**Borrower**"), hereby certifies in [his/her] capacity as an officer of Borrower, and not under any individual capacity, that in accordance with the terms and conditions of the Loan and Security Agreement by and among Borrower, Collateral Agent, and the Lenders from time to time party thereto (the "**Loan Agreement**;" capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement),

(a) Borrower is in complete compliance for the period ending with all required covenants except as noted below;

(b) There are no Events of Default, except as noted below;

(c) Except as noted below, all representations and warranties of Borrower stated in the Loan Documents are true and correct in all material respects on this date and for the period described in (a), above; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date.

(d) Borrower, and each of Borrower's Subsidiaries, has timely filed all required tax returns and reports, Borrower, and each of Borrower's Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower, or Subsidiary, except as otherwise permitted pursuant to the terms of Section 5.8 of the Loan Agreement;

(e) No Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Collateral Agent and the Lenders.

Attached are the required documents, if any, supporting our certification(s). The Officer, on behalf of Borrower, further certifies that the attached financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes and except, in the case of unaudited financial statements, for the absence of footnotes and subject to year-end audit adjustments as to the interim financial statements.

Please indicate compliance status since the last Compliance Certificate by circling Yes, No, or N/A under "Complies" column.

	Reporting Covenant	Requirement	Actual	Complies		
1)	Financial statements	Monthly within 30 days		Yes	No	N/A
2)	Annual (CPA Audited) statements	Within 180 days after FYE		Yes	No	N/A
3)	Annual Financial Projections/Budget (prepared on a monthly basis)	Annually (within earlier of 10 days of Board approval or 60 days of FYE), and when revised		Yes	No	N/A

4)	A/R & A/P agings	If applicable		Yes	No	N/A
5)	8-K, 10-K and 10-Q Filings	If applicable, within 5 days of filing		Yes	No	N/A
6)	Compliance Certificate	Monthly within 30 days		Yes	No	N/A
7)	IP Report	When required		Yes	No	N/A
8)	Total amount of Borrower's cash and Cash Equivalents at the last day of the measurement period		$_____	Yes	No	N/A
9)	Total amount of Borrower's Subsidiaries' cash and Cash Equivalents at the last day of the measurement period		$_____	Yes	No	N/A

Deposit and Securities Accounts

(Please list all accounts; attach separate sheet if additional space needed)

	Institution Name	Account Number	New Account?		Account Control Agreement in place?	
1)			Yes	No	Yes	No
2)			Yes	No	Yes	No
3)			Yes	No	Yes	No
4)			Yes	No	Yes	No

Financial Covenants

None

Other Matters

1)	Have there been any changes in management since the last Compliance Certificate?	Yes	No
2)	Have there been any transfers/sales/disposals/retirement of Collateral or IP prohibited by the Loan Agreement?	Yes	No
3)	Have there been any new or pending claims or causes of action against Borrower that involve more than Two Hundred Fifty Thousand Dollars ($250,000.00)?	Yes	No
4)	Have there been any material amendments of or other material changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate.	Yes	No

Exceptions

Please explain any exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions." Attach separate sheet if additional space needed.)

RESTORATION ROBOTICS, INC.

By _____
Name: _____
Title: _____

Date: _____

LENDER USE ONLY

Received by: _____ Date: _____

Verified by: _____ Date: _____

Compliance Status: Yes No

EXHIBIT D

Form of Secured Promissory Note

[see attached]

SECURED PROMISSORY NOTE
(Term Loan)

$[5][4][3],000,000.00 Dated: May 19, 2015

FOR VALUE RECEIVED, the undersigned, RESTORATION ROBOTICS, INC., a Delaware corporation with offices located at 128 Baytech Drive, San Jose, CA 95134 ("**Borrower**") HEREBY PROMISES TO PAY to the order of OXFORD FINANCE LLC ("**Lender**") the principal amount of [FIVE][FOUR][THREE] MILLION DOLLARS ($[5][4][3],000,000.00) or such lesser amount as shall equal the outstanding principal balance of the Term Loan made to Borrower by Lender, plus interest on the aggregate unpaid principal amount of such Term Loan, at the rates and in accordance with the terms of the Loan and Security Agreement dated May 19, 2015 by and among Borrower, Lender, Oxford Finance LLC, as Collateral Agent, and the other Lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"). If not sooner paid, the entire principal amount and all accrued and unpaid interest hereunder shall be due and payable on the Maturity Date as set forth in the Loan Agreement. Any capitalized term not otherwise defined herein shall have the meaning attributed to such term in the Loan Agreement.

Principal, interest and all other amounts due with respect to the Term Loan, are payable in lawful money of the United States of America to Lender as set forth in the Loan Agreement and this Secured Promissory Note (this "**Note**"). The principal amount of this Note and the interest rate applicable thereto, and all payments made with respect thereto, shall be recorded by Lender and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Note.

The Loan Agreement, among other things, (a) provides for the making of a secured Term Loan by Lender to Borrower, and (b) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

This Note may not be prepaid except as set forth in Section 2.2 (c) and Section 2.2(d) of the Loan Agreement.

This Note and the obligation of Borrower to repay the unpaid principal amount of the Term Loan, interest on the Term Loan and all other amounts due Lender under the Loan Agreement is secured under the Loan Agreement.

Presentment for payment, demand, notice of protest and all other demands and notices of any kind in connection with the execution, delivery, performance and enforcement of this Note are hereby waived.

Borrower shall pay all reasonable fees and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred by Lender in the enforcement or attempt to enforce any of Borrower's obligations hereunder not performed when due.

This Note shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of New York.

The ownership of an interest in this Note shall be registered on a record of ownership maintained by Lender or its agent. Notwithstanding anything else in this Note to the contrary, the right to the principal of, and stated interest on, this Note may be transferred only if the transfer is registered on such record of ownership and the transferee is identified as the owner of an interest in the obligation. Borrower shall be entitled to treat the registered holder of this Note (as recorded on such record of ownership) as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Note on the part of any other person or entity.

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IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed by one of its officers thereunto duly authorized on the date hereof.

BORROWER:

RESTORATION ROBOTICS, INC.

By_____
Name:_____
Title:_____

LOAN INTEREST RATE AND PAYMENTS OF PRINCIPAL

Date	Principal Amount	Interest Rate	Scheduled Payment Amount	Notation By

CORPORATE BORROWING CERTIFICATE

BORROWER: RESTORATION ROBOTICS, INC. **DATE:** May 19, 2015
LENDER: OXFORD FINANCE LLC, as Collateral Agent and Lender

I hereby certify as follows, solely in my capacity as an officer of Borrower and not in my individual capacity, as of the date set forth above:

1. I am the Secretary, Assistant Secretary or other officer of Borrower. My title is as set forth below.

2. Borrower's exact legal name is set forth above. Borrower is a corporation existing under the laws of the State of Delaware.

3. Attached hereto as Exhibit A and Exhibit B, respectively, are true, correct and complete copies of (i) Borrower's Certificate of Incorporation (including amendments), as filed with the Secretary of State of the state in which Borrower is incorporated as set forth in paragraph 2 above; and (ii) Borrower's Bylaws. Neither such Certificate of Incorporation nor such Bylaws have been amended, annulled, rescinded, revoked or supplemented, and such Certificate of Incorporation and such Bylaws remain in full force and effect as of the date hereof.

4. The following resolutions were duly and validly adopted by Borrower's Board of Directors at a duly held meeting of such directors (or pursuant to a unanimous written consent or other authorized corporate action). Such resolutions are in full force and effect as of the date hereof and have not been in any way modified, repealed, rescinded, amended or revoked, and the Lenders may rely on them until each Lender receives written notice of revocation from Borrower.

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RESOLVED, that **any one** of the following officers or employees of Borrower, whose names, titles and signatures are below, may act on behalf of Borrower:

Name	Title	Signature	Authorized to Add or Remove Signatories
			☐
			☐
			☐
			☐

RESOLVED FURTHER, that **any one** of the persons designated above with a checked box beside his or her name may, from time to time, add or remove any individuals to and from the above list of persons authorized to act on behalf of Borrower.

RESOLVED FURTHER, that such individuals may, on behalf of Borrower:

Borrow Money. Borrow money from the Lenders.

Execute Loan Documents. Execute any loan documents any Lender requires.

Grant Security. Grant Collateral Agent a security interest in any of Borrower's assets.

Negotiate Items. Negotiate or discount all drafts, trade acceptances, promissory notes, or other indebtedness in which Borrower has an interest and receive cash or otherwise use the proceeds.

Issue Warrants. Issue warrants for Borrower's capital stock.

Further Acts. Designate other individuals to request advances, pay fees and costs and execute other documents or agreements (including documents or agreement that waive Borrower's right to a jury trial) they believe to be necessary to effectuate such resolutions.

RESOLVED FURTHER, that all acts authorized by the above resolutions and any prior acts relating thereto are ratified.

[*Balance of Page Intentionally Left Blank*]

5. The persons listed above are Borrower's officers or employees with their titles and signatures shown next to their names.

By:_____
Name:_____
Title:_____

**** If the Secretary, Assistant Secretary or other certifying officer executing above is designated by the resolutions set forth in paragraph 4 as one of the authorized signing officers, this Certificate must also be signed by a second authorized officer or director of Borrower.*

I, the of Borrower, hereby certify as to paragraphs 1 through 5 above, solely in my capacity as an officer or director of Borrower and not in my individual capacity, as of the date set forth above.

By:_____
Name:_____
Title:_____

[Signature Page to Corporate Borrowing Certificate]

EXHIBIT A

Certificate of Incorporation (including amendments)

[see attached]

EXHIBIT B

Bylaws

[see attached]

DEBTOR: **RESTORATION ROBOTICS, INC.**

SECURED PARTY: **OXFORD FINANCE LLC,**
as Collateral Agent

EXHIBIT A TO UCC FINANCING STATEMENT

Description of Collateral

The Collateral consists of all of Debtor's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as noted below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property; provided that, if a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Collateral Agent's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property; (ii) more than sixty-five percent (65%) of the total combined voting power of all classes of stock entitled to vote the shares of capital stock (the "Shares") of any Foreign Subsidiary, if Borrower demonstrates to Collateral Agent's reasonable satisfaction that a pledge of more than sixty-five percent (65%) of the Shares of such Subsidiary creates a present and existing adverse tax consequence to Borrower under the U.S. Internal Revenue Code; (iii) more than sixty-five percent (65%) of any Shares or equity interests of Restoration UK, Restoration HK or Restoration Korea; or (iv) any license or contract, in each case if the granting of a Lien in such license or contract is prohibited by or would constitute a default under the agreement governing such license or contract (but (A) only to the extent such prohibition is enforceable under applicable law and (B) other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-408 or 9-409 (or any other Section) of Article 9 of the Code); provided that upon the termination, lapsing or expiration of any such prohibition, such license or contract, as applicable, shall automatically be subject to the security interest granted in favor of Collateral Agent hereunder and become part of the "Collateral."

Pursuant to the terms of a certain negative pledge arrangement with Secured Party and the Lenders, Debtor has agreed not to encumber any of its Intellectual Property.

Capitalized terms used but not defined herein have the meanings ascribed in the Uniform Commercial Code in effect in the State of New York as in effect from time to time (the "Code") or, if not defined in the Code, then in the Loan and Security Agreement by and between Debtor, Secured Party and the other Lenders party thereto (as modified, amended and/or restated from time to time).

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS **FIRST AMENDMENT** to Loan and Security Agreement (this "**Amendment**") is entered into as of September 15, 2015, by and between **OXFORD FINANCE LLC**, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 ("**Oxford**"), as collateral agent (in such capacity, "**Collateral Agent**"), the Lenders listed on Schedule 1.1 of the Loan Agreement (as defined below) or otherwise a party hereto from time to time including Oxford in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**"), and RESTORATION ROBOTICS, INC., a Delaware corporation with offices located at 128 Baytech Drive, San Jose, CA 95134 ("**Borrower**").

RECITALS

A. Collateral Agent, Lenders and Borrower have entered into that certain Loan and Security Agreement dated as of May 19, 2015 (as amended from time to time, the "**Loan Agreement**").

B. Lenders have extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Collateral Agent and Lenders (i) permit certain liens and (ii) make certain other revisions to the Loan Agreement as more fully set forth herein.

D. Collateral Agent and Lenders have agreed to modify such consent and to amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 6.6 (Operating Accounts). Section 6.6(a) of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"(a) Maintain all of Borrower's and its domestic Subsidiaries' Collateral Accounts in accounts which are subject to a Control Agreement in favor of Collateral Agent. Notwithstanding the foregoing, Borrower may maintain the Money Market Account, and the same shall not be subject to a Control Agreement, but only for so long as Comerica provides credit card services to Borrower, repayment of which are secured by the Money Market Account."

2.2 Section 6.6 (Operating Accounts). The last sentence in Section 6.6(b) of the Loan Agreement hereby is amended and restated in its entirety to read as follows:

"The provisions of the previous sentence shall not apply to deposit accounts exclusively used for (x) payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's, or any of its Subsidiaries', employees and identified to Collateral Agent by Borrower as such in the Perfection Certificates and (y) the Money Market Account, but only for so long as Comerica provides credit card services to Borrower, repayment of which are secured by the Money Market Account."

2.3 Section 13 (Definitions). The following defined term hereby is added to Section 13.1 of the Loan Agreement as follows:

"**Comerica**" means Comerica Bank.

"**Money Market Account**" means Borrower's money market account number XXX4350 maintained by Borrower with Comerica, solely to secure repayment of corporate credit card services provided to Borrower by Comerica; provided that the principal balance of such Money Market Account shall not to exceed Two Hundred Thousand Dollars ($200,000.00) at any time.

2.4 Section 13.1 (Definitions). The defined term "**Permitted Liens**" as set forth in Section 13.1 of the Loan Agreement hereby is amended by deleting the term "and" as it appears at the end of clause (j) thereof; deleting the period at the end of clause (k) thereof and replacing it with the phrase "; and"; and adding a new clause (l) at the end thereof to read as follows:

"(l) Liens in favor of Comerica in respect of the Money Market Account."

3. Limitation of Amendment.

3.1 The amendments set forth in **Section 2** above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Collateral Agent or any Lender may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Collateral Agent and Lenders to enter into this Amendment, Borrower hereby represents and warrants to Collateral Agent and Lenders as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Collateral Agent and Lenders on the Effective Date, or subsequent thereto, remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon the due execution and delivery to Collateral Agent and Lenders of (i) this Amendment by each party hereto and (ii) Borrower's payment of all Lenders' Expenses incurred through the date of this Amendment.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

COLLATERAL AGENT AND LENDER:

OXFORD FINANCIAL LLC

By: /s/ Hans S. Houser
Name: Hans S. Houser
Title: Chief Credit Officer & Senior Vice President

BORROWER:

RESTORATION ROBOTICS, INC.

By: /s/ Charlotte Holland
Name: Charlotte Holland
Title: VP - Finance & Administration

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company:	RESTORATION ROBOTICS, INC. a Delaware corporation
Number of Shares:	276,224 (Subject to Section 1.7)
Type/Series of Stock:	Series C Preferred (Subject to Section 1.7)
Warrant Price:	$0.715 per share (Subject to Section 1.7)
Issue Date:	May 19, 2015
Expiration Date:	May 19, 2025 See also Section 5.1(b)
Credit Facility:	This Warrant to Purchase Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, and the Company (as modified, amended and/or restated from time to time, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, OXFORD FINANCE LLC ("**Oxford**" and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated Type/Series of Stock (the "**Class**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Sections 1.7 and 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**") and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is then traded in a Trading Market and the Class is a series of the Company's Preferred Stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company's common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company's common stock into which a Share is then convertible. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power (other than in connection with a bona fide sales or issuance of securities of the Company for capital raising purposes).

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of its request relating to the Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as

determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the Company shall use commercially reasonable efforts to cause the acquiring, surviving or successor entity to assume the obligations of this Warrant as part of the Acquisition. If the acquiring entity assumes this Warrant then it shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Adjustment to Class of Shares; Number of Shares; Warrant Price; Adjustments Cumulative. If, upon the closing of the Next Equity Financing, the Next Equity Financing Price shall be less than the Warrant Price in effect as of immediately prior thereto, then the "Class" shall be Next Equity Financing Securities from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant and the "Warrant Price" shall be the Next Equity Financing Price from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant; provided, that upon such date, if any, as the "Class" becomes Next Equity Financing Securities pursuant to this sentence, this Warrant shall be exercisable for such number of shares of such Class as shall equal (i) One Hundred Ninety-Seven Thousand Five Hundred Dollars ($197,500.00), divided by (ii) the Next Equity Financing Price, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. As used herein (i) "Next Equity Financing" means the first sale or issuance by the Company on or after the Issue Date of this Warrant set forth above, in a single transaction or series of related transactions, of shares of its Preferred Stock or other senior equity securities to one or more investors for cash for financing purposes; (ii) "Next Equity Financing Securities" means the type, class and series of Preferred Stock or other senior equity security sold or issued by the Company in the Next Equity Financing; and (iii) "Next Equity Financing Price" means the lowest price per share for which Next Equity Financing Securities are sold or issued by the Company in the Next Equity Financing.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Preferred Stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company's Certificate of Incorporation, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, for so long as this Warrant is exercisable for shares of Preferred Stock, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company's Articles or Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 1.12 of the Company's Amended and Restated Investors' Rights Agreement, as amended to, and in effect as of, the Issue Date.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing the securities issued upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO OXFORD FINANCE LLC DATED

MAY 19, 2015, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford's affiliates (each, an "**Oxford Affiliate**"), by execution of an Assignment substantially in the form of Appendix 2. Subject to the provisions of Article 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the Shares issuable directly or indirectly, upon conversion of the Shares, if any) to any other transferee, provided, however, in connection with any such transfer, the Oxford Affiliate(s) or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable; and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC
133 N. Fairfax Street
Alexandria, VA 22314
Attn: Legal Department
Telephone: (703) 519-4900
Facsimile: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

RESTORATION ROBOTICS, INC.
128 Baytech Drive
San Jose, CA 95134

Attn: Vice President – Finance & Administration
Facsimile: (408) 883-6889
Email: charlotteh@restorationrobotics.com

With a copy (which shall not constitute notice) to:

LATHAM & WATKINS
140 Scott Drive
Menlo Park, CA 94025
Attn: Brian J. Cuneo
Facsimile: (650) 463-2600
Email: brian.cuneo@lw.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

RESTORATION ROBOTICS, INC.

By: /s/ Charlotte Holland
Name: Charlotte Holland
(Print)
Title: VP - Finance & Administration

"HOLDER"

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
(Print)
Title: Vice President - Finance, Secretary & Treasurer

APPENDIX 1

NOTICE OF EXERCISE

1. The undersigned Holder hereby exercises its right purchase shares of the Common/Series Preferred [circle one] Stock of RESTORATION ROBOTICS, INC. (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe]

2. Please issue a certificate or certificates representing the Shares in the name specified below:

_____

Holder's Name

_____

_____

(Address)

3. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX 2

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]

Address: _____

Tax ID: _____]

that certain Warrant to Purchase Stock issued by RESTORATION ROBOTICS, INC. (the "**Company**"), on May 19, 2015 (the "**Warrant**") together with all rights, title and interest therein.

OXFORD FINANCE LLC

By: _____

Name: _____

Title: _____

Date: _____

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]

By: _____

Name: _____

Title: _____]

SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1

Generated: 04/27/2015 09:11AM PST

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

		Issued and Outstanding Shares	CSE Shares*	Total Fully Diluted Shares
COMMON STOCK (Authorized: 322,490,000)				
Issued and Outstanding		15,292,289	15,292,289	15,292,289
PREFERRED STOCK (Authorized: 208,124,444)				
SERIES A Preferred Stock (Authorized: 25,092,906)		25,092,906	25,092,906	
SERIES B Preferred Stock (Authorized: 38,461,538)		38,461,538	38,461,538	
SERIES C Preferred Stock (Authorized: 142,100,000)		120,571,608	120,571,608	
SERIES AA Preferred Stock (Authorized: 2,500,000)		2,500,000	2,500,000	186,626,052
WARRANTS	*1*			
SERIES C Preferred Stock		2,746,517	2,746,517	2,746,517
2005 Stock Plan (Reserved: 26,762,585)				
Shares Issuable Under Plan:				
Options and/or SPRs Issued and Outstanding		13,607,363	13,607,363	
Options and/or SPRs Committed for Issuance		0	0	
Shares Remaining for Issuance Under Plan		117,021	117,021	13,724,384
Reserved in Plan		26,762,585	26,762,585	
Options and/or SPRs Exercised		(13,038,201)	(13,038,201)	
Repurchases		1,644,864	1,644,864	
Total shares issued & outstanding, including shares committed for issuance and employee reserves, assuming conversion of all convertible securities and exercise of all outstanding options				218,389,242

Footnote(s):

CSE Shares* Common Stock Equivalent (CSE) shares reflects the Common Stock issuable for the security type (option, stock, warrant, CPN) after the appropriate conversion ratio is applied with regard to parameters set for aggregation/rounding for each class/series.

Reserved reflects the Current Reserved Amount; if the option plan has shares pouring in from another plan, this number will change as new shares are poured in from the old plan.

1 The company has one additional warrant for 524,475 shares issuable to TriplePoint Capital in the event that the company draws funds in an additional tranche under the existing loan and security agreement. 524,475 shares of Series C Preferred Stock (including the Common Stock into which such shares are convertible) should be added to the current capitalization totals in order to account for the extra warrant that is potentially issuable.

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

Fully-Diluted Ownership

	Number of Shares	Percent (%)
Common Stock	15,292,289	7.00
SERIES A Preferred Stock	25,092,906	11.49
SERIES B Preferred Stock	38,461,538	17.61
SERIES C Preferred Stock	120,571,608	55.21
SERIES AA Preferred Stock	2,500,000	1.14
SERIES C Preferred Stock Warrants	2,746,517	1.26
Options and/or SPRs issued and outstanding under plan—2005 Stock Plan	13,607,363	6.23
Committed for Issuance—2005 Stock Plan	0	0.00
Unissued Reserve—2005 Stock Plan	117,021	0.05
TOTAL	218,389,242	100.00

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company:	RESTORATION ROBOTICS, INC. a Delaware corporation
Number of Shares:	220,979 (Subject to Section 1.7)
Type/Series of Stock:	Series C Preferred (Subject to Section 1.7)
Warrant Price:	$0.715 per share (Subject to Section 1.7)
Issue Date:	May 19, 2015
Expiration Date:	May 19, 2025 See also Section 5.1(b)
Credit Facility:	This Warrant to Purchase Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, and the Company (as modified, amended and/or restated from time to time, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, OXFORD FINANCE LLC ("**Oxford**" and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated Type/Series of Stock (the "**Class**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Sections 1.7 and 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**") and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is then traded in a Trading Market and the Class is a series of the Company's Preferred Stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company's common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company's common stock into which a Share is then convertible. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power (other than in connection with a bona fide sales or issuance of securities of the Company for capital raising purposes).

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of its request relating to the Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as

determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the Company shall use commercially reasonable efforts to cause the acquiring, surviving or successor entity to assume the obligations of this Warrant as part of the Acquisition. If the acquiring entity assumes this Warrant then it shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Adjustment to Class of Shares; Number of Shares; Warrant Price; Adjustments Cumulative. If, upon the closing of the Next Equity Financing, the Next Equity Financing Price shall be less than the Warrant Price in effect as of immediately prior thereto, then the "Class" shall be Next Equity Financing Securities from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant and the "Warrant Price" shall be the Next Equity Financing Price from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant; provided, that upon such date, if any, as the "Class" becomes Next Equity Financing Securities pursuant to this sentence, this Warrant shall be exercisable for such number of shares of such Class as shall equal (i) One Hundred Fifty-Eight Thousand Dollars ($158,000.00), divided by (ii) the Next Equity Financing Price, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. As used herein (i) "Next Equity Financing" means the first sale or issuance by the Company on or after the Issue Date of this Warrant set forth above, in a single transaction or series of related transactions, of shares of its Preferred Stock or other senior equity securities to one or more investors for cash for financing purposes; (ii) "Next Equity Financing Securities" means the type, class and series of Preferred Stock or other senior equity security sold or issued by the Company in the Next Equity Financing; and (iii) "Next Equity Financing Price" means the lowest price per share for which Next Equity Financing Securities are sold or issued by the Company in the Next Equity Financing.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Preferred Stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company's Certificate of Incorporation, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, for so long as this Warrant is exercisable for shares of Preferred Stock, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company's Articles or Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 1.12 of the Company's Amended and Restated Investors' Rights Agreement, as amended to, and in effect as of, the Issue Date.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing the securities issued upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO OXFORD FINANCE LLC DATED

MAY 19, 2015, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford's affiliates (each, an "**Oxford Affiliate**"), by execution of an Assignment substantially in the form of Appendix 2. Subject to the provisions of Article 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the Shares issuable directly or indirectly, upon conversion of the Shares, if any) to any other transferee, provided, however, in connection with any such transfer, the Oxford Affiliate(s) or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable; and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC
133 N. Fairfax Street
Alexandria, VA 22314
Attn: Legal Department
Telephone: (703) 519-4900
Facsimile: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

RESTORATION ROBOTICS, INC.
128 Baytech Drive
San Jose, CA 95134

Attn: Vice President – Finance & Administration
Facsimile: (408) 883-6889
Email: charlotteh@restorationrobotics.com

With a copy (which shall not constitute notice) to:

LATHAM & WATKINS
140 Scott Drive
Menlo Park, CA 94025
Attn: Brian J. Cuneo
Facsimile: (650) 463-2600
Email: brian.cuneo@lw.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

RESTORATION ROBOTICS, INC.

By: /s/ Charlotte Holland
Name: Charlotte Holland
(Print)
Title: VP - Finance & Administration

"HOLDER"

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
(Print)
Title: Vice President - Finance, Secretary & Treasurer

APPENDIX 1

NOTICE OF EXERCISE

4. The undersigned Holder hereby exercises its right purchase shares of the Common/Series Preferred [circle one] Stock of RESTORATION ROBOTICS, INC. (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe] _____

5. Please issue a certificate or certificates representing the Shares in the name specified below:

_____

Holder's Name

_____

_____

(Address)

6. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX 2

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]

Address: _____

Tax ID: _____]

that certain Warrant to Purchase Stock issued by RESTORATION ROBOTICS, INC. (the "**Company**"), on May 19, 2015 (the "**Warrant**") together with all rights, title and interest therein.

OXFORD FINANCE LLC

By: _____

Name: _____

Title: _____

Date: _____

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]

By: _____

Name: _____

Title: _____]

SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1

Generated: 04/27/2015 09:11AM PST

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

		Issued and Outstanding Shares	CSE Shares*	Total Fully Diluted Shares
COMMON STOCK (Authorized: 322,490,000)				
Issued and Outstanding		15,292,289	15,292,289	15,292,289
PREFERRED STOCK (Authorized: 208,124,444)				
SERIES A Preferred Stock (Authorized: 25,092,906)		25,092,906	25,092,906	
SERIES B Preferred Stock (Authorized: 38,461,538)		38,461,538	38,461,538	
SERIES C Preferred Stock (Authorized: 142,100,000)		120,571,608	120,571,608	
SERIES AA Preferred Stock (Authorized: 2,500,000)		2,500,000	2,500,000	186,626,052
WARRANTS	*1*			
SERIES C Preferred Stock		2,746,517	2,746,517	2,746,517
2005 Stock Plan (Reserved: 26,762,585)				
Shares Issuable Under Plan:				
Options and/or SPRs Issued and Outstanding		13,607,363	13,607,363	
Options and/or SPRs Committed for Issuance		0	0	
Shares Remaining for Issuance Under Plan		117,021	117,021	13,724,384
Reserved in Plan		26,762,585	26,762,585	
Options and/or SPRs Exercised		(13,038,201)	(13,038,201)	
Repurchases		1,644,864	1,644,864	
Total shares issued & outstanding, including shares committed for issuance and employee reserves, assuming conversion of all convertible securities and exercise of all outstanding options				218,389,242

Footnote(s):

CSE Shares* Common Stock Equivalent (CSE) shares reflects the Common Stock issuable for the security type (option, stock, warrant, CPN) after the appropriate conversion ratio is applied with regard to parameters set for aggregation/rounding for each class/series.

Reserved reflects the Current Reserved Amount; if the option plan has shares pouring in from another plan, this number will change as new shares are poured in from the old plan.

1 The company has one additional warrant for 524,475 shares issuable to TriplePoint Capital in the event that the company draws funds in an additional tranche under the existing loan and security agreement. 524,475 shares of Series C Preferred Stock (including the Common Stock into which such shares are convertible) should be added to the current capitalization totals in order to account for the extra warrant that is potentially issuable.

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

Fully-Diluted Ownership

	Number of Shares	Percent (%)
Common Stock	15,292,289	7.00
SERIES A Preferred Stock	25,092,906	11.49
SERIES B Preferred Stock	38,461,538	17.61
SERIES C Preferred Stock	120,571,608	55.21
SERIES AA Preferred Stock	2,500,000	1.14
SERIES C Preferred Stock Warrants	2,746,517	1.26
Options and/or SPRs issued and outstanding under plan—2005 Stock Plan	13,607,363	6.23
Committed for Issuance—2005 Stock Plan	0	0.00
Unissued Reserve—2005 Stock Plan	117,021	0.05
TOTAL	218,389,242	100.00

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company:	RESTORATION ROBOTICS, INC. a Delaware corporation
Number of Shares:	220,979 (Subject to Section 1.7)
Type/Series of Stock:	Series C Preferred (Subject to Section 1.7)
Warrant Price:	$0.715 per share (Subject to Section 1.7)
Issue Date:	May 19, 2015
Expiration Date:	May 19, 2025 See also Section 5.1(b)
Credit Facility:	This Warrant to Purchase Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, and the Company (as modified, amended and/or restated from time to time, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, OXFORD FINANCE LLC ("**Oxford**" and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated Type/Series of Stock (the "**Class**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Sections 1.7 and 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**") and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is then traded in a Trading Market and the Class is a series of the Company's Preferred Stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company's common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company's common stock into which a Share is then convertible. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power (other than in connection with a bona fide sales or issuance of securities of the Company for capital raising purposes).

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of its request relating to the Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as

determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the Company shall use commercially reasonable efforts to cause the acquiring, surviving or successor entity to assume the obligations of this Warrant as part of the Acquisition. If the acquiring entity assumes this Warrant then it shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Adjustment to Class of Shares; Number of Shares; Warrant Price; Adjustments Cumulative. If, upon the closing of the Next Equity Financing, the Next Equity Financing Price shall be less than the Warrant Price in effect as of immediately prior thereto, then the "Class" shall be Next Equity Financing Securities from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant and the "Warrant Price" shall be the Next Equity Financing Price from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant; provided, that upon such date, if any, as the "Class" becomes Next Equity Financing Securities pursuant to this sentence, this Warrant shall be exercisable for such number of shares of such Class as shall equal (i) One Hundred Fifty-Eight Thousand Dollars ($158,000.00), divided by (ii) the Next Equity Financing Price, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. As used herein (i) "Next Equity Financing" means the first sale or issuance by the Company on or after the Issue Date of this Warrant set forth above, in a single transaction or series of related transactions, of shares of its Preferred Stock or other senior equity securities to one or more investors for cash for financing purposes; (ii) "Next Equity Financing Securities" means the type, class and series of Preferred Stock or other senior equity security sold or issued by the Company in the Next Equity Financing; and (iii) "Next Equity Financing Price" means the lowest price per share for which Next Equity Financing Securities are sold or issued by the Company in the Next Equity Financing.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Preferred Stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company's Certificate of Incorporation, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, for so long as this Warrant is exercisable for shares of Preferred Stock, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company's Articles or Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 1.12 of the Company's Amended and Restated Investors' Rights Agreement, as amended to, and in effect as of, the Issue Date.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing the securities issued upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO OXFORD FINANCE LLC DATED

MAY 19, 2015, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford's affiliates (each, an "**Oxford Affiliate**"), by execution of an Assignment substantially in the form of Appendix 2. Subject to the provisions of Article 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the Shares issuable directly or indirectly, upon conversion of the Shares, if any) to any other transferee, provided, however, in connection with any such transfer, the Oxford Affiliate(s) or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable; and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC
133 N. Fairfax Street
Alexandria, VA 22314
Attn: Legal Department
Telephone: (703) 519-4900
Facsimile: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

RESTORATION ROBOTICS, INC.
128 Baytech Drive
San Jose, CA 95134

Attn: Vice President – Finance & Administration
Facsimile: (408) 883-6889
Email: charlotteh@restorationrobotics.com

With a copy (which shall not constitute notice) to:

LATHAM & WATKINS
140 Scott Drive
Menlo Park, CA 94025
Attn: Brian J. Cuneo
Facsimile: (650) 463-2600
Email: brian.cuneo@lw.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

RESTORATION ROBOTICS, INC.

By: /s/ Charlotte Holland
Name: Charlotte Holland
(Print)
Title: VP - Finance & Administration

"HOLDER"

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
(Print)
Title: Vice President - Finance, Secretary & Treasurer

APPENDIX 1

NOTICE OF EXERCISE

7. The undersigned Holder hereby exercises its right purchase shares of the Common/Series Preferred [circle one] Stock of RESTORATION ROBOTICS, INC. (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe]

8. Please issue a certificate or certificates representing the Shares in the name specified below:

Holder's Name

(Address)

9. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

By:

Name:

Title:

Date:

APPENDIX 2

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]

Address:_____

Tax ID: _____]

that certain Warrant to Purchase Stock issued by RESTORATION ROBOTICS, INC. (the "**Company**"), on May 19, 2015 (the "**Warrant**") together with all rights, title and interest therein.

OXFORD FINANCE LLC

By: _____

Name: _____

Title: _____

Date: _____

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]

By: _____

Name: _____

Title: _____]

SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1

Generated: 04/27/2015 09:11AM PST

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

		Issued and Outstanding Shares	CSE Shares*	Total Fully Diluted Shares
COMMON STOCK (Authorized: 322,490,000)				
Issued and Outstanding		15,292,289	15,292,289	15,292,289
PREFERRED STOCK (Authorized: 208,124,444)				
SERIES A Preferred Stock (Authorized: 25,092,906)		25,092,906	25,092,906	
SERIES B Preferred Stock (Authorized: 38,461,538)		38,461,538	38,461,538	
SERIES C Preferred Stock (Authorized: 142,100,000)		120,571,608	120,571,608	
SERIES AA Preferred Stock (Authorized: 2,500,000)		2,500,000	2,500,000	186,626,052
WARRANTS	*1*			
SERIES C Preferred Stock		2,746,517	2,746,517	2,746,517
2005 Stock Plan (Reserved: 26,762,585)				
Shares Issuable Under Plan:				
Options and/or SPRs Issued and Outstanding		13,607,363	13,607,363	
Options and/or SPRs Committed for Issuance		0	0	
Shares Remaining for Issuance Under Plan		117,021	117,021	13,724,384
Reserved in Plan		26,762,585	26,762,585	
Options and/or SPRs Exercised		(13,038,201)	(13,038,201)	
Repurchases		1,644,864	1,644,864	
Total shares issued & outstanding, including shares committed for issuance and employee reserves, assuming conversion of all convertible securities and exercise of all outstanding options				218,389,242

Footnote(s):

CSE Shares* Common Stock Equivalent (CSE) shares reflects the Common Stock issuable for the security type (option, stock, warrant, CPN) after the appropriate conversion ratio is applied with regard to parameters set for aggregation/rounding for each class/series.

Reserved reflects the Current Reserved Amount; if the option plan has shares pouring in from another plan, this number will change as new shares are poured in from the old plan.

1 The company has one additional warrant for 524,475 shares issuable to TriplePoint Capital in the event that the company draws funds in an additional tranche under the existing loan and security agreement. 524,475 shares of Series C Preferred Stock (including the Common Stock into which such shares are convertible) should be added to the current capitalization totals in order to account for the extra warrant that is potentially issuable.

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

Fully-Diluted Ownership

	Number of Shares	Percent (%)
Common Stock	15,292,289	7.00
SERIES A Preferred Stock	25,092,906	11.49
SERIES B Preferred Stock	38,461,538	17.61
SERIES C Preferred Stock	120,571,608	55.21
SERIES AA Preferred Stock	2,500,000	1.14
SERIES C Preferred Stock Warrants	2,746,517	1.26
Options and/or SPRs issued and outstanding under plan—2005 Stock Plan	13,607,363	6.23
Committed for Issuance—2005 Stock Plan	0	0.00
Unissued Reserve—2005 Stock Plan	117,021	0.05
TOTAL	218,389,242	100.00

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company:	RESTORATION ROBOTICS, INC. a Delaware corporation
Number of Shares:	220,979 (Subject to Section 1.7)
Type/Series of Stock:	Series C Preferred (Subject to Section 1.7)
Warrant Price:	$0.715 per share (Subject to Section 1.7)
Issue Date:	May 19, 2015
Expiration Date:	May 19, 2025 See also Section 5.1(b)
Credit Facility:	This Warrant to Purchase Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, and the Company (as modified, amended and/or restated from time to time, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, OXFORD FINANCE LLC ("**Oxford**" and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated Type/Series of Stock (the "**Class**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Sections 1.7 and 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**") and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is then traded in a Trading Market and the Class is a series of the Company's Preferred Stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company's common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company's common stock into which a Share is then convertible. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power (other than in connection with a bona fide sales or issuance of securities of the Company for capital raising purposes).

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of its request relating to the Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as

determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the Company shall use commercially reasonable efforts to cause the acquiring, surviving or successor entity to assume the obligations of this Warrant as part of the Acquisition. If the acquiring entity assumes this Warrant then it shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Adjustment to Class of Shares; Number of Shares; Warrant Price; Adjustments Cumulative. If, upon the closing of the Next Equity Financing, the Next Equity Financing Price shall be less than the Warrant Price in effect as of immediately prior thereto, then the "Class" shall be Next Equity Financing Securities from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant and the "Warrant Price" shall be the Next Equity Financing Price from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant; provided, that upon such date, if any, as the "Class" becomes Next Equity Financing Securities pursuant to this sentence, this Warrant shall be exercisable for such number of shares of such Class as shall equal (i) One Hundred Fifty-Eight Thousand Dollars ($158,000.00), divided by (ii) the Next Equity Financing Price, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. As used herein (i) "Next Equity Financing" means the first sale or issuance by the Company on or after the Issue Date of this Warrant set forth above, in a single transaction or series of related transactions, of shares of its Preferred Stock or other senior equity securities to one or more investors for cash for financing purposes; (ii) "Next Equity Financing Securities" means the type, class and series of Preferred Stock or other senior equity security sold or issued by the Company in the Next Equity Financing; and (iii) "Next Equity Financing Price" means the lowest price per share for which Next Equity Financing Securities are sold or issued by the Company in the Next Equity Financing.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Preferred Stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company's Certificate of Incorporation, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, for so long as this Warrant is exercisable for shares of Preferred Stock, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company's Articles or Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 1.12 of the Company's Amended and Restated Investors' Rights Agreement, as amended to, and in effect as of, the Issue Date.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing the securities issued upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

> THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO OXFORD FINANCE LLC DATED

MAY 19, 2015, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford's affiliates (each, an "**Oxford Affiliate**"), by execution of an Assignment substantially in the form of Appendix 2. Subject to the provisions of Article 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the Shares issuable directly or indirectly, upon conversion of the Shares, if any) to any other transferee, provided, however, in connection with any such transfer, the Oxford Affiliate(s) or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable; and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC
133 N. Fairfax Street
Alexandria, VA 22314
Attn: Legal Department
Telephone: (703) 519-4900
Facsimile: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

RESTORATION ROBOTICS, INC.
128 Baytech Drive
San Jose, CA 95134

Attn: Vice President – Finance & Administration
Facsimile: (408) 883-6889
Email: charlotteh@restorationrobotics.com

With a copy (which shall not constitute notice) to:

LATHAM & WATKINS
140 Scott Drive
Menlo Park, CA 94025
Attn: Brian J. Cuneo
Facsimile: (650) 463-2600
Email: brian.cuneo@lw.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

RESTORATION ROBOTICS, INC.

By: /s/ Charlotte Holland
Name: Charlotte Holland
(Print)
Title: VP-Finance & Administration

"HOLDER"

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
(Print)
Title: Vice President-Finance, Secretary & Treasurer

[Signature Page to Warrant to Purchase Stock – Warrant No. 4]

APPENDIX 1

NOTICE OF EXERCISE

10. The undersigned Holder hereby exercises its right purchase shares of the Common/Series Preferred [circle one] Stock of RESTORATION ROBOTICS, INC. (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe] _____

11. Please issue a certificate or certificates representing the Shares in the name specified below:

_____
Holder's Name

_____

_____
(Address)

12. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX 2

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]

Address:_____

Tax ID: _____]

that certain Warrant to Purchase Stock issued by RESTORATION ROBOTICS, INC. (the "**Company**"), on May 19, 2015 (the "**Warrant**") together with all rights, title and interest therein.

OXFORD FINANCE LLC

By:_____

Name:_____

Title:_____]

Date:_____

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]

By:_____

Name:_____

Title:_____]

SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1

Generated: 04/27/2015 09:11AM PST

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

		Issued and Outstanding Shares	CSE Shares*	Total Fully Diluted Shares
COMMON STOCK (Authorized: 322,490,000)				
Issued and Outstanding		15,292,289	15,292,289	15,292,289
PREFERRED STOCK (Authorized: 208,124,444)				
SERIES A Preferred Stock (Authorized: 25,092,906)		25,092,906	25,092,906	
SERIES B Preferred Stock (Authorized: 38,461,538)		38,461,538	38,461,538	
SERIES C Preferred Stock (Authorized: 142,100,000)		120,571,608	120,571,608	
SERIES AA Preferred Stock (Authorized: 2,500,000)		2,500,000	2,500,000	186,626,052
WARRANTS	*1*			
SERIES C Preferred Stock		2,746,517	2,746,517	2,746,517
2005 Stock Plan (Reserved: 26,762,585)				
Shares Issuable Under Plan:				
Options and/or SPRs Issued and Outstanding		13,607,363	13,607,363	
Options and/or SPRs Committed for Issuance		0	0	
Shares Remaining for Issuance Under Plan		117,021	117,021	13,724,384
Reserved in Plan		26,762,585	26,762,585	
Options and/or SPRs Exercised		(13,038,201)	(13,038,201)	
Repurchases		1,644,864	1,644,864	
Total shares issued & outstanding, including shares committed for issuance and employee reserves, assuming conversion of all convertible securities and exercise of all outstanding options				218,389,242

Footnote(s):

CSE Shares* Common Stock Equivalent (CSE) shares reflects the Common Stock issuable for the security type (option, stock, warrant, CPN) after the appropriate conversion ratio is applied with regard to parameters set for aggregation/rounding for each class/series.

Reserved reflects the Current Reserved Amount; if the option plan has shares pouring in from another plan, this number will change as new shares are poured in from the old plan.

1 The company has one additional warrant for 524,475 shares issuable to TriplePoint Capital in the event that the company draws funds in an additional tranche under the existing loan and security agreement. 524,475 shares of Series C Preferred Stock (including the Common Stock into which such shares are convertible) should be added to the current capitalization totals in order to account for the extra warrant that is potentially issuable.

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Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

Fully-Diluted Ownership

	Number of Shares	Percent (%)
Common Stock	15,292,289	7.00
SERIES A Preferred Stock	25,092,906	11.49
SERIES B Preferred Stock	38,461,538	17.61
SERIES C Preferred Stock	120,571,608	55.21
SERIES AA Preferred Stock	2,500,000	1.14
SERIES C Preferred Stock Warrants	2,746,517	1.26
Options and/or SPRs issued and outstanding under plan - 2005 Stock Plan	13,607,363	6.23
Committed for Issuance - 2005 Stock Plan	0	0.00
Unissued Reserve - 2005 Stock Plan	117,021	0.05
TOTAL	218,389,242	100.00

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN SECTIONS 5.3 AND 5.4 BELOW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

WARRANT TO PURCHASE STOCK

Company:	RESTORATION ROBOTICS, INC. a Delaware corporation
Number of Shares:	165,734 (Subject to Section 1.7)
Type/Series of Stock:	Series C Preferred (Subject to Section 1.7)
Warrant Price:	$0.715 per share (Subject to Section 1.7)
Issue Date:	May 19, 2015
Expiration Date:	May 19, 2025 See also Section 5.1(b)
Credit Facility:	This Warrant to Purchase Stock ("**Warrant**") is issued in connection with that certain Loan and Security Agreement of even date herewith among Oxford Finance LLC, as Lender and Collateral Agent, the Lenders from time to time party thereto, and the Company (as modified, amended and/or restated from time to time, the "**Loan Agreement**").

THIS WARRANT CERTIFIES THAT, for good and valuable consideration, OXFORD FINANCE LLC ("**Oxford**" and, together with any successor or permitted assignee or transferee of this Warrant or of any shares issued upon exercise hereof, "**Holder**") is entitled to purchase the number of fully paid and non-assessable shares (the "**Shares**") of the above-stated Type/Series of Stock (the "**Class**") of the above-named company (the "**Company**") at the above-stated Warrant Price, all as set forth above and as adjusted pursuant to Sections 1.7 and 2 of this Warrant, subject to the provisions and upon the terms and conditions set forth in this Warrant.

SECTION 1. EXERCISE.

1.1 Method of Exercise. Holder may at any time and from time to time exercise this Warrant, in whole or in part, by delivering to the Company the original of this Warrant together with a duly executed Notice of Exercise in substantially the form attached hereto as Appendix 1 and, unless Holder is exercising this Warrant pursuant to a cashless exercise set forth in Section 1.2, a check, wire transfer of same-day funds (to an account designated by the Company), or other form of payment acceptable to the Company for the aggregate Warrant Price for the Shares being purchased.

1.2 Cashless Exercise. On any exercise of this Warrant, in lieu of payment of the aggregate Warrant Price in the manner as specified in Section 1.1 above, but otherwise in accordance with the requirements of Section 1.1, Holder may elect to receive Shares equal to the value of this Warrant, or portion hereof as to which this Warrant is being exercised. Thereupon, the Company shall issue to the Holder such number of fully paid and non-assessable Shares as are computed using the following formula:

$$X = Y(A-B)/A$$

where:

X = the number of Shares to be issued to the Holder;

Y = the number of Shares with respect to which this Warrant is being exercised (inclusive of the Shares surrendered to the Company in payment of the aggregate Warrant Price);

A = the Fair Market Value (as determined pursuant to Section 1.3 below) of one Share; and

B = the Warrant Price.

1.3 Fair Market Value. If the Company's common stock is then traded or quoted on a nationally recognized securities exchange, inter-dealer quotation system or over-the-counter market (a "**Trading Market**") and the Class is common stock, the fair market value of a Share shall be the closing price or last sale price of a share of common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company. If the Company's common stock is then traded in a Trading Market and the Class is a series of the Company's Preferred Stock, the fair market value of a Share shall be the closing price or last sale price of a share of the Company's common stock reported for the Business Day immediately before the date on which Holder delivers this Warrant together with its Notice of Exercise to the Company multiplied by the number of shares of the Company's common stock into which a Share is then convertible. If the Company's common stock is not traded in a Trading Market, the Board of Directors of the Company shall determine the fair market value of a Share in its reasonable good faith judgment.

1.4 Delivery of Certificate and New Warrant. Within a reasonable time after Holder exercises this Warrant in the manner set forth in Section 1.1 or 1.2 above, the Company shall deliver to Holder a certificate representing the Shares issued to Holder upon such exercise and, if this Warrant has not been fully exercised and has not expired, a new warrant of like tenor representing the Shares not so acquired.

1.5 Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of loss, theft or destruction, on delivery of an indemnity agreement reasonably satisfactory in form, substance and amount to the Company or, in the case of mutilation, on surrender of this Warrant to the Company for cancellation, the Company shall, within a reasonable time, execute and deliver to Holder, in lieu of this Warrant, a new warrant of like tenor and amount.

1.6 Treatment of Warrant Upon Acquisition of Company.

(a) Acquisition. For the purpose of this Warrant, "**Acquisition**" means any transaction or series of related transactions involving: (i) the sale, lease, exclusive license, or other disposition of all or substantially all of the assets of the Company; (ii) any merger or consolidation of the Company into or with another person or entity (other than a merger or consolidation effected exclusively to change the Company's domicile), or any other corporate reorganization, in which the stockholders of the Company in their capacity as such immediately prior to such merger, consolidation or reorganization, own less than a majority of the Company's (or the surviving or successor entity's) outstanding voting power immediately after such merger, consolidation or reorganization (or, if such Company stockholders beneficially own a majority of the outstanding voting power of the surviving or successor entity as of immediately after such merger, consolidation or reorganization, such surviving or successor entity is not the Company); or (iii) any sale or other transfer by the stockholders of the Company of shares representing at least a majority of the Company's then-total outstanding combined voting power (other than in connection with a bona fide sales or issuance of securities of the Company for capital raising purposes).

(b) Treatment of Warrant at Acquisition. In the event of an Acquisition in which the consideration to be received by the Company's stockholders consists solely of cash, solely of Marketable Securities or a combination of cash and Marketable Securities (a "**Cash/Public Acquisition**"), either (i) Holder shall exercise this Warrant pursuant to Section 1.1 and/or 1.2 and such exercise will be deemed effective immediately prior to and contingent upon the consummation of such Acquisition or (ii) if Holder elects not to exercise the Warrant, this Warrant will expire immediately prior to the consummation of such Acquisition.

(c) The Company shall provide Holder with written notice of its request relating to the Cash/Public Acquisition (together with such reasonable information as Holder may reasonably require regarding the treatment of this Warrant in connection with such contemplated Cash/Public Acquisition giving rise to such notice), which is to be delivered to Holder not less than seven (7) Business Days prior to the closing of the proposed Cash/Public Acquisition. In the event the Company does not provide such notice, then if, immediately prior to the Cash/Public Acquisition, the fair market value of one Share (or other security issuable upon the exercise hereof) as

determined in accordance with Section 1.3 above would be greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall promptly notify the Holder of the number of Shares (or such other securities) issued upon such exercise to the Holder and Holder shall be deemed to have restated each of the representations and warranties in Section 4 of the Warrant as the date thereof.

(d) Upon the closing of any Acquisition other than a Cash/Public Acquisition defined above, the Company shall use commercially reasonable efforts to cause the acquiring, surviving or successor entity to assume the obligations of this Warrant as part of the Acquisition. If the acquiring entity assumes this Warrant then it shall thereafter be exercisable for the same securities and/or other property as would have been paid for the Shares issuable upon exercise of the unexercised portion of this Warrant as if such Shares were outstanding on and as of the closing of such Acquisition, subject to further adjustment from time to time in accordance with the provisions of this Warrant.

(e) As used in this Warrant, "**Marketable Securities**" means securities meeting all of the following requirements: (i) the issuer thereof is then subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is then current in its filing of all required reports and other information under the Act and the Exchange Act; (ii) the class and series of shares or other security of the issuer that would be received by Holder in connection with the Acquisition were Holder to exercise this Warrant on or prior to the closing thereof is then traded in Trading Market, and (iii) following the closing of such Acquisition, Holder would not be restricted from publicly re-selling all of the issuer's shares and/or other securities that would be received by Holder in such Acquisition were Holder to exercise or convert this Warrant in full on or prior to the closing of such Acquisition, except to the extent that any such restriction (x) arises solely under federal or state securities laws, rules or regulations, and (y) does not extend beyond six (6) months from the closing of such Acquisition.

1.7 Adjustment to Class of Shares; Number of Shares; Warrant Price; Adjustments Cumulative. If, upon the closing of the Next Equity Financing, the Next Equity Financing Price shall be less than the Warrant Price in effect as of immediately prior thereto, then the "Class" shall be Next Equity Financing Securities from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant and the "Warrant Price" shall be the Next Equity Financing Price from and after such closing, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant; provided, that upon such date, if any, as the "Class" becomes Next Equity Financing Securities pursuant to this sentence, this Warrant shall be exercisable for such number of shares of such Class as shall equal (i) One Hundred Eighteen Thousand Five Hundred Dollars ($118,500.00), divided by (ii) the Next Equity Financing Price, subject to adjustment thereafter from time to time in accordance with the provisions of this Warrant. As used herein (i) "Next Equity Financing" means the first sale or issuance by the Company on or after the Issue Date of this Warrant set forth above, in a single transaction or series of related transactions, of shares of its Preferred Stock or other senior equity securities to one or more investors for cash for financing purposes; (ii) "Next Equity Financing Securities" means the type, class and series of Preferred Stock or other senior equity security sold or issued by the Company in the Next Equity Financing; and (iii) "Next Equity Financing Price" means the lowest price per share for which Next Equity Financing Securities are sold or issued by the Company in the Next Equity Financing.

SECTION 2. ADJUSTMENTS TO THE SHARES AND WARRANT PRICE.

2.1 Stock Dividends, Splits, Etc. If the Company declares or pays a dividend or distribution on the outstanding shares of the Class payable in common stock or other securities or property (other than cash), then upon exercise of this Warrant, for each Share acquired, Holder shall receive, without additional cost to Holder, the total number and kind of securities and property which Holder would have received had Holder owned the Shares of record as of the date the dividend or distribution occurred. If the Company subdivides the outstanding shares of the Class by reclassification or otherwise into a greater number of shares, the number of Shares purchasable hereunder shall be proportionately increased and the Warrant Price shall be proportionately decreased. If the outstanding shares of the Class are combined or consolidated, by reclassification or otherwise, into a lesser number of shares, the Warrant Price shall be proportionately increased and the number of Shares shall be proportionately decreased.

2.2 Reclassification, Exchange, Combinations or Substitution. Upon any event whereby all of the outstanding shares of the Class are reclassified, exchanged, combined, substituted, or replaced for, into, with or by Company securities of a different class and/or series, then from and after the consummation of such event, this Warrant will be exercisable for the number, class and series of Company securities that Holder would have received had the Shares been outstanding on and as of the consummation of such event, and subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant. The provisions of this Section 2.2 shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

2.3 Conversion of Preferred Stock. If the Class is a class and series of the Preferred Stock, in the event that all outstanding shares of the Class are converted, automatically or by action of the holders thereof, into common stock pursuant to the provisions of the Company's Certificate of Incorporation, including, without limitation, in connection with the Company's initial, underwritten public offering and sale of its common stock pursuant to an effective registration statement under the Act (the "**IPO**"), then from and after the date on which all outstanding shares of the Class have been so converted, this Warrant shall be exercisable for such number of shares of common stock into which the Shares would have been converted had the Shares been outstanding on the date of such conversion, and the Warrant Price shall equal the Warrant Price in effect as of immediately prior to such conversion divided by the number of shares of common stock into which one Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2.4 Adjustments for Diluting Issuances. Without duplication of any adjustment otherwise provided for in this Section 2, for so long as this Warrant is exercisable for shares of Preferred Stock, the number of shares of common stock issuable upon conversion of the Shares shall be subject to anti-dilution adjustment from time to time in the manner set forth in the Company's Articles or Certificate of Incorporation as if the Shares were issued and outstanding on and as of the date of any such required adjustment.

2.5 No Fractional Share. No fractional Share shall be issuable upon exercise of this Warrant and the number of Shares to be issued shall be rounded down to the nearest whole Share. If a fractional Share interest arises upon any exercise of the Warrant, the Company shall eliminate such fractional Share interest by paying Holder in cash the amount computed by multiplying the fractional interest by (i) the fair market value (as determined in accordance with Section 1.3 above) of a full Share, less (ii) the then-effective Warrant Price.

2.6 Notice/Certificate as to Adjustments. Upon each adjustment of the Warrant Price, Class and/or number of Shares, the Company, at the Company's expense, shall notify Holder in writing within a reasonable time setting forth the adjustments to the Warrant Price, Class and/or number of Shares and facts upon which such adjustment is based. The Company shall, upon written request from Holder, furnish Holder with a certificate of its Chief Financial Officer, including computations of such adjustment and the Warrant Price, Class and number of Shares in effect upon the date of such adjustment.

SECTION 3. REPRESENTATIONS AND COVENANTS OF THE COMPANY.

3.1 Representations and Warranties. The Company represents and warrants to, and agrees with, the Holder as follows:

(a) The initial Warrant Price referenced on the first page of this Warrant is not greater than the price per share at which shares of the Class were last sold and issued prior to the Issue Date hereof in an arms-length transaction in which at least $500,000 of such shares were sold.

(b) All Shares which may be issued upon the exercise of this Warrant, and all securities, if any, issuable upon conversion of the Shares, shall, upon issuance, be duly authorized, validly issued, fully paid and non-assessable, and free of any liens and encumbrances except for restrictions on transfer provided for herein or under applicable federal and state securities laws. The Company covenants that it shall at all times cause to be reserved and kept available out of its authorized and unissued capital stock such number of shares of the Class, common stock and other securities as will be sufficient to permit the exercise in full of this Warrant and the conversion of the Shares into common stock or such other securities.

(c) The Company's capitalization table attached hereto as Schedule 1 is true and complete, in all material respects, as of the Issue Date.

3.2 Notice of Certain Events. If the Company proposes at any time to:

(a) declare any dividend or distribution upon the outstanding shares of the Class or common stock, whether in cash, property, stock, or other securities and whether or not a regular cash dividend;

(b) offer for subscription or sale pro rata to the holders of the outstanding shares of the Class any additional shares of any class or series of the Company's stock (other than pursuant to contractual pre-emptive rights);

(c) effect any reclassification, exchange, combination, substitution, reorganization or recapitalization of the outstanding shares of the Class;

(d) effect an Acquisition or to liquidate, dissolve or wind up; or

(e) effect an IPO;

then, in connection with each such event, the Company shall give Holder:

(1) at least seven (7) Business Days prior written notice of the date on which a record will be taken for such dividend, distribution, or subscription rights (and specifying the date on which the holders of outstanding shares of the Class will be entitled thereto) or for determining rights to vote, if any, in respect of the matters referred to in (a) and (b) above;

(2) in the case of the matters referred to in (c) and (d) above at least seven (7) Business Days prior written notice of the date when the same will take place (and specifying the date on which the holders of outstanding shares of the Class will be entitled to exchange their shares for the securities or other property deliverable upon the occurrence of such event); and

(3) with respect to the IPO, at least seven (7) Business Days prior written notice of the date on which the Company proposes to file its registration statement in connection therewith.

Reference is made to Section 1.6(c) whereby this Warrant will be deemed to be exercised pursuant to Section 1.2 hereof if the Company does not give written notice to Holder of a Cash/Public Acquisition as required by the terms hereof. Company will also provide information requested by Holder that is reasonably necessary to enable Holder to comply with Holder's accounting or reporting requirements.

SECTION 4. REPRESENTATIONS, WARRANTIES OF THE HOLDER.

The Holder represents and warrants to the Company as follows:

4.1 Purchase for Own Account. This Warrant and the securities to be acquired upon exercise of this Warrant by Holder are being acquired for investment for Holder's account, not as a nominee or agent, and not with a view to the public resale or distribution within the meaning of the Act. Holder also represents that it has not been formed for the specific purpose of acquiring this Warrant or the Shares.

4.2 Disclosure of Information. Holder is aware of the Company's business affairs and financial condition and has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the acquisition of this Warrant and its underlying securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of this Warrant and its underlying securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder has access.

4.3 Investment Experience. Holder understands that the purchase of this Warrant and its underlying securities involves substantial risk. Holder has experience as an investor in securities of companies in the development stage and acknowledges that Holder can bear the economic risk of such Holder's investment in this Warrant and its underlying securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of its investment in this Warrant and its underlying securities and/or has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling persons of a nature and duration that enables Holder to be aware of the character, business acumen and financial circumstances of such persons.

4.4 Accredited Investor Status. Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

4.5 The Act. Holder understands that this Warrant and the Shares issuable upon exercise hereof have not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Holder's investment intent as expressed herein. Holder understands that this Warrant and the Shares issued upon any exercise hereof must be held indefinitely unless subsequently registered under the Act and qualified under applicable state securities laws, or unless exemption from such registration and qualification are otherwise available. Holder is aware of the provisions of Rule 144 promulgated under the Act.

4.6 Market Stand-off Agreement. The Holder agrees that the Shares shall be subject to the Market Standoff provisions in Section 1.12 of the Company's Amended and Restated Investors' Rights Agreement, as amended to, and in effect as of, the Issue Date.

4.7 No Voting Rights. Holder, as a Holder of this Warrant, will not have any voting rights until the exercise of this Warrant.

SECTION 5. MISCELLANEOUS.

5.1 Term; Automatic Cashless Exercise Upon Expiration.

(a) Term. Subject to the provisions of Section 1.6 above, this Warrant is exercisable in whole or in part at any time and from time to time on or before 6:00 PM, Eastern time, on the Expiration Date and shall be void thereafter.

(b) Automatic Cashless Exercise upon Expiration. In the event that, upon the Expiration Date, the fair market value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with Section 1.3 above is greater than the Warrant Price in effect on such date, then this Warrant shall automatically be deemed on and as of such date to be exercised pursuant to Section 1.2 above as to all Shares (or such other securities) for which it shall not previously have been exercised, and the Company shall, within a reasonable time, deliver a certificate representing the Shares (or such other securities) issued upon such exercise to Holder.

5.2 Legends. Each certificate evidencing Shares (and each certificate evidencing the securities issued upon conversion of any Shares, if any) shall be imprinted with a legend in substantially the following form:

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS SET FORTH IN THAT CERTAIN WARRANT TO PURCHASE STOCK ISSUED BY THE ISSUER TO OXFORD FINANCE LLC DATED

MAY 19, 2015, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR, IN THE OPINION OF LEGAL COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

5.3 Compliance with Securities Laws on Transfer. This Warrant and the Shares issued upon exercise of this Warrant (and the securities issuable, directly or indirectly, upon conversion of the Shares, if any) may not be transferred or assigned in whole or in part except in compliance with applicable federal and state securities laws by the transferor and the transferee (including, without limitation, the delivery of investment representation letters and legal opinions reasonably satisfactory to the Company, as reasonably requested by the Company). The Company shall not require Holder to provide an opinion of counsel if the transfer is to an affiliate of Holder, provided that any such transferee is an "accredited investor" as defined in Regulation D promulgated under the Act. Additionally, the Company shall also not require an opinion of counsel if there is no material question as to the availability of Rule 144 promulgated under the Act.

5.4 Transfer Procedure. After receipt by Oxford of the executed Warrant, Oxford may transfer all or part of this Warrant to one or more of Oxford's affiliates (each, an "**Oxford Affiliate**"), by execution of an Assignment substantially in the form of Appendix 2. Subject to the provisions of Article 5.3 and upon providing the Company with written notice, Oxford, any such Oxford Affiliate and any subsequent Holder, may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the Shares issuable directly or indirectly, upon conversion of the Shares, if any) to any other transferee, provided, however, in connection with any such transfer, the Oxford Affiliate(s) or any subsequent Holder will give the Company notice of the portion of the Warrant being transferred with the name, address and taxpayer identification number of the transferee and Holder will surrender this Warrant to the Company for reissuance to the transferee(s) (and Holder if applicable; and provided further, that any subsequent transferee shall agree in writing with the Company to be bound by all of the terms and conditions of this Warrant. Notwithstanding any contrary provision herein, at all times prior to the IPO, Holder may not, without the Company's prior written consent, transfer this Warrant or any portion hereof, or any Shares issued upon any exercise hereof, or any shares or other securities issued upon any conversion of any Shares issued upon any exercise hereof, to any person or entity who directly competes with the Company, except in connection with an Acquisition of the Company by such a direct competitor.

5.5 Notices. All notices and other communications hereunder from the Company to the Holder, or vice versa, shall be deemed delivered and effective (i) when given personally, (ii) on the third (3rd) Business Day after being mailed by first-class registered or certified mail, postage prepaid, (iii) upon actual receipt if given by facsimile or electronic mail and such receipt is confirmed in writing by the recipient, or (iv) on the first Business Day following delivery to a reliable overnight courier service, courier fee prepaid, in any case at such address as may have been furnished to the Company or Holder, as the case may be, in writing by the Company or such Holder from time to time in accordance with the provisions of this Section 5.5. All notices to Holder shall be addressed as follows until the Company receives notice of a change of address in connection with a transfer or otherwise:

Oxford Finance LLC
133 N. Fairfax Street
Alexandria, VA 22314
Attn: Legal Department
Telephone: (703) 519-4900
Facsimile: (703) 519-5225
Email: LegalDepartment@oxfordfinance.com

Notice to the Company shall be addressed as follows until Holder receives notice of a change in address:

RESTORATION ROBOTICS, INC.
128 Baytech Drive
San Jose, CA 95134

Attn: Vice President – Finance & Administration
Facsimile: (408) 883-6889
Email: charlotteh@restorationrobotics.com

With a copy (which shall not constitute notice) to:

LATHAM & WATKINS
140 Scott Drive
Menlo Park, CA 94025
Attn: Brian J. Cuneo
Facsimile: (650) 463-2600
Email: brian.cuneo@lw.com

5.6 Waiver. This Warrant and any term hereof may be changed, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought.

5.7 Attorneys' Fees. In the event of any dispute between the parties concerning the terms and provisions of this Warrant, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred in such dispute, including reasonable attorneys' fees.

5.8 Counterparts; Facsimile/Electronic Signatures. This Warrant may be executed in counterparts, all of which together shall constitute one and the same agreement. Any signature page delivered electronically or by facsimile shall be binding to the same extent as an original signature page with regards to any agreement subject to the terms hereof or any amendment thereto.

5.9 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of California, without giving effect to its principles regarding conflicts of law.

5.10 Headings. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

5.11 Business Days. "**Business Day**" is any day that is not a Saturday, Sunday or a day on which Silicon Valley Bank is closed.

[Remainder of page left blank intentionally]

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Warrant to Purchase Stock to be executed by their duly authorized representatives effective as of the Issue Date written above.

"COMPANY"

RESTORATION ROBOTICS, INC.

By: /s/ Charlotte Holland
Name: Charlotte Holland
(Print)
Title: VP - Finance & Administration

"HOLDER"

OXFORD FINANCE LLC

By: /s/ Mark Davis
Name: Mark Davis
(Print)
Title: Vice President - Finance, Secretary & Treasurer

APPENDIX 1

NOTICE OF EXERCISE

13. The undersigned Holder hereby exercises its right purchase shares of the Common/Series Preferred [circle one] Stock of RESTORATION ROBOTICS, INC. (the "**Company**") in accordance with the attached Warrant To Purchase Stock, and tenders payment of the aggregate Warrant Price for such shares as follows:

[ ] check in the amount of $ payable to order of the Company enclosed herewith

[ ] Wire transfer of immediately available funds to the Company's account

[ ] Cashless Exercise pursuant to Section 1.2 of the Warrant

[ ] Other [Describe] _____

14. Please issue a certificate or certificates representing the Shares in the name specified below:

_____

Holder's Name

_____

_____

(Address)

15. By its execution below and for the benefit of the Company, Holder hereby restates each of the representations and warranties in Section 4 of the Warrant to Purchase Stock as of the date hereof.

HOLDER:

_____

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX 2

ASSIGNMENT

For value received, Oxford Finance LLC hereby sells, assigns and transfers unto

Name: [OXFORD TRANSFEREE]

Address:_____

Tax ID: _____]

that certain Warrant to Purchase Stock issued by RESTORATION ROBOTICS, INC. (the "**Company**"), on May 19, 2015 (the "**Warrant**") together with all rights, title and interest therein.

OXFORD FINANCE LLC

By: _____

Name: _____

Title: _____

Date: _____

By its execution below, and for the benefit of the Company, [OXFORD TRANSFEREE] makes each of the representations and warranties set forth in Article 4 of the Warrant and agrees to all other provisions of the Warrant as of the date hereof.

[OXFORD TRANSFEREE]

By: _____

Name: _____

Title: _____]

SCHEDULE 1

Company Capitalization Table

See attached

Schedule 1

Generated: 04/27/2015 09:11AM PST

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

		Issued and Outstanding Shares	CSE Shares*	Total Fully Diluted Shares
COMMON STOCK (Authorized: 322,490,000)				
Issued and Outstanding		15,292,289	15,292,289	15,292,289
PREFERRED STOCK (Authorized: 208,124,444)				
SERIES A Preferred Stock (Authorized: 25,092,906)		25,092,906	25,092,906	
SERIES B Preferred Stock (Authorized: 38,461,538)		38,461,538	38,461,538	
SERIES C Preferred Stock (Authorized: 142,100,000)		120,571,608	120,571,608	
SERIES AA Preferred Stock (Authorized: 2,500,000)		2,500,000	2,500,000	186,626,052
WARRANTS	*1*			
SERIES C Preferred Stock		2,746,517	2,746,517	2,746,517
2005 Stock Plan (Reserved: 26,762,585)				
Shares Issuable Under Plan:				
Options and/or SPRs Issued and Outstanding		13,607,363	13,607,363	
Options and/or SPRs Committed for Issuance		0	0	
Shares Remaining for Issuance Under Plan		117,021	117,021	13,724,384
Reserved in Plan		26,762,585	26,762,585	
Options and/or SPRs Exercised		(13,038,201)	(13,038,201)	
Repurchases		1,644,864	1,644,864	
Total shares issued & outstanding, including shares committed for issuance and employee reserves, assuming conversion of all convertible securities and exercise of all outstanding options				218,389,242

Footnote(s):

CSE Shares* Common Stock Equivalent (CSE) shares reflects the Common Stock issuable for the security type (option, stock, warrant, CPN) after the appropriate conversion ratio is applied with regard to parameters set for aggregation/rounding for each class/series.

Reserved reflects the Current Reserved Amount; if the option plan has shares pouring in from another plan, this number will change as new shares are poured in from the old plan.

1 The company has one additional warrant for 524,475 shares issuable to TriplePoint Capital in the event that the company draws funds in an additional tranche under the existing loan and security agreement. 524,475 shares of Series C Preferred Stock (including the Common Stock into which such shares are convertible) should be added to the current capitalization totals in order to account for the extra warrant that is potentially issuable.

Restoration Robotics, Inc.
Fully Diluted Capitalization Table with Issued and Outstanding Shares - Summary
As of 4/27/2015

Fully-Diluted Ownership

	Number of Shares	Percent (%)
Common Stock	15,292,289	7.00
SERIES A Preferred Stock	25,092,906	11.49
SERIES B Preferred Stock	38,461,538	17.61
SERIES C Preferred Stock	120,571,608	55.21
SERIES AA Preferred Stock	2,500,000	1.14
SERIES C Preferred Stock Warrants	2,746,517	1.26
Options and/or SPRs issued and outstanding under plan - 2005 Stock Plan	13,607,363	6.23
Committed for Issuance - 2005 Stock Plan	0	0.00
Unissued Reserve - 2005 Stock Plan	117,021	0.05
TOTAL	218,389,242	100.00

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

(as amended August 16, 2006)

1. **Purposes of the Plan.** The purposes of this 2005 Stock Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an option and subject to the applicable provisions of Section 422 of the Code and the regulations and interpretations promulgated thereunder. Stock purchase rights may also be granted under the Plan.

2. **Definitions.** As used herein, the following definitions shall apply:

(a) **"Administrator"** means the Board or its Committee appointed pursuant to Section 4 of the Plan.

(b) **"Affiliate"** means an entity other than a Subsidiary (as defined below) which, together with the Company, is under common control of a third person or entity.

(c) **"Applicable Laws"** means the legal requirements relating to the administration of stock option and restricted stock purchase plans, including under applicable U.S. state corporate laws, U.S. federal and applicable state securities laws, other U.S. federal and state laws, the Code, any Stock Exchange rules or regulations and the applicable laws, rules and regulations of any other country or jurisdiction where Options or Stock Purchase Rights are granted under the Plan, as such laws, rules, regulations and requirements shall be in place from time to time.

(d) **"Board"** means the Board of Directors of the Company.

(e) **"Cause"** for termination of a Participant's Continuous Service Status will exist if the Participant is terminated by the Company for any of the following reasons: (i) Participant's willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Participant's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) Participant's willful breach of any of his or her obligations under any written agreement or covenant with the Company. The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment or consulting relationship at any time as provided in Section 5(d) below, and the term "Company" will be interpreted to include any Subsidiary, Parent or Affiliate, as appropriate.

(f) **"Change of Control"** means (1) a sale of all or substantially all of the Company's assets, or (2) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction, or (3) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

(g) **"Code"** means the Internal Revenue Code of 1986, as amended.

(h) **"Committee"** means one or more committees or subcommittees of the Board appointed by the Board to administer the Plan in accordance with Section 4 below.

(i) **"Common Stock"** means the Common Stock of the Company.

(j) **"Company"** means Restoration Robotics, Inc., a Delaware corporation.

(k) **"Consultant"** means any person, including an advisor, who is engaged by the Company or any Parent, Subsidiary or Affiliate to render services and is compensated for such services, and any director of the Company whether compensated for such services or not.

(l) **"Continuous Service Status"** means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted in the case of: (i) sick leave; (ii) military leave; (iii) any other leave of absence approved by the Administrator, provided that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; or (iv) in the case of transfers between locations of the Company or between the Company, its Parents, Subsidiaries, Affiliates or their respective successors. A change in status from an Employee to a Consultant or from a Consultant to an Employee will not constitute an interruption of Continuous Service Status.

(m) **"Corporate Transaction"** means a sale of all or substantially all of the Company's assets, or a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, entity or person, or the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company.

(n) **"Director"** means a member of the Board.

(o) **"Employee"** means any person employed by the Company or any Parent, Subsidiary or Affiliate, with the status of employment determined based upon such factors as are deemed appropriate by the Administrator in its discretion, subject to any requirements of the Code or the Applicable Laws. The payment by the Company of a director's fee to a Director shall not be sufficient to constitute "employment" of such Director by the Company.

(p) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended.

(q) **"Fair Market Value"** means, as of any date, the fair market value of the Common Stock, as determined by the Administrator in good faith on such basis as it deems appropriate and applied consistently with respect to Participants. Whenever possible, the determination of Fair Market Value shall be based upon the closing price for the Shares as reported in the Wall Street Journal for the applicable date.

(r) **"Incentive Stock Option"** means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code, as designated in the applicable Option Agreement.

(s) **"Listed Security"** means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc.

(t) **"Named Executive"** means any individual who, on the last day of the Company's fiscal year, is the chief executive officer of the Company (or is acting in such capacity) or among the four most highly compensated officers of the Company (other than the chief executive officer). Such officer status shall be determined pursuant to the executive compensation disclosure rules under the Exchange Act.

(u) **"Nonstatutory Stock Option"** means an Option not intended to qualify as an Incentive Stock Option, as designated in the applicable Option Agreement.

(v) **"Option"** means a stock option granted pursuant to the Plan.

(w) **"Option Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Option granted under the Plan and includes any documents attached to or incorporated into such Option Agreement, including, but not limited to, a notice of stock option grant and a form of exercise notice.

(x) **"Option Exchange Program"** means a program approved by the Administrator whereby outstanding Options are exchanged for Options with a lower exercise price or are amended to decrease the exercise price as a result of a decline in the Fair Market Value of the Common Stock.

(y) **"Optioned Stock"** means the Common Stock subject to an Option.

(z) **"Optionee"** means an Employee or Consultant who receives an Option.

(aa) **"Parent"** means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code, or any successor provision.

(bb) **"Participant"** means any holder of one or more Options or Stock Purchase Rights, or the Shares issuable or issued upon exercise of such awards, under the Plan.

(cc) **"Plan"** means this 2005 Stock Plan.

(dd) **"Reporting Person"** means an officer, Director, or greater than ten percent stockholder of the Company within the meaning of Rule 16a-2 under the Exchange Act, who is required to file reports pursuant to Rule 16a-3 under the Exchange Act.

(ee) **"Restricted Stock"** means Shares of Common Stock acquired pursuant to a grant of a Stock Purchase Right under Section 11 below.

(ff) **"Restricted Stock Purchase Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of a Stock Purchase Right granted under the Plan and includes any documents attached to such agreement.

(gg) **"Rule 16b-3"** means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(hh) **"Share"** means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(ii) **"Stock Exchange"** means any stock exchange or consolidated stock price reporting system on which prices for the Common Stock are quoted at any given time.

(jj) **"Stock Purchase Right"** means the right to purchase Common Stock pursuant to Section 11 below.

(kk) **"Subsidiary"** means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code, or any successor provision.

(ll) **"Ten Percent Holder"** means a person who owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary.

3. **Stock Subject to the Plan.** Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be sold under the Plan is 7,000,000 Shares of Common Stock. The Shares may be authorized, but unissued, or reacquired Common Stock. If an award should expire or become unexercisable for any reason without having been exercised in full, or is surrendered pursuant to an Option Exchange Program, the unpurchased Shares that were subject thereto shall, unless the Plan shall have been terminated, become available for future grant under the Plan. In addition, any Shares of Common Stock which are retained by the Company upon exercise of an award in order to satisfy the exercise or purchase price for such

award or any withholding taxes due with respect to such exercise or purchase shall be treated as not issued and shall continue to be available under the Plan. Shares issued under the Plan and later repurchased by the Company pursuant to any repurchase right which the Company may have shall not be available for future grant under the Plan**.**

4. **Administration of the Plan**.

(a) **General.** The Plan shall be administered by the Board or a Committee, or a combination thereof, as determined by the Board. The Plan may be administered by different administrative bodies with respect to different classes of Participants and, if permitted by the Applicable Laws, the Board may authorize one or more officers to make awards under the Plan.

(b) **Committee Composition.** If a Committee has been appointed pursuant to this Section 4, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and remove all members of a Committee and thereafter directly administer the Plan, all to the extent permitted by the Applicable Laws and, in the case of a Committee administering the Plan in accordance with the requirements of Rule 16b-3 or Section 162(m) of the Code, to the extent permitted or required by such provisions. The Committee shall in all events conform to any requirements of the Applicable Laws.

(c) **Powers of the Administrator.** Subject to the provisions of the Plan and in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its discretion:

(i) to determine the Fair Market Value of the Common Stock, in accordance with Section 2(q) of the Plan, provided that such determination shall be applied consistently with respect to Participants under the Plan;

(ii) to select the Employees and Consultants to whom Plan awards may from time to time be granted;

(iii) to determine whether and to what extent Plan awards are granted;

(iv) to determine the number of Shares of Common Stock to be covered by each award granted;

(v) to approve the form(s) of agreement(s) used under the Plan;

(vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, any pro rata adjustment to vesting as a result of a Participant's transitioning from full- to part-time service (or vice versa), and any restriction or limitation regarding any Option, Optioned Stock, Stock Purchase Right or Restricted Stock, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vii) to determine whether and under what circumstances an Option may be settled in cash under Section 10(c) instead of Common Stock;

(viii) to implement an Option Exchange Program on such terms and conditions as the Administrator in its discretion deems appropriate, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Optionee shall be made without the prior written consent of the Optionee;

(ix) to adjust the vesting of an Option held by an Employee or Consultant as a result of a change in the terms or conditions under which such person is providing services to the Company;

(x) to construe and interpret the terms of the Plan and awards granted under the Plan, which constructions, interpretations and decisions shall be final and binding on all Participants; and

(xi) in order to fulfill the purposes of the Plan and without amending the Plan, to modify grants of Options or Stock Purchase Rights to Participants who are foreign nationals or employed outside of the United States in order to recognize differences in local law, tax policies or customs.

5. **Eligibility**.

(a) **Recipients of Grants.** Nonstatutory Stock Options and Stock Purchase Rights may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees, provided that Employees of Affiliates shall not be eligible to receive Incentive Stock Options.

(b) **Type of Option.** Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option.

(c) **ISO $100,000 Limitation.** Notwithstanding any designation under Section 5(b), to the extent that the aggregate Fair Market Value of Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Optionee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000, such excess Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 5(c), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an Incentive Stock Option shall be determined as of the date of the grant of such Option.

(d) **No Employment Rights.** The Plan shall not confer upon any Participant any right with respect to continuation of an employment or consulting relationship with the Company, nor shall it interfere in any way with such Participant's right or the Company's right to terminate the employment or consulting relationship at any time for any reason.

6. **Term of Plan.** The Plan shall become effective upon its adoption by the Board of Directors. It shall continue in effect for a term of ten (10) years unless sooner terminated under Section 16 of the Plan.

7. **Term of Option.** The term of each Option shall be the term stated in the Option Agreement; provided that the term shall be no more than ten years from the date of grant thereof or such shorter term as may be provided in the Option Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be five years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

8. **Reserved.**

9. **Option Exercise Price and Consideration**.

(a) **Exercise Price.** The per Share exercise price for the Shares to be issued pursuant to exercise of an Option shall be such price as is determined by the Administrator and set forth in the Option Agreement, but shall be subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant; or

(B) granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option

(A) granted on any date on which the Common Stock is not a Listed Security to a person who is at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant if required by the Applicable Laws and, if not so required, shall be such price as is determined by the Administrator;

(B) granted on any date on which the Common Stock is not a Listed Security to any other eligible person, the per Share exercise price shall be no less than 85% of the Fair Market Value per Share on the date of grant if required by the Applicable Laws and, if not so required, shall be such price as is determined by the Administrator; or

(C) granted on any date on which the Common Stock is a Listed Security to any eligible person, the per share Exercise Price shall be such price as determined by the Administrator provided that if such eligible person is, at the time of the grant of such Option, a Named Executive of the Company, the per share Exercise Price shall be no less than 100% of the Fair Market Value on the date of grant if such Option is intended to qualify as performance-based compensation under Section 162(m) of the Code.

(iii) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction.

(b) **Permissible Consideration.** The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant) and may consist entirely of (1) cash; (2) check; (3) subject to any requirements of the Applicable Laws (including without limitation Section 153 of the Delaware General Corporation Law), delivery of Optionee's promissory note having such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate after taking into account the potential accounting consequences of permitting an Optionee to deliver a promissory note; (4) cancellation of indebtedness; (5) other Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised, provided that in the case of Shares acquired, directly or indirectly, from the Company, such Shares must have been owned by the Optionee for more than six months on the date of surrender (or such other period as may be required to avoid the Company's incurring an adverse accounting charge); (6) if, as of the date of exercise of an Option the Company then is permitting employees to engage in a "same-day sale" cashless brokered exercise program involving one or more brokers, through such a program that complies with the Applicable Laws (including without limitation the requirements of Regulation T and other applicable regulations promulgated by the Federal Reserve Board) and that ensures prompt delivery to the Company of the amount required to pay the exercise price and any applicable withholding taxes; or (7) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

10. **Exercise of Option**.

(a) **General.**

(i) **Exercisability.** Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the term of the Plan and reflected in the Option Agreement, including vesting requirements and/or performance criteria with respect to the Company and/or the Optionee; provided however that, if required under the Applicable Laws, the Option (or Shares issued upon exercise of the Option) shall comply with the requirements of Section 260.140.41(f) and (k) of the Rules of the California Corporations Commissioner.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any unpaid leave of absence. In the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Options to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(iii) **Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent an Optionee from exercising the full number of Shares as to which the Option is then exercisable.

(iv) **Procedures for and Results of Exercise.** An Option shall be deemed exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option by the person entitled to exercise the Option and the Company has received full payment for the Shares with respect to which the Option is exercised. Full payment may, as authorized by the Administrator, consist of any consideration and method of payment allowable under Section 9(b) of the Plan, provided that the Administrator may, in its sole discretion, refuse to accept any form of consideration at the time of any Option exercise.

Exercise of an Option in any manner shall result in a decrease in the number of Shares that thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(v) **Rights as Stockholder.** Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 14 of the Plan.

(b) **Termination of Employment or Consulting Relationship.** Except as otherwise set forth in this Section 10(b), the Administrator shall establish and set forth in the applicable Option Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of an Optionee's Continuous Service Status, which provisions may be waived or modified by the Administrator at any time. Unless the Administrator otherwise provides in the Option Agreement, to the extent that the Optionee is not vested in Optioned Stock at the date of termination of his or her Continuous Service Status, or if the Optionee (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified in the Option Agreement or below (as applicable), the Option shall terminate and the Optioned Stock underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to Section 7).

The following provisions (1) shall apply to the extent an Option Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of an Optionee's Continuous Service Status, and (2) establish the minimum post-termination exercise periods that may be set forth in an Option Agreement:

(i) **Termination other than Upon Disability or Death.** In the event of termination of Optionee's Continuous Service Status other than under the circumstances set forth in subsections (ii) and (iii) below, such Optionee may exercise an Option for 30 days following such termination to the extent the Optionee was vested in the Optioned Stock as of the date of such termination. No termination shall be deemed to occur and this Section 10(b)(i) shall not apply if (i) the Optionee is a Consultant who becomes an Employee, or (ii) the Optionee is an Employee who becomes a Consultant.

(ii) **Disability of Optionee.** In the event of termination of an Optionee's Continuous Service Status as a result of his or her disability (including a disability within the meaning of Section 22(e)(3) of the Code), such Optionee may exercise an Option at any time within six months following such termination to the extent the Optionee was vested in the Optioned Stock as of the date of such termination.

(iii) **Death of Optionee.** In the event of the death of an Optionee during the period of Continuous Service Status since the date of grant of the Option, or within thirty days following termination of Optionee's Continuous Service Status, the Option may be exercised by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance at any time within twelve months following the date of death, but only to the extent the Optionee was vested in the Optioned Stock as of the date of death or, if earlier, the date the Optionee's Continuous Service Status terminated.

(c) **Buyout Provisions.** The Administrator may at any time offer to buy out for a payment in cash or Shares an Option previously granted under the Plan based on such terms and conditions as the Administrator shall establish and communicate to the Optionee at the time that such offer is made.

11. **Stock Purchase Rights**.

(a) **Rights to Purchase.** When the Administrator determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept such offer. In the case of a Stock Purchase Right granted prior to the date, if any, on which the Common Stock becomes a Listed Security and if required by the Applicable Laws at that time, the purchase price of Shares subject to such Stock Purchase Rights shall not be less than 85% of the Fair Market Value of the Shares as of the date of the offer, or, in the case of a Ten Percent Holder, the price shall not be less than 100% of the Fair Market Value of the Shares as of the date of the offer. If the Applicable Laws do not impose the requirements set forth in the preceding sentence and with respect to any Stock Purchase Rights granted after the date, if any, on which the Common Stock becomes a Listed Security, the purchase price of Shares subject to Stock Purchase Rights shall be as determined by the Administrator. The offer to purchase Shares subject to Stock Purchase Rights shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) **Repurchase Option**.

(i) **General.** Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the purchaser's employment with the Company for any reason (including death or disability). Subject to any requirements of the Applicable Laws (including without limitation Section 260.140.42(h) of the Rules of the California Corporations Commissioner), the terms of the Company's repurchase option (including without limitation the price at which, and the consideration for which, it may be exercised, and the events upon which it shall lapse) shall be as determined by the Administrator in its sole discretion and reflected in the Restricted Stock Purchase Agreement.

(ii) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the lapsing of Company repurchase rights shall be tolled during any unpaid leave of absence. In the event of military leave, the lapsing of Company repurchase rights shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given "vesting" credit with respect to Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(c) **Other Provisions.** The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Purchase Agreements need not be the same with respect to each purchaser.

(d) **Rights as a Stockholder.** Once the Stock Purchase Right is exercised, the purchaser shall have the rights equivalent to those of a stockholder, and shall be a stockholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 14 of the Plan.

12. **Taxes**.

(a) As a condition of the grant, vesting or exercise of an Option or Stock Purchase Right granted under the Plan, the Participant (or in the case of the Participant's death, the person exercising the Option or Stock Purchase Right) shall make such arrangements as the Administrator may require for the satisfaction of any applicable federal, state, local or foreign withholding tax obligations that may arise in connection with such grant, vesting or exercise of the Option or Stock Purchase Right or the issuance of Shares. The Company shall not be required to issue any Shares under the Plan until such obligations are satisfied. If the Administrator allows the withholding or surrender of Shares to satisfy a Participant's tax withholding obligations under this Section 12 (whether pursuant to Section 12(c), (d) or (e), or otherwise), the Administrator shall not allow Shares to be withheld in an amount that exceeds the minimum statutory withholding rates for federal and state tax purposes, including payroll taxes.

(b) In the case of an Employee and in the absence of any other arrangement, the Employee shall be deemed to have directed the Company to withhold or collect from his or her compensation an amount sufficient to satisfy such tax obligations from the next payroll payment otherwise payable after the date of an exercise of the Option or Stock Purchase Right.

(c) This Section 12(c) shall apply only after the date, if any, upon which the Common Stock becomes a Listed Security. In the case of Participant other than an Employee (or in the case of an Employee where the next payroll payment is not sufficient to satisfy such tax obligations, with respect to any remaining tax obligations), in the absence of any other arrangement and to the extent permitted under the Applicable Laws, the Participant shall be deemed to have elected to have the Company withhold from the Shares to be issued upon exercise of the Option or Stock Purchase Right that number of Shares having a Fair Market Value determined as of the applicable Tax Date (as defined below) equal to the amount required to be withheld. For purposes of this Section 12, the Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined under the Applicable Laws (the "Tax Date").

(d) If permitted by the Administrator, in its discretion, a Participant may satisfy his or her tax withholding obligations upon exercise of an Option or Stock Purchase Right by surrendering to the Company Shares that have a Fair Market Value determined as of the applicable Tax Date equal to the amount required to be withheld. In the case of shares previously acquired from the Company that are surrendered under this Section 12(d), such Shares must have been owned by the Participant for more than six (6) months on the date of surrender (or such other period of time as is required for the Company to avoid adverse accounting charges).

(e) Any election or deemed election by a Participant to have Shares withheld to satisfy tax withholding obligations under Section 12(c) or (d) above shall be irrevocable as to the particular Shares as to which the election is made and shall be subject to the consent or disapproval of the Administrator. Any election by a Participant under Section 12(d) above must be made on or prior to the applicable Tax Date.

(f) In the event an election to have Shares withheld is made by a Participant and the Tax Date is deferred under Section 83 of the Code because no election is filed under Section 83(b) of the Code, the Participant shall receive the full number of Shares with respect to which the Option or Stock Purchase Right is exercised but such Participant shall be unconditionally obligated to tender back to the Company the proper number of Shares on the Tax Date.

13. **Non-Transferability of Options and Stock Purchase Rights.**

(a) **General.** Except as set forth in this Section 13, Options and Stock Purchase Rights may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by an Optionee will not constitute a transfer. An Option or Stock Purchase Right may be exercised, during the lifetime of the holder of an Option or Stock Purchase Right, only by such holder or a transferee permitted by this Section 13.

(b) **Limited Transferability Rights.** Notwithstanding anything else in this Section 13, the Administrator may in its discretion grant Nonstatutory Stock Options that may be transferred by instrument to an inter vivos or testamentary trust in which the Options are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift or pursuant to domestic relations orders to "Immediate Family Members" (as defined below) of the Optionee. "Immediate Family" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Optionee) control the management of assets, and any other entity in which these persons (or the Optionee) own more than fifty percent of the voting interests.

14. **Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions**.

(a) **Changes in Capitalization.** Subject to any action required under Applicable Laws by the stockholders of the Company, the number of Shares of Common Stock covered by each outstanding award, and the number of Shares of Common Stock that have been authorized for issuance under the Plan but as to which no awards have yet been granted or that have been returned to the Plan upon cancellation or expiration of an award, as well as the price per Share of Common Stock covered by each such outstanding award, shall be proportionately adjusted for any increase or decrease in the number of issued Shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination, recapitalization or reclassification of the Common Stock, or any other increase or decrease in the number of issued Shares of Common Stock effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares of Common Stock subject to an award.

(b) **Dissolution or Liquidation.** In the event of the dissolution or liquidation of the Company, each Option and Stock Purchase Right will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator.

(c) **Corporate Transaction.** In the event of a Corporate Transaction (including without limitation a Change of Control), each outstanding Option or Stock Purchase Right shall be assumed or an equivalent option or right shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation (the "Successor Corporation"), unless the Successor Corporation does not agree to assume the award or to substitute an equivalent option or right, in which case such Option or Stock Purchase Right shall terminate upon the consummation of the transaction.

For purposes of this Section 14(c), an Option or a Stock Purchase Right shall be considered assumed, without limitation, if, at the time of issuance of the stock or other consideration upon a Corporate Transaction or a Change of Control, as the case may be, each holder of an Option or Stock Purchase Right would be entitled to receive upon exercise of the award the same number and kind of shares of stock or the same amount of property, cash or

securities as such holder would have been entitled to receive upon the occurrence of the transaction if the holder had been, immediately prior to such transaction, the holder of the number of Shares of Common Stock covered by the award at such time (after giving effect to any adjustments in the number of Shares covered by the Option or Stock Purchase Right as provided for in this Section 14); provided that if such consideration received in the transaction is not solely common stock of the Successor Corporation, the Administrator may, with the consent of the Successor Corporation, provide for the consideration to be received upon exercise of the award to be solely common stock of the Successor Corporation equal to the Fair Market Value of the per Share consideration received by holders of Common Stock in the transaction.

(d) Certain Distributions. In the event of any distribution to the Company's stockholders of securities of any other entity or other assets (other than dividends payable in cash or stock of the Company) without receipt of consideration by the Company, the Administrator may, in its discretion, appropriately adjust the price per Share of Common Stock covered by each outstanding Option or Stock Purchase Right to reflect the effect of such distribution.

15. **Time of Granting Options and Stock Purchase Rights.** The date of grant of an Option or Stock Purchase Right shall, for all purposes, be the date on which the Administrator makes the determination granting such Option or Stock Purchase Right, or such other date as is determined by the Administrator, provided that in the case of any Incentive Stock Option, the grant date shall be the later of the date on which the Administrator makes the determination granting such Incentive Stock Option or the date of commencement of the Optionee's employment relationship with the Company. Notice of the determination shall be given to each Employee or Consultant to whom an Option or Stock Purchase Right is so granted within a reasonable time after the date of such grant.

16. **Amendment and Termination of the Plan**.

(a) **Authority to Amend or Terminate.** The Board may at any time amend, alter, suspend or discontinue the Plan, but no amendment, alteration, suspension or discontinuation (other than an adjustment pursuant to Section 14 above) shall be made that would materially and adversely affect the rights of any Optionee or holder of Stock Purchase Rights under any outstanding grant, without his or her consent. In addition, to the extent necessary and desirable to comply with the Applicable Laws, the Company shall obtain stockholder approval of any Plan amendment in such a manner and to such a degree as required.

(b) **Effect of Amendment or Termination.** Except as to amendments which the Administrator has the authority under the Plan to make unilaterally, no amendment or termination of the Plan shall materially and adversely affect Options or Stock Purchase Rights already granted, unless mutually agreed otherwise between the Optionee or holder of the Stock Purchase Rights and the Administrator, which agreement must be in writing and signed by the Optionee or holder and the Company.

17. **Conditions Upon Issuance of Shares.** Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. As a condition to

the exercise of an Option or Stock Purchase Right, the Company may require the person exercising the award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by law. Shares issued upon exercise of awards granted prior to the date on which the Common Stock becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Option Agreement or Restricted Stock Purchase Agreement.

18. **Reservation of Shares.** The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

19. **Agreements.** Options and Stock Purchase Rights shall be evidenced by Option Agreements and Restricted Stock Purchase Agreements, respectively, in such form(s) as the Administrator shall from time to time approve.

20. **Stockholder Approval.** If required by the Applicable Laws, continuance of the Plan shall be subject to approval by the stockholders of the Company within twelve (12) months before or after the date the Plan is adopted. Such stockholder approval shall be obtained in the manner and to the degree required under the Applicable Laws.

21. **Information and Documents to Optionees and Purchasers.** Prior to the date, if any, upon which the Common Stock becomes a Listed Security and if required by the Applicable Laws, the Company shall provide financial statements at least annually to each Optionee and to each individual who acquired Shares pursuant to the Plan, during the period such Optionee or purchaser has one or more Options or Stock Purchase Rights outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such individual owns such Shares. The Company shall not be required to provide such information if the issuance of Options or Stock Purchase Rights under the Plan is limited to key employees whose duties in connection with the Company assure their access to equivalent information.

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

APPENDIX
FOR COSTA RICA

1. Application. This Appendix shall apply in relation to Options or Stock Purchase Rights granted to Participants residing and providing services in Costa Rica.

2. Definitions. Definitions as set out in the Plan are applicable to this Appendix.

3. Taxes/Withholding. Each Participant shall be liable for any employer's Costa Rican taxes or contributions to any government agency, excluding social security obligations, in respect of the grant, exercise, release or assignment of any Award or the acquisition, sale or other disposition of any Common Stock issued upon exercise of an Options or Stock Purchase Rights and the Company may require, as a condition of exercise, that any liability it or any Parent or Subsidiary has to account for Costa Rican income or salary taxes or contributions to any governmental agency, excluding social security obligations, or any other federal, state or local tax withholding obligation relating to the exercise or acquisition of Common Stock under an Options or Stock Purchase Rights granted pursuant to this Plan be satisfied by any of the following means (in addition to the Company's or any Parent's or Subsidiary's right to withhold from any compensation paid or payable to the Participant an amount sufficient to satisfy such taxes and any withholding obligations) or by a combination of such means: (i) the Participant's tender of a cash payment in an amount sufficient to satisfy such taxes and any withholding obligations; (ii) the Participant's authorization of the Company or any Parent or Subsidiary to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Award having a Fair Market Value equal to an amount sufficient to satisfy such taxes and any withholding obligations; provided, however, that no shares of Common Stock will be withheld with a value exceeding the minimum amount of tax required to be withheld by law; or (iii) the Participant's delivery of owned and unencumbered shares of Common Stock having a Fair Market Value equal to an amount sufficient to satisfy such taxes and any withholding obligations.

4. Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of California but mandatory provisions of Costa Rican law may be applied.

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

APPENDIX
FOR HONG KONG

1. Application. This Appendix shall apply in relation to Options or Stock Purchase Rights granted to Participants residing and providing services in Hong Kong.

2. Definitions. Definitions as set out in the Plan are applicable to this Appendix.

3. *Warning: Awards and Shares issued at exercise or vesting do not constitute a public offering of securities under Hong Kong law and are available only to Employees, Consultants and Directors of the Company, its Parent, Subsidiary or affiliate. The Plan, including this Appendix, and other incidental award documentation have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor has the award documentation been reviewed by any regulatory authority in Hong Kong. Awards are intended only for the personal use of each eligible Employee, Consultant and Director of each such Participant's employer, the Company, its Parent or any Subsidiary or affiliate and may not be distributed to any other person. If a Participant is in any doubt about any of the contents of the Plan, including this Appendix, or the any award agreement, such Participant should obtain independent professional advice.*

4. Sale of Shares. In the event an Options or Stock Purchase Rights vests and/or is exercised within six months of the date such award was granted, a Participant shall agree that such Participant will not dispose of any Shares acquired prior to the six-month anniversary of the date the award was granted.

5. Personal Information Collection Statement. Throughout the course of a Participant's service relationship with the Company, the Company may collect personal data from such Participant in relation to such Participant's service relationship for various human resources management purposes. These include but are not limited to: provision of benefits, employee incentives, compensation and payroll, facilitating performance appraisals, promotion and career development activities, making tax returns and the review of employment decisions. The personal data that the Company will collect may be transferred both within and outside Hong Kong to subsidiaries and other group companies of the Company, the Company's insurers and bankers, medical practitioners providing medical cover for employees, administrators or managers of the Company's provident fund scheme and other third parties engaged in contractual activities on our behalf for the above mentioned purposes for which the data are to be used.

6. Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

7. Privacy. The processing of an Participant's personal data shall be handled in such a manner as to comply with the Section 33 of the Hong Kong Personal Data (Privacy) Ordinance.

8. Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of California but mandatory provisions of Hong Kong law may be applied.

Exhibit 10.20

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

You have been granted an option to purchase Common Stock of Restoration Robotics, Inc. (the "Company") as follows:

Board Approval Date:	
Date of Grant:	
Exercise Price per Share:	
Total Number of Shares Granted:	
Total Exercise Price:	
Type of Option:	
Expiration Date:	
Vesting Commencement Date:	
Vesting/Exercise Schedule:	This Option may be exercised, in whole or in part, at any time after the Date of Grant. So long as your employment or consulting relationship with the Company continues, the Shares underlying this Option shall vest in accordance with the following schedule: twenty-five percent (25%) of the total number of Shares subject to the Option shall vest on the one year anniversary of the Vesting Commencement Date and one forty-eighth (1/48th) of the total number of Shares subject to the Option shall vest each month thereafter.
Termination Period:	This Option may be exercised for 90 days after termination of employment or consulting relationship except as set out in Section 5 of the Stock Option Agreement (but in no event later than the Expiration Date). Optionee is responsible for keeping track of these exercise periods following termination for any reason of his or her service relationship with the Company. The Company will not provide further notice of such periods.
Transferability:	This Option may not be transferred.

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Restoration Robotics, Inc. 2005 Stock Plan and the Stock Option Agreement, both of which are attached and made a part of this document.

In addition, you agree and acknowledge that your rights to any Shares underlying the Option will be earned only as you provide services to the Company over time, that the grant of the Option is not as consideration for services you rendered to the Company prior to your Vesting Commencement Date, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause.

OPTIONEE

_____

_____

Date

RESTORATION ROBOTICS, INC.:

By: _____

Name: _____

Title: _____

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option**. Restoration Robotics, Inc., a Delaware corporation (the "Company"), hereby grants to ("Optionee"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice of Stock Option Grant (the "Notice"), at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the Restoration Robotics, Inc. 2005 Stock Plan (the "Plan") adopted by the Company, which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement shall have the meanings defined in the Plan.

2. **Designation of Option**. This Option is intended to be an Incentive Stock Option as defined in Section 422 of the Code only to the extent so designated in the Notice, and to the extent it is not so designated or to the extent the Option does not qualify as an Incentive Stock Option, it is intended to be a Nonstatutory Stock Option.

Notwithstanding the above, if designated as an Incentive Stock Option, in the event that the Shares subject to this Option (and all other Incentive Stock Options granted to Optionee by the Company or any Parent or Subsidiary, including under other plans of the Company) that first become exercisable in any calendar year have an aggregate fair market value (determined for each Share as of the date of grant of the option covering such Share) in excess of $100,000, the Shares in excess of $100,000 shall be treated as subject to a Nonstatutory Stock Option, in accordance with Section 5(c) of the Plan.

3. **Exercise of Option**. This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan as follows:

(a) **Right to Exercise**.

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(iii) In no event may this Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(b) **Method of Exercise**.

(i) This Option shall be exercisable by execution and delivery of the Early Exercise Notice and Restricted Stock Purchase Agreement attached hereto as Exhibit A, the Exercise Notice and Restricted Stock Purchase Agreement attached hereto as Exhibit B, or any other form of written notice approved for such purpose by the Company which shall state Optionee's election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

(ii) As a condition to the exercise of this Option and as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the vesting or exercise of the Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

4. **Method of Payment**. Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;

(b) cancellation of indebtedness;

(c) prior to the date, if any, upon which the Common Stock becomes a Listed Security, by surrender of other shares of Common Stock of the Company that have an aggregate Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised. In the case of shares acquired directly or indirectly from the Company, such shares must have been owned by Optionee for more than six (6) months on the date of surrender (or such other period of time as is necessary to avoid the Company's incurring adverse accounting charges); or

(d) following the date, if any, upon which the Common Stock is a Listed Security, and if the Company is at such time permitting "same day sale" cashless brokered exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the amount required to pay the exercise price (and applicable withholding taxes).

5. **Termination of Relationship**. Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise the Option only as set forth in the Notice and this Section 5. To the extent that Optionee is not entitled to exercise this Option as of the Termination Date, or if Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, the Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(a) **Termination**. In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's disability or death, Optionee may, to the extent Optionee is vested in the Option Shares at the date of such termination (the "Termination Date"), exercise this Option during the Termination Period set forth in the Notice.

(b) **Other Terminations**. In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise the Option only as described below:

(i) **Termination upon Disability of Optionee**. In the event of termination of Optionee's Continuous Service Status as a result of Optionee's disability, Optionee may, but only within twelve months from the Termination Date, exercise this Option to the extent Optionee was vested in the Option Shares as of such Termination Date.

(ii) **Death of Optionee**. In the event of the death of Optionee (a) during the term of this Option and while an Employee or Consultant of the Company and having been in Continuous Service Status since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within twelve months following the date of death by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee was vested in the Option as of the Termination Date.

6. **Non-Transferability of Option**. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Tax Consequences**. Below is a brief summary as of the date of this Option of certain of the federal tax consequences of exercise of this Option and disposition of the Shares under the laws in effect as of the Date of Grant. THIS SUMMARY IS INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. OPTIONEE SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES.

(a) **Incentive Stock Option**.

(i) **Tax Treatment upon Exercise and Sale of Shares**. If this Option qualifies as an Incentive Stock Option, there will be no regular federal income tax liability upon the exercise of the Option, although the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price will be treated as an adjustment to the alternative minimum tax for federal tax purposes and may subject Optionee to the alternative minimum tax in the year of exercise. If Shares issued upon exercise of an Incentive Stock Option are held for at least one year after exercise and are disposed of at least two years after the Option grant date, any gain realized on disposition of the Shares will also be treated as long-term capital gain for federal income tax purposes. If Shares issued upon exercise of an Incentive Stock Option are disposed of within such one-year period or within two years after the Option grant date, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the difference between the Exercise Price and the lesser of (i) the fair market value of the Shares on the date of exercise, or (ii) the sale price of the Shares.

(ii) **Notice of Disqualifying Dispositions**. With respect to any Shares issued upon exercise of an Incentive Stock Option, if Optionee sells or otherwise disposes of such Shares on or before the later of (i) the date two years after the Option grant date, or (ii) the date one year after the date of exercise, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that he or she may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from the early disposition by payment in cash or out of the current earnings paid to Optionee.

(b) **Nonstatutory Stock Option**. If this Option does not qualify as an Incentive Stock Option, there may be a regular federal (and state) income tax liability upon the exercise of the Option. Optionee will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the fair market value of the Shares on the date of exercise over the Exercise Price. If Optionee is an Employee, the Company will be required to withhold from Optionee's compensation or collect from Optionee and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise. If Shares issued upon exercise of a Nonstatutory Stock Option are held for at least one year, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal income tax purposes.

8. **Lock-Up Agreement**. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

9. **Effect of Agreement**. Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan

Administrator regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail. The Option, including the Plan, constitutes the entire agreement between Optionee and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter.

[Signature Page Follows]

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

OPTIONEE

_____

_____

Date

RESTORATION ROBOTICS, INC.:

By: _____

Name: _____

Title: _____

EXHIBIT A

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

EARLY EXERCISE NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT

This Agreement ("Agreement") is made as of , by and between Restoration Robotics, Inc., a Delaware corporation (the "Company"), and ("Purchaser"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Restoration Robotics, Inc. 2005 Stock Plan (the "Plan").

1. **Exercise of Option**. Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase shares of the Common Stock (the "Shares") of the Company under and pursuant to the Plan and the Stock Option Agreement for the option granted on (the "Option Agreement"). Of these Shares, Purchaser has elected to purchase of those Shares which have become vested as of the date hereof under the Vesting Schedule set forth in the Notice of Stock Option Grant (the "Vested Shares") and Shares which have not yet vested under such Vesting Schedule (the "Unvested Shares"). The purchase price for the Shares shall be per Share for a total purchase price of $. The term "Shares" refers to the purchased Shares and all securities received in replacement of the Shares or as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Time and Place of Exercise**. The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement in accordance with the provisions of Section 3(b) of the Option Agreement. On such date, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the exercise price therefor by Purchaser by any method listed in Section 4 of the Option Agreement.

3. **Limitations on Transfer**. In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares while the Shares are subject to the Company's Repurchase Option (as defined below). After any Shares have been released from such Repurchase Option, Purchaser shall not assign, encumber or dispose of any interest in such Shares except in compliance with the provisions below and applicable securities laws.

(a) **Repurchase Option**.

(i) In the event of the voluntary or involuntary termination of Purchaser's employment or consulting relationship with the Company for any reason (including death or disability), with or without cause, the Company shall upon the date of such termination (the "Termination Date") have an irrevocable, exclusive option (the "Repurchase Option") for a

period of 90 days from such date to repurchase all or any portion of the Shares held by Purchaser as of the Termination Date which have not yet been released from the Company's Repurchase Option at the original purchase price per Share specified in Section 1 (adjusted for any stock splits, stock dividends and the like).

(ii) Unless the Company notifies Purchaser within 90 days from the date of termination of Purchaser's employment or consulting relationship that it does not intend to exercise its Repurchase Option with respect to some or all of the Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the 90th day following such termination, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to such 90th day. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company's intention to exercise its Repurchase Option with respect to all Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(a)(ii) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Shares being repurchased shall be deemed automatically canceled as of the 90th day following termination of Purchaser's employment or consulting relationship unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Shares pursuant to this Section 3(a), the Company shall become the legal and beneficial owner of the Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Shares being repurchased by the Company, without further action by Purchaser.

(iii) One hundred percent (100%) of the Shares shall initially be subject to the Repurchase Option. The Unvested Shares shall be released from the Repurchase Option in accordance with the Vesting Schedule set forth in the Notice of Stock Option Grant until all Shares are released from the Repurchase Option. Fractional shares shall be rounded to the nearest whole share.

(b) **Right of First Refusal**. Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the "Right of First Refusal").

(i) **Notice of Proposed Transfer**. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "Offered Price") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal**. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price**. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 3(b) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment**. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within 30 days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder's Right to Transfer**. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(b), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within 60 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers**. Anything to the contrary contained in this Section 3(b) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or a trust for the benefit of Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(b). "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(c) **Involuntary Transfer**.

(i) **Company's Right to Purchase upon Involuntary Transfer**. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(b)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred at the greater of the purchase price paid by Purchaser pursuant to this Agreement or the Fair Market Value of the Shares on the date of transfer. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer**. With respect to any stock to be transferred pursuant to Section 3(c)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within thirty (30) days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if the Purchaser does not agree with the valuation as determined by the Board of Directors of the Company, the Purchaser shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and the Purchaser and whose fees shall be borne equally by the Company and the Purchaser.

(d) **Assignment**. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any shareholder or shareholders of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees**. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement, including, insofar as applicable, the Repurchase Option. In the event of any purchase by the Company hereunder where the Shares or interest are held by a transferee, the transferee shall be obligated, if requested by the Company, to transfer the Shares or interest to the Purchaser for consideration equal to the amount to be paid by the Company hereunder. In the event the Repurchase Option is deemed exercised by the Company pursuant to Section 3(a)(ii) hereof, the Company may deem any transferee to have transferred the Shares or interest to Purchaser prior to their purchase by the Company, and payment of the purchase price by the Company to such transferee shall be deemed to satisfy Purchaser's obligation to pay such transferee for such Shares or interest, and also to satisfy the Company's obligation to pay Purchaser for such Shares or interest. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights**. The right of first refusal granted the Company by Section 3(b) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as

amended (the "Securities Act"). Upon termination of the right of first refusal described in Section 3(b) above, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 6(a)(ii) herein and delivered to Purchaser.

4. **Escrow of Unvested Shares**. For purposes of facilitating the enforcement of the provisions of Section 3 above, Purchaser agrees, immediately upon receipt of the certificate(s) for the Shares subject to the Repurchase Option, to deliver such certificate(s), together with an Assignment Separate from Certificate in the form attached to this Agreement as Attachment A executed by Purchaser and by Purchaser's spouse (if required for transfer), in blank, to the Secretary of the Company, or the Secretary's designee, to hold such certificate(s) and Assignment Separate from Certificate in escrow and to take all such actions and to effectuate all such transfers and/or releases as are in accordance with the terms of this Agreement. Purchaser hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5. **Investment and Taxation Representations**. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice

6. **Restrictive Legends and Stop-Transfer Orders.**

(a) **Legends**. The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

(ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

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

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

7. **No Employment Rights**. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent or subsidiary of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

8. **Section 83(b) Election**. Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income for a Nonstatutory Stock Option and as alternative minimum taxable income for an Incentive Stock Option the difference between the amount paid for the Shares and the Fair Market Value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the right of the Company to buy back the Shares pursuant to the Repurchase Option set forth in Section 3(a) of this Agreement. Purchaser understands that Purchaser may elect to be taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal Revenue Service within 30 days from the date of purchase. Even if the Fair Market Value of the Shares at the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income and alternative minimum tax treatment under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with his or her federal income tax return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Shares hereunder, and does not purport to be complete. Purchaser further acknowledges that the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser's death.

Purchaser agrees that he or she will execute and deliver to the Company with this executed Agreement a copy of the Acknowledgment and Statement of Decision Regarding Section 83(b) Election (the "Acknowledgment") attached hereto as Attachment B. Purchaser further agrees that he or she will execute and submit with the Acknowledgment a copy of the 83(b) Election attached hereto as Attachment C (for tax purposes in connection with the early exercise of an option) if Purchaser has indicated in the Acknowledgment his or her decision to make such an election.

9. **Lock-Up Agreement**. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

10. **Miscellaneous.**

(a) **Governing Law**. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices**. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or 48 hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns**. The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law**. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]

The parties have executed this Early Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

COMPANY:

RESTORATION ROBOTICS, INC.

By: _____
Name: _____
Title: President and CEO

PURCHASER:

_____

Address: _____

_____

I, spouse of , have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be irrevocably bound by the Agreement and further agree that any community property or other such interest shall hereby by similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

_____

Spouse of

ATTACHMENT A

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED and pursuant to that certain Early Exercise Notice and Restricted Stock Purchase Agreement between the undersigned ("Purchaser") and Restoration Robotics, Inc. (the "Company") dated , (the "Agreement"), Purchaser hereby sells, assigns and transfers unto the Company ( ) shares of the Common Stock of the Company, standing in Purchaser's name on the books of the Company and represented by Certificate No. , and does hereby irrevocably constitute and appoint to transfer said stock on the books of the Company with full power of substitution in the premises. THIS ASSIGNMENT MAY ONLY BE USED AS AUTHORIZED BY THE AGREEMENT AND THE ATTACHMENTS THERETO.

Dated: _____

Signature:

_____

_____

Spouse of (if applicable)

Instruction: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its Repurchase Option set forth in the Agreement without requiring additional signatures on the part of Purchaser.

ATTACHMENT B

ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING SECTION 83(b) ELECTION

The undersigned (which term includes the undersigned's spouse), a purchaser of shares of Common Stock of Restoration Robotics, Inc., a Delaware corporation (the "Company") by exercise of an option (the "Option") granted pursuant to the Company's 2005 Stock Plan (the "Plan"), hereby states as follows:

1. The undersigned acknowledges receipt of a copy of the Plan relating to the offering of such shares. The undersigned has carefully reviewed the Plan and the option agreement pursuant to which the Option was granted.

2. The undersigned either [check and complete as applicable]:

(a) has consulted, and has been fully advised by, the undersigned's own tax advisor, , whose business address is , regarding the federal, state and local tax consequences of purchasing shares under the Plan, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code") and pursuant to the corresponding provisions, if any, of applicable state law; or

(b) has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check as applicable]:

(a) to make an election pursuant to Section 83(b) of the Code, and is submitting to the Company, together with the undersigned's executed Early Exercise Notice and Restricted Stock Purchase Agreement, an executed form entitled "Election Under Section 83(b) of the Internal Revenue Code of 1986;" or

(b) not to make an election pursuant to Section 83(b) of the Code.

4. Neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the undersigned's purchase of shares under the Plan or of the making or failure to make an election pursuant to Section 83(b) of the Code or the corresponding provisions, if any, of applicable state law.

Date: _____ _____

Date: _____ _____

Spouse of

ATTACHMENT C

ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, to include in taxpayer's gross income or alternative minimum taxable income, as applicable, for the current taxable year, the amount of any income that may be taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

   NAME OF TAXPAYER: _____

   NAME OF SPOUSE: _____

   ADDRESS: _____

   _____

   IDENTIFICATION NO. OF TAXPAYER: _____

   IDENTIFICATION NO. OF SPOUSE: _____

   TAXABLE YEAR: _____

2. The property with respect to which the election is made is described as follows:

   shares of the Common Stock of Restoration Robotics, Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is:

4. The property is subject to the following restrictions:

   Repurchase option at cost in favor of the Company upon termination of taxpayer's employment or consulting relationship.

5. The Fair Market Value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: $

6. The amount (if any) paid for such property: $

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Date: _____ _____

Taxpayer

Date: _____ _____

Spouse of Taxpayer

EXHIBIT B

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

EXERCISE NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT

This Agreement ("Agreement") is made as of , by and between Restoration Robotics, Inc., a Delaware corporation (the "Company"), and ("Purchaser"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Restoration Robotics, Inc. 2005 Stock Plan (the "Plan").

1. **Exercise of Option**. Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase shares of the Common Stock (the "Shares") of the Company under and pursuant to the Plan and the Stock Option Agreement for the option granted on , (the "Option Agreement"). The purchase price for the Shares shall be per Share for a total purchase price of $. The term "Shares" refers to the purchased Shares and all securities received in replacement of the Shares or as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Time and Place of Exercise**. The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement in accordance with the provisions of Section 3(b) of the Option Agreement. On such date, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the exercise price therefor by Purchaser by any method listed in Section 4 of the Option Agreement.

3. **Limitations on Transfer**. In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and applicable securities laws.

(a) **Right of First Refusal**. Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(a) (the "Right of First Refusal").

(i) **Notice of Proposed Transfer**. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "Offered Price") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal**. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price**. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 3(a) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment**. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within 30 days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder's Right to Transfer**. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(a), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within 60 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers**. Anything to the contrary contained in this Section 3(a) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or a trust for the benefit of Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(a). "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(b) **Involuntary Transfer**.

(i) **Company's Right to Purchase upon Involuntary Transfer**. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(a)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred at the greater of the purchase price paid by Purchaser pursuant to this Agreement or the fair market value of the Shares on the date of transfer. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer**. With respect to any stock to be transferred pursuant to Section 3(b)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within thirty (30) days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if the Purchaser does not agree with the valuation as determined by the Board of Directors of the Company, the Purchaser shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and the Purchaser and whose fees shall be borne equally by the Company and the Purchaser.

(c) **Assignment**. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any shareholder or shareholders of the Company or other persons or organizations.

(d) **Restrictions Binding on Transferees**. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Company's Shares shall be void unless the provisions of this Agreement are satisfied.

(e) **Termination of Rights**. The right of first refusal granted the Company by Section 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). Upon termination of the right of first refusal described in Section 3(b) above, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 5(a)(ii) herein and delivered to Purchaser.

4. **Investment and Taxation Representations**. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

5. **Restrictive Legends and Stop-Transfer Orders**.

(a) **Legends**. The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

(ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

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

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

6. **No Employment Rights**. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent or subsidiary of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement**. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without

the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

8. **Miscellaneous**.

(a) **Governing Law**. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices**. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns**. The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law**. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]

The parties have executed this Exercise Notice and Restricted Stock Purchase Agreement as of the date first set forth above.

COMPANY:

RESTORATION ROBOTICS, INC.

By: _____
Name: _____
Title: _____

PURCHASER

_____

Address: _____

_____

I, , spouse of , have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse the right to purchase the Shares as set forth in the Agreement, I hereby agree to be irrevocably bound by the Agreement and further agree that any community property or other such interest shall hereby by similarly bound by the Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

_____

Spouse of

Exhibit 10.21

For International Optionees Only

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

NOTICE OF STOCK OPTION GRANT

You have been granted an option to purchase Common Stock of Restoration Robotics, Inc. (the "Company") as follows:

Board Approval Date:	
Date of Grant:	
Exercise Price per Share:	
Total Number of Shares Granted:	
Total Exercise Price:	
Type of Option:	
Expiration Date:	
Vesting Commencement Date:	
Vesting/Exercise Schedule:	So long as your employment or consulting relationship with the Company continues, the Shares underlying this Option shall vest and become exercisable in accordance with the following schedule: twenty-five percent (25%) of the total number of Shares subject to the Option shall vest and become exercisable on the one year anniversary of the Vesting Commencement Date and one forty-eighth (1/48th) of the total number of Shares subject to the Option shall vest and become exercisable each month thereafter.
Termination Period:	This Option may be exercised for 90 days after termination of employment or consulting relationship except as set out in Section 5 of the Stock Option Agreement (but in no event later than the Expiration Date). Optionee is responsible for keeping track of these exercise periods following termination for any reason of his or her service relationship with the Company. The Company will not provide further notice of such periods.
Transferability:	This Option may not be transferred.

For International Optionees Only

By your signature and the signature of the Company's representative below, you and the Company agree that this option is granted under and governed by the terms and conditions of the Restoration Robotics, Inc. 2005 Stock Plan, the special provisions for your country of residence, if applicable, attached to the Stock Option Agreement as Exhibit A, and the Stock Option Agreement, each of which are attached and made a part of this document.

In addition, you agree and acknowledge that your rights to any Shares underlying the Option will be earned only as you provide services to the Company over time, that the grant of the Option is not as consideration for services you rendered to the Company prior to your Vesting Commencement Date, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause.

OPTIONEE

_____

Date

RESTORATION ROBOTICS, INC.:

By: _____

Name: _____

Title: _____

RESTORATION ROBOTICS, INC.

2005 STOCK PLAN

STOCK OPTION AGREEMENT

1. **Grant of Option**. Restoration Robotics, Inc., a Delaware corporation (the "Company"), hereby grants to ("Optionee"), an option (the "Option") to purchase the total number of shares of Common Stock (the "Shares") set forth in the Notice of Stock Option Grant (the "Notice"), at the exercise price per Share set forth in the Notice (the "Exercise Price") subject to the terms, definitions and provisions of the Restoration Robotics, Inc. 2005 Stock Plan (the "Plan") adopted by the Company and the special provisions for Optionee's country of residence, if applicable, attached hereto as Exhibit A, (the "Foreign Appendix"), each of which is incorporated in this Agreement by reference. Unless otherwise defined in this Agreement, the terms used in this Agreement and the Foreign Appendix shall have the meanings defined in the Plan.

2. **Designation of Option**. This Option is intended to be a Nonstatutory Stock Option.

3. **Exercise of Option**. This Option shall be exercisable during its term in accordance with the Vesting/Exercise Schedule set out in the Notice and with the provisions of Section 10 of the Plan and the Foreign Appendix, if applicable, as follows:

(a) **Right to Exercise**.

(i) This Option may not be exercised for a fraction of a share.

(ii) In the event of Optionee's death, disability or other termination of employment, the exercisability of the Option is governed by Section 5 below, subject to the limitations contained in this Section 3.

(iii) In no event may this Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(b) **Method of Exercise**.

(i) This Option shall be exercisable by execution and delivery of the Exercise Notice attached hereto as Exhibit B, or any other form of written notice approved for such purpose by the Company which shall state Optionee's election to exercise the Option, the number of Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by Optionee and shall be delivered to the Company by such means as are determined by the Plan Administrator in its discretion to constitute adequate delivery. The written notice shall be accompanied by payment of the Exercise Price. This Option shall be deemed to be exercised upon receipt by the Company of such written notice accompanied by the Exercise Price.

(ii) As a condition to the exercise of this Option and as further set forth in Section 12 of the Plan, Optionee agrees to make adequate provision for federal, state, foreign or other tax withholding obligations, if any, which arise upon the vesting or exercise of the Option, or disposition of Shares, whether by withholding, direct payment to the Company, or otherwise.

(iii) The Company is not obligated, and will have no liability for failure, to issue or deliver any Shares upon exercise of the Option unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any applicable federal or state securities or other law or regulation, including any rule under Part 221 of Title 12 of the Code of Federal Regulations as promulgated by the Federal Reserve Board. As a condition to the exercise of this Option, the Company may require Optionee to make any representation and warranty to the Company as may be required by the Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Optionee on the date on which the Option is exercised with respect to such Shares.

4. **Method of Payment**. Payment of the Exercise Price shall be by any of the following, or a combination of the following, at the election of Optionee:

(a) cash or check;

(b) cancellation of indebtedness;

(c) prior to the date, if any, upon which the Common Stock becomes a Listed Security, by surrender of other shares of Common Stock of the Company that have an aggregate Fair Market Value on the date of surrender equal to the Exercise Price of the Shares as to which the Option is being exercised. In the case of shares acquired directly or indirectly from the Company, such shares must have been owned by Optionee for at least the period necessary to avoid a charge to the Company's earnings for financial reporting purposes on the date of surrender; or

(d) following the date, if any, upon which the Common Stock is a Listed Security, and if the Company is at such time permitting "same day sale" cashless brokered exercises, delivery of a properly executed exercise notice together with irrevocable instructions to a broker participating in such cashless brokered exercise program to deliver promptly to the Company the amount required to pay the exercise price (and applicable withholding taxes).

5. **Termination of Relationship**. Following the date of termination of Optionee's Continuous Service Status for any reason (the "Termination Date"), Optionee may exercise the Option only as set forth in the Notice and this Section 5. To the extent that Optionee is not entitled to exercise this Option as of the Termination Date, or if Optionee does not exercise this Option within the Termination Period set forth in the Notice or the termination periods set forth below, the Option shall terminate in its entirety. In no event, may any Option be exercised after the Expiration Date of the Option as set forth in the Notice.

(a) **Termination**. In the event of termination of Optionee's Continuous Service Status other than as a result of Optionee's disability or death, Optionee may, to the extent Optionee is vested in the Option Shares at the date of such termination (the "Termination Date"), exercise this Option during the Termination Period set forth in the Notice.

(b) **Other Terminations**. In connection with any termination other than a termination covered by Section 5(a), Optionee may exercise the Option only as described below:

(i) **Termination upon Disability of Optionee**. In the event of termination of Optionee's Continuous Service Status as a result of Optionee's disability, Optionee may, but only within twelve months from the Termination Date, exercise this Option to the extent Optionee was vested in the Option Shares as of such Termination Date.

(ii) **Death of Optionee**. In the event of the death of Optionee (a) during the term of this Option and while an Employee or Consultant of the Company and having been in Continuous Service Status since the date of grant of the Option, or (b) within thirty (30) days after Optionee's Termination Date, the Option may be exercised at any time within twelve months following the date of death by Optionee's estate or by a person who acquired the right to exercise the Option by bequest or inheritance, but only to the extent Optionee was vested in the Option as of the Termination Date.

6. **Non-Transferability of Option**. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by him or her. The terms of this Option shall be binding upon the executors, administrators, heirs, successors and assigns of Optionee.

7. **Lock-Up Agreement**. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Optionee hereby agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however and whenever acquired (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

8. **Effect of Agreement**. Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof (and has had an opportunity to consult counsel regarding the Option terms), and hereby accepts this Option and agrees to be bound by its contractual terms as set forth herein, in the Foreign Appendix, if applicable, and in the Plan. Optionee hereby agrees to accept as binding, conclusive and final all decisions and interpretations of the Plan Administrator regarding any questions relating to the Option. In the event of a conflict between the terms and provisions of the Plan and the terms and

provisions of the Notice and this Agreement, the Plan terms and provisions shall prevail. . In the event of any inconsistency between the Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control. The Option, including the Plan and the Foreign Appendix, if applicable, constitutes the entire agreement between Optionee and the Company on the subject matter hereof and supersedes all proposals, written or oral, and all other communications between the parties relating to such subject matter. Optionee may only exercise his or her rights in respect of the Plan, this Agreement and this Option to the extent that it would be lawful to do so, and the Company would not, in connection with this Option, be in breach of the laws of any jurisdiction to which Optionee may be subject. Optionee shall be solely responsible to seek advice as to the laws of any jurisdiction to which he or she may be subject, and a participation by Optionee in the Plan shall be on the basis of a warranty by Optionee that Optionee may lawfully so participate without the Company being in breach of the laws of any such jurisdiction.

9. **Data Privacy Waiver. By acceptance of this Option, Optionee acknowledges and consents to the collection, use, processing and transfer of personal data as described below. The Company, Optionee's employer and the Company's other Subsidiaries (all together, the "Company Entities") hold certain personal information, including Optionee's name, home address and telephone number, date of birth, social security number or other employee tax identification number, employment history and status, salary, nationality, job title, and any equity compensation grants or Shares awarded, cancelled, purchased, vested, unvested or outstanding in Optionee's favor, for the purpose of managing and administering the Plan ("Data"). The Company Entities will transfer Data to third parties in the course of its or their business, including for the purpose of assisting the Company in the implementation, administration and management of the Plan. The Company Entities may also make the Data available to public authorities where required under locally applicable law. These recipients may be located in the United States, the European Economic Area, Asia or elsewhere in the world, which Optionee separately and expressly consents to, accepting that outside Asia, the United States, the European Economic Area or elsewhere in the world, data protection laws may not be as protective as within. Optionee hereby authorizes the Company Entities and all such third parties to receive, possess, use, retain, process and transfer the Data, in electronic or other form, in the course of the Company Entities respective businesses, including for the purposes of implementing, administering and managing participation in the Plan, and including any requisite transfer of such Data as may be required for the administration of the Plan on behalf of Optionee to a third party with whom Optionee may have elected to have payment made pursuant to the Plan. Optionee may, at any time, review Data, require any necessary amendments to it or withdraw the consent herein in writing by contacting the Company through its local H.R. Director; however, withdrawing the consent may affect Optionee's ability to participate in the Plan and receive the benefits intended by this Option. Data will only be held as long as necessary to implement, administer and manage Optionee's participation in the Plan and any subsequent claims or rights.**

10. Rules Particular To Specific Countries.

(a) Generally. Optionee shall, if required by the Plan Administrator, enter into an election with the Company or a Subsidiary (in a form approved by the Company) under which any liability to the Company's (or a Subsidiary's) Tax Liability (as defined below), including, but not limited to, National Insurance Contributions ("NICs") and the Fringe Benefit Tax ("FBT"), is transferred to and met by Optionee. For purposes of this Section 11, "Tax Liability" shall mean any and all liability under applicable non-U.S. laws, rules or regulations from any income tax, the Company's (or a Subsidiary's) NICs, FBT or similar liability and Optionee's NICs, FBT or similar liability under non-U.S. laws that are attributable to: (A) the grant or exercise of, or any other benefit derived by Optionee from the Option; (B) the acquisition by Optionee of the Shares on exercise of the Option; or (C) the disposal of any Shares acquired upon exercise of the Option.

(b) Tax Indemnity. Optionee shall indemnify and keep indemnified the Company and any of its Subsidiaries from and against any Tax Liability.

11. Special Provisions for Stock Options Granted to Participants Outside the U.S. If Optionee performs services for the Company outside of the United States, this Option shall be subject to the special provisions, if any, for Optionee's country of residence, as set forth in the Foreign Appendix.

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

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

* * *

EXHIBIT A
TO STOCK OPTION AGREEMENT

RESTORATION ROBOTICS, INC.

SPECIAL PROVISIONS FOR STOCK OPTIONS GRANTED TO PARTICIPANTS OUTSIDE THE U.S.

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

This Foreign Appendix also includes information relating to exchange control and other issues of which Optionee should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of September 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Optionee not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Option is exercised or Shares acquired under the Plan are sold.

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

COSTA RICA

Country-specific terms are provided immediately below and in the Appendix for Costa Rica attached to the Plan.

The following provisions are added as Sections 12 and 13 of the Agreement:

12. Taxes/Withholding. Each Optionee shall be liable for any employer's Costa Rican taxes or contributions to any government agency, excluding social security obligations, in respect of the grant, exercise, release or assignment of any Option or the acquisition, sale or other disposition of any Shares issued upon exercise of an Option and the Company may require, as a condition of exercise, that any liability it or any parent or Subsidiary has to account for Costa Rican income or salary taxes or contributions to any governmental agency, excluding social security obligations, or any other federal, state or local tax withholding obligation relating to the exercise or acquisition of Shares under an award granted pursuant to this Plan be satisfied by any of the following means (in addition to the Company's or any parent's or Subsidiary's

right to withhold from any compensation paid or payable to Optionee an amount sufficient to satisfy such taxes and any withholding obligations;) or by a combination of such means: (i) Optionee's tender of a cash payment in an amount sufficient to satisfy such taxes and any withholding obligations; (ii) Optionee's authorization of the Company or any parent or Subsidiary to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to Optionee as a result of the exercise or acquisition of Common Stock under the award having a Fair Market Value equal to an amount sufficient to satisfy such taxes and any withholding obligations; provided, however, that no shares of Common Stock will be withheld with a value exceeding the minimum amount of tax required to be withheld by law; or (iii) the Optionee's delivery of owned and unencumbered shares of Common Stock having a Fair Market Value equal to an amount sufficient to satisfy such taxes and any withholding obligations.

13. Acknowledgment of Nature of Plan and Option. In accepting this Option, Optionee acknowledges that:

(a) for labor law purposes, the Option and the Shares subject to the Option are an extraordinary item that does not constitute wages of any kind for services of any kind rendered to the Company or to Optionee's employer, and the award of the Option is outside the scope of Optionee's employment contract, if any;

(b) for labor law purposes, the Option and the Shares subject to the Option are not part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any Subsidiary or affiliate of the Company;

(c) the Option and the Shares subject to the Option are not intended to replace any pension rights or compensation;

(d) neither the Option nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon Optionee any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or affiliate;

(e) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(f) if the underlying Shares do not increase in value, the Option will have no value;

(g) if Optionee exercises the Option and obtain Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the exercise price of the Option;

(h) in consideration of the grant of the Option hereunder, no claim or entitlement to compensation or damages arises from termination of the Option, and no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of Optionee's employment by the Company or an affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and Optionee irrevocably releases the Company and Optionee's employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Optionee shall be deemed irrevocably to have waived Optionee's entitlement to pursue such claim; and

(i) in the event of termination of Optionee's employment (whether or not in breach of local labor laws), Optionee's rights to vest in the Option under the Plan, if any, will terminate effective as of the date that Optionee is no longer actively employed and will not be extended by any notice period mandated under applicable local laws (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to applicable local laws); the Committee shall have the exclusive discretion to determine when Optionee is no longer actively employed for purposes of Optionee's Option.

HONG KONG

Country-specific terms are provided immediately below and in the Appendix for Hong Kong attached to the Plan.

The following provisions are added as Sections 12, 13, 14 and 15 of the Agreement:

12. Acknowledgment of Nature of Plan and Option. In accepting this Agreement, Optionee acknowledges that:

(a) for labor law purposes, the Option and the Shares subject to the Option are an extraordinary item that does not constitute wages of any kind for services of any kind rendered to the Company or to Optionee's employer, and the award of the Option is outside the scope of Optionee's employment contract, if any;

(b) for labor law purposes, the Option and the Shares subject to the Option are not part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any Subsidiary or affiliate of the Company;

(c) the Option and the Shares subject to the Option are not intended to replace any pension rights or compensation;

(d) neither the Option nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon Optionee any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or affiliate;

(e) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(f) if the underlying Shares do not increase in value, the Option will have no value;

(g) if Optionee exercises the Option and obtain Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the exercise price of the Option;

(h) in consideration of the grant of the Option hereunder, no claim or entitlement to compensation or damages arises from termination of the Option, and no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of Optionee's employment by the Company or an affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and Optionee irrevocably releases the Company and Optionee's employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Optionee shall be deemed irrevocably to have waived Optionee's entitlement to pursue such claim; and

(i) in the event of termination of Optionee's employment (whether or not in breach of local labor laws), Optionee's rights to vest in the Option under the Plan, if any, will terminate effective as of the date that Optionee is no longer actively employed and will not be extended by any notice period mandated under applicable local laws (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to applicable local laws); the Committee shall have the exclusive discretion to determine when Optionee is no longer actively employed for purposes of Optionee's Option.

13. *Warning: The Options and Shares issued at exercise do not constitute a public offering of securities under Hong Kong law and are available only to Employees, Consultants and Directors of the Company, its parent, Subsidiary or affiliate. The Agreement, including this Foreign Appendix, the Plan and other incidental award documentation have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor has the award documentation been reviewed by any regulatory authority in Hong Kong. The Options are intended only for the personal use of each eligible to Employees, Consultants and Directors of Optionee's employer, the Company, its parent or any Subsidiary or affiliate and may not be distributed to any other person. If Optionee is in any doubt about any of the contents of the Agreement, including this Foreign Appendix, or the Plan, Optionee should obtain independent professional advice.*

14. Sale of Shares. In the event the Options vest and are exercised within six months of the Grant Date, Optionee agrees that Optionee will not dispose of any Shares acquired prior to the six-month anniversary of the Grant Date.

15. Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

UNITED KINGDOM

All references to "Consultants" or "Directors" shall be removed from the Agreement.

Definitions. For purposes of the Plan and this Agreement, "Continuous Service Status" means the absence of any interruption or termination of service as an Employee. Continuous Service Status as an Employee shall not be considered interrupted in the case of: (i) sick leave;

(ii) military leave; (iii) any other leave of absence approved by the Administrator, provided that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; or (iv) in the case of transfers between locations of the Company or between the Company, its Parents, Subsidiaries, Affiliates or their respective successors. A change in status from an Employee to a Consultant or from a Consultant to an Employee will constitute an interruption of Continuous Service Status.

The following paragraph is inserted immediately after the first paragraph of the first page of the Agreement:

The Agreement as amended pursuant to Exhibit B attached hereto forms the rules of the employee share scheme applicable to the United Kingdom based Optionees of the Company and any Subsidiaries. Only Employees of the Company or any Subsidiary of the Company are eligible to be granted Options or be issued Shares under the Agreement. Other service providers (including Consultants or non-Employee Directors) who are not Employees are not eligible to receive Options under the Agreement in the United Kingdom. Accordingly, all references in the Agreement to Optionee's continuous service status or termination of service shall be interpreted as references to the Optionee's employment or termination of employment.

This provision replaces Section 10 of the Agreement in its entirety:

10. Special Tax Consequences. In relation to UK-based Optionees only:

(a) Optionee agrees to indemnify and keep indemnified the Company, any Subsidiary and his/her employing company, if different, from and against any liability for or obligation to pay any Tax Liability (a "Tax Liability" being any liability for income tax, withholding tax and any other employment related taxes, employee's national insurance contributions or employer's national insurance contributions or equivalent social security contributions in any jurisdiction) that is attributable to (1) the grant or exercise of, or any benefit derived by Optionee from, the Option, (2) the acquisition by Optionee of the Shares on exercise of the Option, or (3) the disposal of any Shares.

(b) The Option cannot be exercised until Optionee has made such arrangements as the Company may require for the satisfaction of any Tax Liability that may arise in connection with the exercise of the Option and/or the acquisition of the Shares by Optionee. The Company shall not be required to issue, allot or transfer Shares until Optionee has satisfied this obligation.

(c) At the discretion of the Company, the Option cannot be exercised until the Optionee has entered into an election with the Company (or his/her employer) (as appropriate) in a form approved by the Company and Her Majesty's Revenue & Customs (a "Joint Election") under which any liability of the Company and/or the employer for employer's national insurance contributions arising in respect of the granting, vesting, exercise of or other dealing in the Option, or the acquisition of Shares on exercise of the Option, is transferred to and met by Optionee.

References to “withholding tax” in the Agreement and the Plan shall include social security contributions including national insurance contributions.

The following provisions shall be added as Sections 12 and 13 to the Agreement:

12. Tax and National Insurance Contributions Acknowledgment. Optionee agrees that if Optionee does not pay or Optionee’s employer (the “Employer”) or the Company does not withhold from Optionee the full amount of all taxes applicable to the taxable income of Optionee resulting from the grant of the Option, the vesting and exercise of the Option or the issuance of Shares (the “Tax-Related Items”) that Optionee owes due to the vesting of the Option, or the exercise of the Option for consideration, or the receipt of any other benefit in connection with the Option (the “Taxable Event”) within 90 days after the Taxable Event, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount that should have been withheld shall constitute a loan owed by Optionee to the Employer, effective 90 days after the Taxable Event. Optionee agrees that the loan will bear interest at the HMRC’s official rate and will be immediately due and repayable by Optionee, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to Optionee by the Employer, by withholding in Shares issued upon vesting and exercise of the Option or from the cash proceeds from the sale of Shares or by demanding cash or a cheque from Optionee. Optionee also authorizes the Company to delay the issuance of any Shares to the Optionee unless and until the loan is repaid in full.

Notwithstanding the foregoing, if Optionee is an officer or executive director (as within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that Optionee is an officer or executive director and Tax-Related Items are not collected from or paid by Optionee within 90 days of the Taxable Event, the amount of any uncollected Tax-Related Items may constitute a benefit to Optionee on which additional income tax and national insurance contributions may be payable. Optionee acknowledges that the Company or the Employer may recover any such additional income tax and national insurance contributions at any time thereafter by any of the means referred to in Section 4 of the Agreement.

13. Acknowledgment of Nature of Plan and Option. In accepting this Agreement, Optionee acknowledges that:

(a) for labor law purposes, the Option and the Shares subject to the Option are an extraordinary item that does not constitute wages of any kind for services of any kind rendered to the Company or to Optionee’s Employer, and the award of the Option is outside the scope of Optionee’s employment contract, if any;

(b) for labor law purposes, the Option and the Shares subject to the Option are not part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any Subsidiary or affiliate of the Company;

(c) the Option and the Shares subject to the Option are not intended to replace any pension rights or compensation;

(d) neither the Option nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon Optionee any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Subsidiary or affiliate;

(e) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(f) if the underlying Shares do not increase in value, the Option will have no value;

(g) if Optionee exercises the Option and obtain Shares, the value of the Shares acquired upon exercise may increase or decrease in value, even below the exercise price of the Option;

(h) in consideration of the grant of the Option hereunder, no claim or entitlement to compensation or damages arises from termination of the Option, and no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of Optionee's employment by the Company or an affiliate (for any reason whatsoever and whether or not in breach of local labor laws) and Optionee irrevocably releases the Company and Optionee's employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, Optionee shall be deemed irrevocably to have waived Optionee's entitlement to pursue such claim; and

(i) in the event of termination of Optionee's employment (whether or not in breach of local labor laws), Optionee's rights to vest in the Option under the Plan, if any, will terminate effective as of the date that Optionee is no longer actively employed and will not be extended by any notice period mandated under applicable local laws (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to applicable local laws); the Committee shall have the exclusive discretion to determine when Optionee is no longer actively employed for purposes of Optionee's Option.

EXHIBIT B
TO STOCK OPTION AGREEMENT

RESTORATION ROBOTICS, INC.

EXERCISE NOTICE

This Agreement ("Agreement") is made as of , by and between Restoration Robotics, Inc., a Delaware corporation (the "Company"), and ("Purchaser"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Restoration Robotics, Inc. 2005 Stock Plan (the "Plan").

1. **Exercise of Option**. Subject to the terms and conditions hereof, Purchaser hereby elects to exercise his or her option to purchase shares of the Common Stock (the "Shares") of the Company under and pursuant to the Plan and the Stock Option Agreement for the option granted on , including the special provisions for Purchaser's country of residence, if applicable, attached to thereto as Exhibit A, (the "Option Agreement"). The purchase price for the Shares shall be per Share for a total purchase price of $. The term "Shares" refers to the purchased Shares and all securities received in replacement of the Shares or as stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Time and Place of Exercise**. The purchase and sale of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution and delivery of this Agreement in accordance with the provisions of Section 3(b) of the Option Agreement. On such date, the Company will deliver to Purchaser a certificate representing the Shares to be purchased by Purchaser (which shall be issued in Purchaser's name) against payment of the exercise price therefor by Purchaser by any method listed in Section 4 of the Option Agreement.

3. **Limitations on Transfer**. In addition to any other limitation on transfer created by applicable securities laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except in compliance with the provisions below and applicable securities laws.

(a) **Right of First Refusal**. Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(a) (the "Right of First Refusal").

(i) **Notice of Proposed Transfer**. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the terms and conditions of each proposed sale or transfer. The Holder shall offer the Shares at the same price (the "Offered Price") and upon the same terms (or terms as similar as reasonably possible) to the Company or its assignee(s).

(ii) **Exercise of Right of First Refusal**. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (iii) below.

(iii) **Purchase Price**. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 3(a) shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(iv) **Payment**. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within 30 days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(v) **Holder's Right to Transfer**. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(a), then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within 60 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(vi) **Exception for Certain Family Transfers**. Anything to the contrary contained in this Section 3(a) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or a trust for the benefit of Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(a). "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(b) **Involuntary Transfer**.

(i) **Company's Right to Purchase upon Involuntary Transfer**. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(a)(vi) above) of all or a portion of the Shares by the record holder thereof, the Company shall have an option to purchase all of the Shares transferred at the greater of the purchase price paid by Purchaser pursuant to this Agreement or the fair market value of the Shares on the date of transfer. Upon such a transfer, the person acquiring the Shares shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of thirty (30) days following receipt by the Company of written notice by the person acquiring the Shares.

(ii) **Price for Involuntary Transfer**. With respect to any stock to be transferred pursuant to Section 3(b)(i), the price per Share shall be a price set by the Board of Directors of the Company that will reflect the current value of the stock in terms of present earnings and future prospects of the Company. The Company shall notify Purchaser or his or her executor of the price so determined within thirty (30) days after receipt by it of written notice of the transfer or proposed transfer of Shares. However, if the Purchaser does not agree with the valuation as determined by the Board of Directors of the Company, the Purchaser shall be entitled to have the valuation determined by an independent appraiser to be mutually agreed upon by the Company and the Purchaser and whose fees shall be borne equally by the Company and the Purchaser.

(c) **Assignment**. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any shareholder or shareholders of the Company or other persons or organizations.

(d) **Restrictions Binding on Transferees**. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement. Any sale or transfer of the Company's Shares shall be void unless the provisions of this Agreement are satisfied.

(e) **Termination of Rights**. The right of first refusal granted the Company by Section 3(a) above and the option to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(b) above shall terminate upon the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). Upon termination of the right of first refusal described in Section 3(b) above, a new certificate or certificates representing the Shares not repurchased shall be issued, on request, without the legend referred to in Section 5(a)(ii) herein and delivered to Purchaser.

4. **Investment and Taxation Representations**. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing these securities for investment for his or her own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities. Purchaser understands that the certificate(s) evidencing the securities will be imprinted with a legend which prohibits the transfer of the securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) Purchaser is familiar with the provisions of Rules 144 and 701, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144 or Rule 701, which rules require, among other things, that the Company be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this paragraph (d), Purchaser acknowledges and agrees to the restrictions set forth in paragraph (e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 or 701 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

5. **Restrictive Legends and Stop-Transfer Orders**.

(a) **Legends**. The certificate or certificates representing the Shares shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

(ii) THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

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

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

6. **No Employment Rights**. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent or subsidiary of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

7. **Lock-Up Agreement**. In connection with the initial public offering of the Company's securities and upon request of the Company or the underwriters managing any underwritten offering of the Company's securities, Purchaser agrees not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (other than those included in the registration) without

the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 180 days) from the effective date of such registration as may be requested by the Company or such managing underwriters and to execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of the public offering.

8. **Miscellaneous**.

(a) **Governing Law**. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law. Purchaser may only exercise his or her rights in respect of the Plan, this Agreement and the Option Agreement to the extent that it would be lawful to do so, and the Company would not, in connection with this Agreement, be in breach of the laws of any jurisdiction to which Purchaser may be subject. Purchaser shall be solely responsible to seek advice as to the laws of any jurisdiction to which he or she may be subject, and a participation by Purchaser in the Plan shall be on the basis of a warranty by Purchaser that Purchaser may lawfully so participate without the Company being in breach of the laws of any such jurisdiction.

(b) **Entire Agreement; Enforcement of Rights**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(c) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(d) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) **Notices**. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by telegram or fax or forty-eight (48) hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns**. The rights and benefits of this Agreement shall inure to the benefit of, and be enforceable by the Company's successors and assigns. The rights and obligations of Purchaser under this Agreement may only be assigned with the prior written consent of the Company.

(h) **California Corporate Securities Law**. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]

The parties have executed this Exercise Notice as of the date first set forth above.

COMPANY:

RESTORATION ROBOTICS, INC.

By: _____
Name: _____
Title: _____

PURCHASER

_____

Address: _____

_____

I, , spouse or registered domestic partner of have read and hereby approve the foregoing Agreement. In consideration of the Company's granting my spouse or registered domestic partner the right to purchase the Shares as set forth in the Agreement, I hereby agree to be irrevocably bound by the Agreement and further agree that any community property or other such interest shall hereby by similarly bound by the Agreement. I hereby appoint my spouse or registered domestic partner as my attorney-in-fact with respect to any amendment or exercise of any rights under the Agreement.

_____

Spouse or Domestic Partner of _____

RESTORATION ROBOTICS, INC.

2015 EQUITY INCENTIVE PLAN

1. ***Purpose***.

The purpose of the Plan is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Company's stockholders. Capitalized terms used in the Plan are defined in Section 11 below.

2. ***Eligibility***.

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

3. ***Administration and Delegation***.

(a) *Administration.* The Plan will be administered by the Administrator. The Administrator shall have authority to determine which Service Providers will receive Awards, to grant Awards and to set all terms and conditions of Awards (including, but not limited to, vesting, exercise and forfeiture provisions). In addition, the Administrator shall have the authority to take all actions and make all determinations contemplated by the Plan and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Administrator may correct any defect or ambiguity, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem necessary or appropriate to carry the Plan and any Awards into effect, as determined by the Administrator. The Administrator shall make all determinations under the Plan in the Administrator's sole discretion and all such determinations shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) *Appointment of Committees.* To the extent permitted by Applicable Laws, the Board may delegate any or all of its powers under the Plan to one or more Committees. The Board may abolish any Committee at any time and re-vest in itself any previously delegated authority.

4. ***Stock Available for Awards***.

(a) *Number of Shares.* Subject to adjustment under Section 8 hereof, Awards may be made under the Plan covering up to the sum of (i) 7,617,033 shares of Common Stock plus (ii) any of the shares of Common Stock which as of the Effective Date are available for issuance under the Prior Plan or are subject to awards under the Prior Plan that, on or after the Effective Date, terminate, expire or lapse for any reason without the delivery of shares of Common Stock to the holder thereof, up to a maximum of 26,762,585 shares of Common Stock; provided, however, no more than 34,379,618 shares of Common Stock may be granted pursuant to Incentive Stock Options. If any Award expires or lapses or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at or below the original issuance price), in any case in a manner that results in any shares of Common Stock covered by such Award not being issued or being so reacquired by the Company, the unused Common Stock covered by such Award shall again be available

for the grant of Awards under the Plan. Further, shares of Common Stock delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award and/or to satisfy any applicable tax withholding obligation (including shares retained by the Company from the Award being exercised or purchased and/or creating the tax obligation) shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. However, in the case of Incentive Stock Options (as hereinafter defined), the foregoing provisions shall be subject to any limitations under the Code. Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares, shares purchased on the open market or treasury shares. As of the Effective Date, no further awards may be granted under the Prior Plan; however, any awards under the Prior Plan that are outstanding as of the Effective Date shall continue to be subject to the terms and conditions of the Prior Plan.

(b) *Substitute Awards*. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Administrator may grant Awards in substitution for any options or other stock or stock-based awards granted prior to such merger or consolidation by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a) hereof, except as may be required by reason of Section 422 of the Code.

5. ***Stock Options***.

(a) *General.* The Administrator may grant Options to any Service Provider, subject to the limitations on Incentive Stock Options described below. The Administrator shall determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to Applicable Laws, as it considers necessary or advisable.

(b) *Incentive Stock Options.* The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of the Company's present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. All Options intended to qualify as Incentive Stock Options shall be subject to and shall be construed consistently with the requirements of Section 422 of the Code. Neither the Company nor the Administrator shall have any liability to a Participant, or any other party, (i) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (ii) for any action or omission by the Administrator that causes an Option not to qualify as an Incentive Stock Option, including without limitation, the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option. Any Option that is intended to qualify as an Incentive Stock Option, but fails to so qualify for any reason, including without limitation, the portion of any Option becoming exercisable in excess of the $100,000 limitation described in Treasury Regulation Section 1.422-4, shall be treated as a Non-Qualified Stock Option for all purposes.

(c) *Exercise Price.* The Administrator shall establish the exercise price of each Option and specify the exercise price in the applicable Award Agreement. The exercise price shall be not less than 100% of the Fair Market Value on the date the Option is granted. In the case of an Incentive Stock Option granted to an employee who, at the time of grant of the Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than 10% of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the per share exercise price shall be no less than 110% of the Fair Market Value on the date the Option is granted.

(d) *Duration of Options.* Each Option shall be exercisable at such times and subject to such terms and conditions as the Administrator may specify in the applicable Award Agreement, provided that the term of any Option shall not exceed ten years. In the case of an Incentive Stock Option granted to an employee who, at the time of grant of the Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than 10% of the voting power of all classes of stock of the Company (or a "parent corporation" or "subsidiary corporation" thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the term of the Option shall not exceed five years.

(e) *Exercise of Option; Notification of Disposition.* Options may be exercised by delivery to the Company of a written notice of exercise, in a form approved by the Administrator (which may be an electronic form), signed by the person authorized to exercise the Option, together with payment in full (i) as specified in Section 5(f) hereof for the number of shares for which the Option is exercised and (ii) as specified in Section 9(e) hereof for any applicable withholding taxes. Unless otherwise determined by the Administrator, an Option may not be exercised for a fraction of a share of Common Stock. If an Option is designated as an Incentive Stock Option, the Participant shall give prompt notice to the Company of any disposition or other transfer of any shares of Common Stock acquired from the Option if such disposition or transfer is made (i) within two years from the grant date with respect to such Option or (ii) within one year after the transfer of such shares to the Participant (other than any such disposition made in connection with a Change in Control). Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

(f) *Payment Upon Exercise.* Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for in cash or by check, payable to the order of the Company, or, to the extent permitted by the Administrator, by:

(i) (A) delivery of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(ii) delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (A) such method of payment is then permitted under Applicable Laws, (B) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Company at any time, and (C) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(iii) surrendering shares of Common Stock then issuable upon exercise of the Option valued at their Fair Market Value on the date of exercise;

(iv) delivery of a promissory note of the Participant to the Company on terms determined by the Administrator;

(v) delivery of property of any other kind which constitutes good and valuable consideration as determined by the Administrator; or

(vi) any combination of the above permitted forms of payment (including cash or check).

(g) *Early Exercise of Options*. The Administrator may provide in the terms of an Award Agreement that the Service Provider may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the Option so exercised. Shares of Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

6. ***Restricted Stock; Restricted Stock Units***.

(a) *General*. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares if issued at no cost) in the event that conditions specified by the Administrator in the applicable Award Agreement are not satisfied prior to the end of the applicable restriction period or periods established by the Administrator for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during applicable restriction period or periods, as set forth in an applicable Award Agreement.

(b) *Terms and Conditions for All Restricted Stock and Restricted Stock Unit Awards*. The Administrator shall determine and set forth in the applicable Award Agreement the terms and conditions applicable to each Restricted Stock and Restricted Stock Unit Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, in each case, if any.

(c) *Additional Provisions Relating to Restricted Stock*.

(i) *Dividends*. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares to the extent such dividends have a record date that is on or after the date on which the Participant to whom such shares are granted becomes the record holder of such shares, unless otherwise provided by the Administrator in the applicable Award Agreement. In addition, unless otherwise provided by the Administrator, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. Each dividend payment will be made as provided in the applicable Award Agreement, but in no event later than the end of the calendar year in which the dividends are paid to stockholders of that class of stock or, if later, the 15th day of the third month following the later of (A) the date the dividends are paid to stockholders of that class of stock, and (B) the date the dividends are no longer subject to forfeiture.

(ii) *Stock Certificates*. The Company may require that any stock certificates issued in respect of shares of Restricted Stock be deposited in escrow by the Participant, together with a stock power endorsed in blank, with the Company (or its designee).

(d) *Additional Provisions Relating to Restricted Stock Units*.

(i) *Settlement*. Upon the vesting of a Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or an amount of cash or other property equal to the Fair Market Value of one share of Common Stock on the settlement date, as the Administrator shall determine and as provided in the applicable Award Agreement. The Administrator may provide that settlement of Restricted Stock Units shall occur upon or as soon as reasonably practicable after the vesting of the Restricted Stock Units or shall instead be deferred, on a mandatory basis or at the election of the Participant, in a manner that complies with Section 409A.

(ii) *Voting Rights*. A Participant shall have no voting rights with respect to any Restricted Stock Units unless and until shares are delivered in settlement thereof.

(iii) *Dividend Equivalents*. To the extent provided by the Administrator, a grant of Restricted Stock Units may provide a Participant with the right to receive Dividend Equivalents. Dividend Equivalents may be paid currently or credited to an account for the Participant, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which the Dividend Equivalents are paid, as determined by the Administrator, subject, in each case, to such terms and conditions as the Administrator shall establish and set forth in the applicable Award Agreement.

7. ***Other Stock-Based Awards***.

Other Stock-Based Awards may be granted hereunder to Participants, including, without limitation, Awards entitling Participants to receive shares of Common Stock to be delivered in the future. Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments and/or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock, cash or other property, as the Administrator shall determine. Subject to the provisions of the Plan, the Administrator shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement.

8. ***Adjustments for Changes in Common Stock and Certain Other Events***.

(a) In the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award, then the Administrator may, in such manner as it may deem equitable, adjust any or all of:

(i) the number and kind of shares of Common Stock (or other securities or property) with respect to which Awards may be granted or awarded (including, but not limited to, adjustments of the limitations in Section 4 hereof on the maximum number and kind of shares which may be issued);

(ii) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Awards;

(iii) the grant or exercise price with respect to any Award; and

(iv) the terms and conditions of any Awards (including, without limitation, any applicable financial or other performance "targets" specified in an Award Agreement).

(b) In the event of any transaction or event described in Section 8(a) hereof (including without limitation any Change in Control) or any unusual or nonrecurring transaction or event affecting the Company or the financial statements of the Company, or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to (x) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (y) to facilitate such transaction or event or (z) give effect to such changes in Applicable Laws or accounting principles**:**

(i) To provide for the cancellation of any such Award in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the vested portion of such Award may be terminated without payment;

(ii) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

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

(iv) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards;

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

(vi) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

(c) Notwithstanding the provisions of Section 8(b) above, if a Change in Control occurs and a Participant's Awards are not continued, converted, assumed, or replaced with a substantially similar award by (i) the Company, or (ii) a successor entity or its parent or subsidiary (an "***Assumption***"), and provided that the Participant has not had a Termination of Service, then immediately prior to the Change in Control such Awards shall become fully vested, exercisable and/or payable, as applicable, and all forfeiture, repurchase and other restrictions on such Awards shall lapse, in which case, such Awards shall be canceled upon the consummation of the Change in Control in exchange for the right to receive the Change in Control consideration payable to other holders of Common Stock (A) which may be on such terms and conditions as apply generally to holders of Common Stock under the Change in Control

documents (including, without limitation, any escrow, earn-out or other deferred consideration provisions) or such other terms and conditions as the Administrator may provide, and (B) determined by reference to the number of shares subject to such Awards and net of any applicable exercise price; provided that to the extent that any Awards constitute "nonqualified deferred compensation" that may not be paid upon the Change in Control under Section 409A without the imposition of taxes thereon under Section 409A, the timing of such payments shall be governed by the applicable Award Agreement (subject to any deferred consideration provisions applicable under the Change in Control documents); and provided, further, that if the amount to which a Participant would be entitled upon the settlement or exercise of such Award at the time of the Change in Control is equal to or less than zero, then such Award may be terminated without payment. The Administrator shall determine whether an Assumption of an Award has occurred in connection with a Change in Control.

(d) If a Change in Control occurs and a Participant's Awards have been Assumed pursuant to Section 8(c), and, within twelve (12) months following such Change in Control, such Participant's employment or service with the Company or a successor entity or its parent or subsidiary is terminated other than for Cause, and other than as a result of Participant's death or Disability, then such Participant's remaining unvested Awards (including any substituted Awards) shall become fully vested, exercisable and/or payable, as applicable, and all forfeiture, repurchase and other restrictions on such Awards (including any substituted Awards) shall lapse, on the date of termination.

(e) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in this Section 8, the Administrator will equitably adjust each outstanding Award, which adjustments may include adjustments to the number and type of securities subject to each outstanding Award and/or the exercise price or grant price thereof, if applicable, the grant of new Awards to Participants, and/or the making of a cash payment to Participants, as the Administrator deems appropriate to reflect such Equity Restructuring. The adjustments provided under this Section 8(e) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company; provided that whether an adjustment is equitable shall be determined by the Administrator.

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

(g) Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to an Award or the grant or exercise price of any Award. The existence of the Plan, any Award Agreements and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger, consolidation dissolution or liquidation of the Company or sale of Company assets or (iii) any sale or issuance of securities, including without limitation, securities with rights superior to those of the Common Stock or which are convertible into or exchangeable for Common Stock. The Administrator may treat Participants and Awards (or portions thereof) differently under this Section 8.

9. ***General Provisions Applicable to Awards***.

(a) *Transferability.* Except as the Administrator may otherwise determine or provide in an Award Agreement or otherwise, in any case in accordance with Applicable Laws, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) *Documentation.* Each Award shall be evidenced in an Award Agreement, which may be in such form (written, electronic or otherwise) as the Administrator shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) *Discretion.* Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

(d) *Termination of Status.* The Administrator shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

(e) *Withholding.* Each Participant shall pay to the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by law to be withheld in connection with Awards to such Participant no later than the date of the event creating the tax liability. Except as the Administrator may otherwise determine, all such payments shall be made in cash or by certified check. Notwithstanding the foregoing, to the extent permitted by the Administrator, Participants may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value. The Company may, to the extent permitted by Applicable Laws, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

(f) *Amendment of Award.* The Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Participant's consent to such action shall be required unless (i) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant, or (ii) the change is permitted under Sections 8 and 10(f) hereof.

(g) *Conditions on Delivery of Stock.* The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy the requirements of any Applicable Laws. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is determined by the Administrator to be necessary to the lawful issuance and sale of any securities hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained.

(h) *Acceleration.* The Administrator may at any time provide that any Award shall become immediately vested and/or exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. ***Miscellaneous.***

(a) *No Right To Employment or Other Status.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an applicable Award Agreement.

(b) *No Rights As Stockholder; Certificates.* Subject to the provisions of the applicable Award Agreement, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any Applicable Laws, the Company shall not be required to deliver to any Participant certificates evidencing shares of Common Stock issued in connection with any Award and instead such shares of Common Stock may be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator). The Company may place legends on stock certificates issued under the Plan deemed necessary or appropriate by the Administrator in order to comply with Applicable Laws.

(c) *Effective Date and Term of Plan.* The Plan shall become effective on the date on which it is adopted by the Board (the "Effective Date"), subject to approval by the Company's stockholders within twelve (12) months after such adoption by the Board. No Incentive Stock Options shall be granted under the Plan after the completion of ten years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Incentive Stock Options previously granted may extend beyond that date in accordance with the terms of the Plan.

(d) *Amendment of Plan.* The Administrator may amend, suspend or terminate the Plan or any portion thereof at any time; provided that no amendment of the Plan shall materially and adversely affect any Award outstanding at the time of such amendment without the consent of the affected Participant. Awards outstanding under the Plan at the time of any suspension or termination of the Plan shall continue to be governed in accordance with the terms of the Plan and the applicable Award Agreement, as in effect prior to such suspension or termination. The Board shall obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

(e) *Provisions for Foreign Participants*. The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

(f) *Section 409A*.

(i) *General*. The Company intends that all Awards be structured in compliance with, or to satisfy an exemption from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply in connection with any Awards. Notwithstanding anything herein or in any Award Agreement to the contrary, the Administrator may, without a Participant's prior consent, amend this Plan and/or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to preserve the intended tax treatment of Awards under the Plan, including without limitation, any such actions intended to (A) exempt this Plan and/or any Award from the application of Section 409A, and/or (B) comply with the requirements of Section 409A, including without limitation any such regulations, guidance, compliance programs and other interpretative authority that may be issued after the date of grant of any Award. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall have no obligation under this Section 10(f) or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, "nonqualified deferred compensation" subject to the imposition of taxes, penalties and/or interest under Section 409A.

(ii) *Separation from Service*. With respect to any Award that constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award that is to be made upon a termination of a Participant's Service Provider relationship shall, to the extent necessary to avoid the imposition of taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or subsequent to the termination of the Participant's Service Provider relationship. For purposes of any such provision of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(iii) *Payments to Specified Employees*. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" that are otherwise required to be made under an Award to a "specified employee" (as defined under Section 409A and determined by the Administrator) as a result of his or her "separation from service" shall, to the extent necessary to avoid the imposition of taxes under Code Section 409A(a)(2)(B)(i), be delayed until the expiration of the six-month period immediately following such "separation from service" (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award agreement) on the day that immediately follows the end of such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award that are, by their terms, payable more than six months following the Participant's "separation from service" shall be paid at the time or times such payments are otherwise scheduled to be made.

(g) *Limitations on Liability*. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as an Administrator, director, officer, other employee or agent of the Company. The Company will indemnify and hold harmless each director, officer, other employee and agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be granted or delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising out of any act or omission to act concerning this Plan unless arising out of such person's own fraud or bad faith.

(h) *Lock-Up Period*. The Company may, at the request of any representative of the underwriters or otherwise, in connection with any registration of the offering of any securities of the Company under the Securities Act, prohibit Participants from, directly or indirectly, selling or otherwise transferring any shares of Common Stock or other securities of the Company during a period of up to one hundred eighty days following the effective date of a registration statement of the Company filed under the Securities Act.

(i) *Right of First Refusal*.

(i) Before any shares of Common Stock held by a Participant or any permitted transferee (each, a "***Holder***") may be sold, pledged, assigned, hypothecated, transferred, or otherwise disposed of (each, a "***Transfer***"), the Company or its assignee(s) shall have a right of first refusal to purchase the shares of Common Stock proposed to be Transferred on the terms and conditions set forth in this Section 10(i) (the "***Right of First Refusal***"). In the event that the Company's charter, bylaws and/or a stockholders' agreement applicable to the shares of Common Stock contain a right of first refusal with respect to the shares of Common Stock, such right of first refusal shall apply to the shares of Common Stock to the extent such provisions are more restrictive than the Right of First Refusal set forth in this Section 10(i) and the Right of First Refusal set forth in this Section 10(i) shall not in any way restrict the operation of the Company's charter, bylaws or the operation of any applicable stockholders' agreement.

(ii) In the event any Holder desires to Transfer any shares of Common Stock, the Holder shall deliver to the Company a written notice (the "***Notice***") stating: (A) the Holder's bona fide intention to sell or otherwise Transfer such shares of Common Stock; (B) the name of each proposed purchaser or other transferee ("***Proposed Transferee***"); (C) the number of shares of Common Stock to be Transferred to each Proposed Transferee; and (D) the price for which the Holder proposes to Transfer the shares of Common Stock (the "***Offered Price***"), and the Holder shall offer such shares of Common Stock at the Offered Price to the Company or its assignee(s).

(iii) Within twenty-five (25) days after receipt of the Notice, the Company and/or its assignee(s) may elect in writing to purchase all, but not less than all, of the shares of Common Stock proposed to be Transferred to any one or more of the Proposed Transferees by delivery of a written exercise notice to the Holder (a "***Company Notice***"). The purchase price ("***Purchase Price***") for the shares of Common Stock repurchased under this Section 10(i) shall be the Offered Price.

(iv) Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check or wire transfer), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof, within five days after delivery of the Company Notice or in the manner and at the times mutually agreed to by the Company and the Holder. Should the Offered Price specified in the Notice be payable in property other than cash, the Company or its assignee shall have the right to pay the purchase price in the form of cash equal in amount to the value of such property, as determined by the Administrator.

(v) If all or a portion of the shares of Common Stock proposed in the Notice to be Transferred are not purchased by the Company and/or its assignee(s) as provided in this Section 10(i), then the Holder may sell or otherwise Transfer such shares of Common Stock to that Proposed Transferee at the Offered Price or at a higher price; provided that such sale or other

Transfer is consummated within sixty days after the date of the Notice; and provided, further, that any such sale or other Transfer is effected in accordance with any Applicable Laws and the Proposed Transferee agrees in writing that the provisions of this Plan and the applicable Award Agreement and any other applicable agreements governing the shares of Common Stock to be Transferred shall continue to apply to the shares of Common Stock in the hands of such Proposed Transferee. If the shares of Common Stock described in the Notice are not Transferred to the Proposed Transferee within such sixty-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal, as provided herein, before any shares of Common Stock held by the Holder may be sold or otherwise Transferred.

(vi) Anything to the contrary contained in this Section 10(i) notwithstanding and to the extent permitted by the Administrator, the Transfer of any or all of the shares of Common Stock during a Participant's lifetime or upon a Participant's death by will or intestacy to the Participant's Immediate Family or a trust for the benefit of the Participant's Immediate Family shall be exempt from the Right of First Refusal. As used herein, "***Immediate Family***" shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister or stepchild (whether or not adopted). In such case, the transferee or other recipient shall receive and hold the shares of Common Stock so Transferred subject to the provisions of this Plan (including the Right of First Refusal), the applicable Award Agreement and any other applicable agreements governing the shares of Common Stock to be Transferred, and there shall be no further Transfer of such shares of Common Stock except in accordance with the terms of this Section 10(i) (or otherwise as expressly provided under the Plan).

(vii) The Right of First Refusal shall terminate as to all shares of Common Stock if the Company becomes a Publicly Listed Company upon such occurrence.

(j) *Data Privacy*. As a condition of receipt of any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this paragraph by and among, as applicable, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company and its subsidiaries and affiliates may hold certain personal information about a Participant, including but not limited to, the Participant's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its subsidiaries and affiliates, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "***Data***"). The Company and its subsidiaries and affiliates may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Participant's participation in the Plan, and the Company and its subsidiaries and affiliates may each further transfer the Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or the Participant may elect to deposit any shares of Common Stock. The Data related to a Participant will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data held by the Company with respect to such Participant, request additional information about the storage and processing of the Data

with respect to such Participant, recommend any necessary corrections to the Data with respect to the Participant or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Participants may contact their local human resources representative.

(k) *Severability*. In the event any portion of the Plan or any action taken pursuant thereto shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provisions had not been included, and the illegal or invalid action shall be null and void.

(l) *Governing Documents*. In the event of any contradiction between the Plan and any Award Agreement or any other written agreement between a Participant and the Company or any Subsidiary of the Company that has been approved by the Administrator, the terms of the Plan shall govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan shall not apply.

(m) *Submission to Jurisdiction; Waiver of Jury Trial*. By accepting an Award, each Participant irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of Delaware and of the United States of America, in each case located in the State of Delaware, for any action arising out of or relating to the Plan (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the address contained in the records of the Company shall be effective service of process for any litigation brought against it in any such court. By accepting an Award, each Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of Plan or Award hereunder in the courts of the State of Delaware or the United States of America, in each case located in the State of Delaware, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. By accepting an Award, each Participant irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or any Award hereunder.

(n) *Governing Law*. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

(o) *Restrictions on Shares; Claw-back Provisions*. Shares of Common Stock acquired in respect of Awards shall be subject to such terms and conditions as the Administrator shall determine, including, without limitation, restrictions on the transferability of shares of Common Stock, the right of the Company to repurchase shares of Common Stock, the right of the Company to require that shares of Common Stock be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. Such terms and conditions may be additional to those contained in the Plan and may, as determined by the Administrator, be contained in the applicable Award Agreement or in an exercise notice, stockholders' agreement or in such other agreement as the Administrator shall determine, in each case in a form determined by the Administrator. The issuance of such shares of Common Stock shall be conditioned on the Participant's consent to such terms and conditions and the Participant's entering into such agreement or agreements. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by Participant upon any receipt or exercise of any Award or upon the receipt or resale of any shares of Common Stock underlying

the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

(p) *Titles and Headings*. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

(q) *Conformity to Securities Laws*. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan and all Awards granted hereunder shall be administered only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Laws, the Plan and all Award Agreements shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

11. ***Definitions***. As used in the Plan, the following words and phrases shall have the following meanings:

(a) "***Administrator***" means the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

(b) "***Applicable Laws***" means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted or issued under the Plan.

(c) *"**Award***" means, individually or collectively, a grant under the Plan of Options, Restricted Stock, Restricted Stock Units or Other Stock-Based Awards.

(d) *"**Award Agreement***" means a written agreement evidencing an Award, which agreements may be in electronic medium and shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with and subject to the terms and conditions of the Plan.

(e) *"**Board***" means the Board of Directors of the Company.

(f) "***Cause***," with respect to a Participant, means "Cause" (or any term of similar effect) as defined in such Participant's employment agreement with the Company if such an agreement exists and contains a definition of Cause (or term of similar effect), or, if no such agreement exists or such agreement does not contain a definition of Cause (or term of similar effect), then Cause shall include, but not be limited to: (i) the Participant's willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) the Participant's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by the Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) the Participant's willful breach of any of his or her obligations under any written agreement or covenant with the Company. The determination as to whether a Participant is being

terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment or consulting relationship at any time as provided in the Plan, and the term "Company" will be interpreted to include any subsidiary, parent or affiliate, as appropriate.

(g) "***Change in Control***" means (i) a sale of all or substantially all of the Company's assets, (ii) any merger, consolidation or other business combination transaction of the Company with or into another corporation, entity or person, other than a transaction in which the holders of at least a majority of the shares of voting capital stock of the Company outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into shares of voting capital stock of the surviving entity) a majority of the total voting power represented by the shares of voting capital stock of the Company (or the surviving entity) outstanding immediately after such transaction, or (iii) the direct or indirect acquisition (including by way of a tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding shares of capital stock of the Company; *provided* that the following events shall not constitute a "Change in Control": (A) a transaction (other than a sale of all or substantially all of the Company's assets) in which the holders of the voting securities of the Company immediately prior to the merger or consolidation hold, directly or indirectly, at least a majority of the voting securities in the successor corporation or its parent immediately after the merger or consolidation; (B) a sale, lease, exchange or other transaction in one transaction or a series of related transactions of all or substantially all of the Company's assets to an affiliate of the Company; (C) an initial public offering of any of the Company's securities; (D) a reincorporation of the Company solely to change its jurisdiction; or (E) a transaction undertaken for the primary purpose of creating a holding company that will be owned in substantially the same proportion by the persons who held the Company's securities immediately before such transaction. Notwithstanding the foregoing, if a Change in Control would give rise to a payment or settlement event with respect to any Award that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change in Control must also constitute a "change in control event" (as defined in Treasury Regulation §1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such Award, to the extent required by Section 409A.

(h) *"**Code***" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

(i) *"**Committee***" means one or more committees or subcommittees of the Board, which may be comprised of one or more directors and/or executive officers of the Company, in either case, to the extent permitted in accordance with Applicable Laws.

(j) *"**Common Stock***" means the common stock of the Company.

(k) *"**Company***" means Restoration Robotics, Inc., a Delaware corporation, or any successor thereto. Except where the context otherwise requires, the term "Company" includes any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a significant interest, as determined by the Administrator.

(l) *"**Consultant**"* means any person, including any advisor, engaged by the Company or a parent or subsidiary of the Company to render services to such entity if: (i) the consultant or adviser renders *bona fide* services to the Company; (ii) the services rendered by the consultant or advisor are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (iii) the consultant or advisor is a natural person, or such other advisor or consultant as is approved by the Administrator.

(m) *"**Designated Beneficiary**"* means the beneficiary or beneficiaries designated, in a manner determined by the Administrator, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or incapacity In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

(n) *"**Director**"* means a member of the Board.

(o) "***Disability***" means a permanent and total disability within the meaning of Section 22(e)(3) of the Code, as it may be amended from time to time.

(p) *"**Dividend Equivalents***" means a right granted to a Participant pursuant to Section 6(d)(3) hereof to receive the equivalent value (in cash or shares of Common Stock) of dividends paid on shares of Common Stock.

(q) "***Employee***" means any person, including officers and Directors, employed by the Company (within the meaning of Section 3401(c) of the Code) or any parent or subsidiary of the Company.

(r) *"**Equity Restructuring***" means, as determined by the Administrator, a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price of Common Stock (or other securities of the Company) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

(s) *"**Exchange Act**"* means the Securities Exchange Act of 1934, as amended.

(t) *"**Fair Market Value***" means, as of any date, the value of Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, its Fair Market Value shall be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the last sales price on such date, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or (iii) in the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined by the Administrator in its sole discretion.

(u) *"**Incentive Stock Option***" means an "incentive stock option" as defined in Section 422 of the Code.

(v) *"**Non-Qualified Stock Option**"* means an Option that is not intended to be or otherwise does not qualify as an Incentive Stock Option.

(w) *"**Option***" means an option to purchase Common Stock.

(x) *"**Other Stock-Based Awards***" means other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property.

(y) *"**Participant**"* means a Service Provider who has been granted an Award under the Plan.

(z) *"**Plan**"* means this 2015 Equity Incentive Plan.

(aa) "***Prior Plan***" means the Company's 2005 Stock Plan, as such plan may be amended from time to time.

(bb) "***Publicly Listed Company***" means that the Company or its successor (i) is required to file periodic reports pursuant to Section 12 of the Exchange Act and (ii) the Common Stock is listed on one or more National Securities Exchanges (within the meaning of the Exchange Act) or is quoted on NASDAQ or a successor quotation system.

(cc) *"**Restricted Stock**"* means Common Stock awarded to a Participant pursuant to Section 6 hereof that is subject to certain vesting conditions and other restrictions.

(dd) *"**Restricted Stock Unit**"* means an unfunded, unsecured right to receive, on the applicable settlement date, one share of Common Stock or an amount in cash or other consideration determined by the Administrator equal to the value thereof as of such payment date, which right may be subject to certain vesting conditions and other restrictions.

(ee) *"**Section 409A**"* means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

(ff) "***Securities Act***" means the Securities Act of 1933, as amended from time to time.

(gg) *"**Service Provider**"* means an Employee, Consultant or Director.

(hh) *"**Termination of Service**"* means the date the Participant ceases to be a Service Provider.

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RESTORATION ROBOTICS, INC.

2015 EQUITY INCENTIVE PLAN

CALIFORNIA SUPPLEMENT

This supplement is intended to satisfy the requirements of Section 25102(o) of the California Corporations Code and the regulations issued thereunder ("*Section 25102(o)*"). Notwithstanding anything to the contrary contained in the Plan and except as otherwise determined by the Administrator, the provisions set forth in this supplement shall apply to all Awards granted under the Plan to a Participant who is a resident of the State of California on the date of grant (a "***California Participant***") and which are intended to be exempt from registration in California pursuant to Section 25102(o), and otherwise to the extent required to comply with applicable law (but only to such extent). Definitions in the Plan are applicable to this supplement.

1. *Limitation On Securities Issuable Under Plan*. The amount of securities issued pursuant to the Plan shall not exceed the amounts permitted under Section 260.140.45 of the California code of regulations to the extent applicable.

2. *Additional Limitations For Grants.* The terms of all Awards shall comply, to the extent applicable, with section 260.140.41 and 260.140.42 of the California code of regulations.

3. *Additional Requirement To Provide Information To California Participants.* The Company shall provide to each California Participant, not less frequently than annually, copies of annual financial statements (which need not be audited). The Company shall not be required to provide such statements to key persons whose duties in connection with the Company assure their access to equivalent information. In addition, this information requirement shall not apply to any plan or agreement that complies with all conditions of Rule 701 of the Securities Act of 1933, as amended; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

* * * * *

RESTORATION ROBOTICS, INC.

2015 EQUITY INCENTIVE PLAN

APPENDIX
FOR COSTA RICA

1. Application. This Appendix shall apply in relation to Awards granted to Participants residing and providing services in Costa Rica.

2. Definitions. Definitions as set out in the Plan are applicable to this Appendix.

3. Taxes/Withholding. Each Participant shall be liable for any employer's Costa Rican taxes or contributions to any government agency, excluding social security obligations, in respect of the grant, exercise, release or assignment of any Award or the acquisition, sale or other disposition of any Common Stock issued upon exercise or settlement of an Award and the Company may require, as a condition of exercise, that any liability it or any parent or subsidiary has to account for Costa Rican income or salary taxes or contributions to any governmental agency, excluding social security obligations, or any other federal, state or local tax withholding obligation relating to the exercise or acquisition of Common Stock under an Award granted pursuant to this Plan be satisfied by any of the following means (in addition to the Company's or any parent's or subsidiary's right to withhold from any compensation paid or payable to the Participant an amount sufficient to satisfy such taxes and any withholding obligations) or by a combination of such means: (i) the Participant's tender of a cash payment in an amount sufficient to satisfy such taxes and any withholding obligations; (ii) the Participant's authorization of the Company or any parent or subsidiary to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Award having a Fair Market Value equal to an amount sufficient to satisfy such taxes and any withholding obligations; provided, however, that no shares of Common Stock will be withheld with a value exceeding the minimum amount of tax required to be withheld by law; or (iii) the Participant's delivery of owned and unencumbered shares of Common Stock having a Fair Market Value equal to an amount sufficient to satisfy such taxes and any withholding obligations.

4. Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware but mandatory provisions of Costa Rican law may be applied.

* * * * *

RESTORATION ROBOTICS, INC.

2015 EQUITY INCENTIVE PLAN

APPENDIX
FOR HONG KONG

1. Application. This Appendix shall apply in relation to Awards granted to Participants residing and providing services in Hong Kong.

2. Definitions. Definitions as set out in the Plan are applicable to this Appendix.

3. *Warning: Awards and shares of Common Stock issued at exercise or vesting do not constitute a public offering of securities under Hong Kong law and are available only to Employees, Consultants and Directors of the Company, its parent, subsidiary or affiliate. The Plan, including this Appendix, and other incidental award documentation have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, nor has the award documentation been reviewed by any regulatory authority in Hong Kong. Awards are intended only for the personal use of each eligible Employee, Consultant and Director of each such Participant's employer, the Company, its parent or any subsidiary or affiliate and may not be distributed to any other person. If a Participant is in any doubt about any of the contents of the Plan, including this Appendix, or the any award agreement, such Participant should obtain independent professional advice.*

4. Sale of Shares. In the event an Award vests and/or is exercised within six (6) months of the date such Award was granted, a Participant shall agree that such Participant will not dispose of any shares of Common Stock acquired prior to the six (6)-month anniversary of the date the Award was granted.

5. Personal Information Collection Statement. Throughout the course of a Participant's service relationship with the Company, the Company may collect personal data from such Participant in relation to such Participant's service relationship for various human resources management purposes. These include but are not limited to: provision of benefits, employee incentives, compensation and payroll, facilitating performance appraisals, promotion and career development activities, making tax returns and the review of employment decisions. The personal data that the Company will collect may be transferred both within and outside Hong Kong to subsidiaries and other group companies of the Company, the Company's insurers and bankers, medical practitioners providing medical cover for employees, administrators or managers of the Company's provident fund scheme and other third parties engaged in contractual activities on our behalf for the above mentioned purposes for which the data are to be used.

6. Nature of Scheme. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

7. Privacy. The processing of an Participant's personal data shall be handled in such a manner as to comply with the Section 33 of the Hong Kong Personal Data (Privacy) Ordinance.

8. Governing Law. The Plan shall be governed by and construed in accordance with the laws of the State of Delaware but mandatory provisions of Hong Kong law may be applied.

* * * * *

RESTORATION ROBOTICS, INC.

2015 EQUITY INCENTIVE PLAN

STOCK OPTION GRANT NOTICE AND
STOCK OPTION AGREEMENT

Restoration Robotics, Inc. (the "***Company***"), pursuant to its 2015 Equity Incentive Plan (the "***Plan***"), hereby grants to the participant set forth below ("***Participant***"), an Option to purchase the number of shares of the Company's Common Stock (referred to herein as "***Shares***") set forth below. This Option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement attached hereto as Exhibit A (the "***Stock Option Agreement***") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Option Grant Notice and the Stock Option Agreement.

Participant:

Grant Date:

Vesting Commencement Date:

Exercise Price per Share:

Total Exercise Price:

Total Number of Shares Subject to Option:

Expiration Date:

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

Vesting Schedule: [The Option shall vest and become exercisable as to 25% of the total number of Shares subject to the Option (rounded down to the next whole number of Shares) on the first anniversary of the Vesting Commencement Date and as to 1/48th of the total number of Shares subject to the Option (rounded down to the next whole number of Shares) on the final day of each one-month period of Participant's service as a Service Provider thereafter, so that all of the Option shall be fully vested and exercisable on the fourth (4th) anniversary of the Vesting Commencement Date, subject to Participant not experiencing a Termination of Service through each such vesting date.]

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

RESTORATION ROBOTICS, INC.:

By: _____
Name: _____
Title: _____

PARTICIPANT:

By: _____
Name: _____

EXHIBIT A

TO STOCK OPTION GRANT NOTICE

STOCK OPTION AGREEMENT

Pursuant to the Stock Option Grant Notice ("***Grant Notice***") to which this Stock Option Agreement (this "***Agreement***") is attached, Restoration Robotics, Inc. (the "***Company***") has granted to Participant an Option under the Company's 2015 Equity Incentive Plan (the "***Plan***") to purchase the number of Shares indicated in the Grant Notice.

ARTICLE I

GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of a conflict between the terms of the Agreement and the Plan, the terms of the Plan shall control.

1.3 Grant of Option. In consideration of Participant's past and/or continued employment with or service to the Company or a parent or subsidiary and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"), the Company irrevocably grants to Participant an Option to purchase any part or all of an aggregate of the number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement. Unless designated as a Non-Qualified Stock Option in the Grant Notice, the Option shall be an Incentive Stock Option to the maximum extent permitted by law.

ARTICLE II

PERIOD OF EXERCISABILITY

2.1 Vesting; Commencement of Exercisability.

(a) Subject to Sections 2.1(b) and 2.3 below, the Option shall become vested and exercisable in such amounts and at such times as are set forth in the vesting schedule in the Grant Notice (the "***Vesting Schedule***").

(b) Unless otherwise determined by the Administrator, any portion of the Option that has not become vested and exercisable on or prior to the date of Participant's Termination of Service shall be forfeited on the date of Participant's Termination of Service and shall not thereafter become vested or exercisable.

2.2 Duration of Exercisability. The installments provided for in the Vesting Schedule are cumulative. Each such installment which becomes vested and exercisable pursuant to the Vesting Schedule shall remain vested and exercisable until it becomes unexercisable under Section 2.3 below or pursuant to the terms of the Plan. Once the Option becomes unexercisable, it shall be forfeited immediately.

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

(a) The Expiration Date set forth in the Grant Notice;

(b) The expiration of three (3) months following the date of Participant's Termination of Service, unless such Termination of Service occurs by reason of Participant's death, Disability or Cause;

(c) The expiration of one (1) year following the date of Participant's Termination of Service by reason of Participant's death or Disability; or

(d) The date of Participant's Termination of Service for Cause.

Participant acknowledges that an Incentive Stock Option exercised more than three months after Participant's Termination of Service as an Employee, other than by reason of death or Disability, will be taxed as a Non-Qualified Stock Option.

2.4 Special Tax Consequences. Participant acknowledges that, to the extent that the aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Stock Options, including the Option, are first exercisable for the first time by Participant in any calendar year exceeds $100,000 (or such other limitation as imposed by Section 422(d) of the Code), the Option and such other options shall be treated as not qualifying under Section 422 of the Code but rather shall be considered Non-Qualified Stock Options. Participant further acknowledges that the rule set forth in the preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted.

ARTICLE III

EXERCISE OF OPTION

3.1 Person Eligible to Exercise. Except may be otherwise provided by the Administrator, during the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 2.3 above, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

3.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 2.3 above.

3.3 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 2.3 above:

(a) An exercise notice in substantially in the form attached as Exhibit B to the Grant Notice (or such other form as is prescribed by the Administrator) (the "***Exercise Notice***") in writing signed by Participant or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator; and

(b) Subject to Section 5(f) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) On and after the date the Company becomes a Publicly Listed Company, through the (A) delivery by Participant to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price or (B) delivery by Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs; and

(c) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration permitted by the Administrator, which, following the date the Company becomes a Publicly Listed Company shall include the method provided for in Section 5(f)(i) of the Plan;

(d) If the Company is a not a Publicly Listed Company, the Investment Representation Statement in the form attached as Exhibit B-1 to the Exercise Notice executed by Participant; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.1 above by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the Option.

3.4 Lock-Up Period. Participant hereby agrees that if so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any registration of the offering of any securities of the Company under the Securities Act, Participant shall not sell or otherwise transfer any Shares or other securities of the Company during the 180-day period (or such longer period as may be requested in writing by the Managing Underwriter and agreed to in writing by the Company) following the effective date of a registration statement of the Company filed under the Securities Act (the "Market Standoff Period"); provided, however, that such restriction shall apply only to the first registration statement of the Company to become effective under the Securities Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period, and these restrictions shall be binding on any transferee of such Shares. Notwithstanding the foregoing, the 180-day period may be extended for up to such number of additional days as is deemed necessary by the Company or the Managing Underwriter to continue coverage by research analysts in accordance with NASD Rule 2711 or any successor rule.

ARTICLE IV

OTHER PROVISIONS

4.1 Restrictive Legends and Stop-Transfer Orders.

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

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

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to Participant shall be addressed to Participant at the most recent address for Participant shown in the Company's records. By a notice given pursuant to this Section 4.2, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant shall, if Participant is then deceased, be given to the person entitled to exercise his or her Option by written notice under this Section 4.2. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

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

4.4 Governing Law; Severability. This Agreement and the Exercise Notice shall be administered, interpreted and enforced under the laws of the State of Delaware, without regard to the conflicts of law principles thereof. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

4.5 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

4.6 Successors and Assigns. The Company may assign any of its rights under this Agreement and the Exercise Notice to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

4.7 Entire Agreement. The Plan and this Agreement (including all Exhibits hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

* * * * *

EXHIBIT B

TO STOCK OPTION GRANT NOTICE

FORM OF EXERCISE NOTICE

Effective as of today, , , the undersigned *("**Participant**")* hereby elects to exercise Participant's option to purchase Shares of **RESTORATION ROBOTICS, INC.** (the "***Company***") under and pursuant to the **RESTORATION ROBOTICS, INC.** 2015 Equity Incentive Plan (the "***Plan***") and the Stock Option Grant Notice and Stock Option Agreement dated August 30, 2016 (the "***Option Agreement***"). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:

Number of Shares as to which Option is Exercised: _____

Exercise Price per Share:

Total Exercise Price: $ _____

Certificate to be issued in name of:

Cash Payment delivered herewith: $ (Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

1. Representations of Participant. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement. Participant agrees to abide by and be bound by their terms and conditions.

2. Tax Consultation. Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant's tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

3. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED

UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

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

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

4. Notices. Any notice required or permitted hereunder shall be given in accordance with the provisions set forth in Section 4.2 of the Option Agreement.

5. Further Instruments. Participant hereby agrees to execute such further instruments, including, without limitation, the Investment Representation Statement in the form attached as Exhibit B-1 hereto, and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of this Agreement.

6. Entire Agreement. The Plan, the Investment Representation Statement in the form attached as Exhibit B-1 hereto and Option Agreement are incorporated herein by reference. This Agreement, the Plan, the Investment Representation Statement in the form attached as Exhibit B-1 hereto and the Option Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

ACCEPTED BY: **RESTORATION ROBOTICS, INC.**	**SUBMITTED BY** **PARTICIPANT:**
By: _____	By: _____
Name: _____	Print Name: _____
Title: _____	
	Address: _____
	_____

EXHIBIT B-1

TO EXERCISE NOTICE

INVESTMENT REPRESENTATION STATEMENT

PARTICIPANT	:	
COMPANY	:	RESTORATION ROBOTICS, INC.
SECURITY	:	COMMON STOCK
AMOUNT	:	
DATE	:	

In connection with the purchase of the above-listed shares of Common Stock (the "***Securities***") of Restoration Robotics, Inc. (the "***Company***"), the undersigned ("***Participant***") represents to the Company the following:

(a) Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the United States Securities Act of 1933, as amended (the "***Securities Act***").

(b) Participant acknowledges and understands that the Securities 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 Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the United States Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities 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 securities laws or agreements.

(c) Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may under present law be resold,

subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the United States Securities Exchange Act of 1934); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three (3) month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which, effective as of February 15, 2008, requires the resale to occur not less than six months, or, in the event the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, not less than one year, after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above or, in the case of a non-affiliate who subsequently hold the Securities less than one year, the satisfaction of the conditions set forth in section (2) of the paragraph immediately above.

(d) Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the United States Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Participant:

_____

Date: _____, _____

RESTORATION ROBOTICS, INC.

2015 EQUITY INCENTIVE PLAN

STOCK PURCHASE RIGHT GRANT NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT

Pursuant to its 2015 Equity Incentive Plan (the "Plan"), Restoration Robotics, Inc., a Delaware corporation (the "Company"), hereby grants to the Purchaser listed below ("Purchaser"), the right to purchase the number of shares of the Company's Common Stock set forth below (the "Shares") at the purchase price set forth below (the "Stock Purchase Right"). This Stock Purchase Right is subject to all of the terms and conditions set forth herein, in the Plan and in the certain Restricted Stock Purchase Agreement attached hereto as Exhibit A (the "Restricted Stock Purchase Agreement"), each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Purchase Right Grant Notice (the "Grant Notice") and the Restricted Stock Purchase Agreement.

Purchaser:	_____
Date of Grant:	_____
Vesting Start Date:	_____
Purchase Price per Share:	_____
Number of Shares:	_____
Vesting Schedule:	The Shares subject to this Stock Purchase Right shall vest and be released from the Company's Repurchase Option, as set forth in the Restricted Stock Purchase Agreement, according to the following schedule: [25% of the Shares shall be released from the Company's Repurchase Option (as defined in the Restricted Stock Purchase Agreement) on the each anniversary of the Vesting Start Date so that 100% of the Shares shall be released from such Repurchase Option on the fourth (4th) anniversary of the Vesting Start Date, subject to Purchaser not experiencing a Termination of Service through each such vesting date.]
Termination Date:	This Stock Purchase Right shall terminate if not exercised prior to the thirty-first (31st) day following the Date of Grant set forth above.

By his or her signature and the Company's signature below, Purchaser agrees to be bound by the terms and conditions of the Plan, the Restricted Stock Purchase Agreement and this Grant Notice. Purchaser has reviewed the Restricted Stock Purchase Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands the provisions of this Grant Notice, the Restricted Stock Purchase

Agreement and the Plan. Purchaser hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan, this Grant Notice or the Restricted Stock Purchase Agreement. If Purchaser is married or in a registered domestic partnership, his or her spouse or registered domestic partner has signed the Consent of Spouse or Domestic Partner attached to this Grant Notice as Exhibit D.

RESTORATION ROBOTICS, INC.:		**PURCHASER:**	
By:		By:	
Print Name:		Print Name:	
Title:		Title:	
Address:		Address:	

Signature Page to Restoration Robotics, Inc. Stock Purchase Right Grant Notice

EXHIBIT A

TO STOCK PURCHASE RIGHT GRANT NOTICE

RESTRICTED STOCK PURCHASE AGREEMENT

Pursuant to the Stock Purchase Right Grant Notice (the "Grant Notice") to which this Restricted Stock Purchase Agreement (this "Agreement") is attached, Restoration Robotics, Inc., a Delaware corporation (the "Company"), has granted to Purchaser (as defined in the Grant Notice) the right to purchase the number of shares of Restricted Stock under the Company's 2015 Equity Incentive Plan (the "Plan") indicated in the Grant Notice.

1. General.

(a) Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

(b) Incorporation of Terms of Plan. The Shares are subject to the terms and conditions of the Plan, which is incorporated herein by reference.

2. Grant of Restricted Stock.

(a) Grant of Restricted Stock. In consideration of Purchaser's agreement to remain in the employ of the Company or its subsidiaries, if Purchaser is an Employee, or to continue to provide services to the Company or its subsidiaries, if Purchaser is a Consultant, or to serve as a Director, if Purchaser is a Director, and for other good and valuable consideration, effective as of the Date of Grant set forth in the Grant Notice (the "Grant Date"), the Company irrevocably grants to Purchaser the right to purchase the Shares at any time prior to the Termination Date set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement.

(b) Purchase Price. The purchase price of the Shares shall be as set forth in the Grant Notice, without commission or other charge (the "Purchase Price"). Unless otherwise determined by the Administrator and in accordance with the terms of the Plan, the Purchase Price shall be paid by cash or check.

(c) Issuance of Shares. The issuance of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution of this Agreement by the parties or on such other date as the Company and Purchaser shall agree (the "Issuance Date"). Subject to the provisions of Section 3 below, on the Issuance Date, the Company shall issue the Shares (which shall be issued in Purchaser's name).

(d) Conditions to Issuance of Stock Certificates. The Shares, or any portion thereof, may be either previously authorized but unissued shares or issued shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any Shares prior to fulfillment of all of the following conditions:

(i) The admission of such Shares to listing on all stock exchanges on which the Company's Common Stock is then listed; and

(ii) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable; and

(iii) The obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and

(iv) The receipt by the Company of full payment for such Shares, including payment of all amounts which, under federal, state or local tax law, the Company (or other employer corporation) is required to withhold upon issuance of such Shares; and

(v) The lapse of such reasonable period of time following the Issuance Date as the Administrator may from time to time establish for reasons of administrative convenience.

(e) Consideration to the Company. In consideration of the issuance of the Shares by the Company, Purchaser agrees to render faithful and efficient services to the Company or any subsidiary. Nothing in the Plan or this Agreement shall confer upon Purchaser any right to (a) continue in the employ of the Company or any subsidiary or shall interfere with or restrict in any way the rights of the Company and its subsidiaries, which are hereby expressly reserved, to discharge Purchaser, if Purchaser is an Employee, or (b) continue to provide services to the Company or any subsidiary or shall interfere with or restrict in any way the rights of the Company or its subsidiaries, which are hereby expressly reserved, to terminate the services of Purchaser, if Purchaser is a Consultant, at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company and Purchaser.

3. Repurchase Option.

(a) If Purchaser ceases to be a Service Provider for any reason, including for cause, death and Disability, the Company or its assignee shall have the right and option to purchase from Purchaser, or Purchaser's personal representative, as the case may be, all of Purchaser's Unreleased Shares (as defined below) as of the date on which Purchaser ceases to be a Service Provider at the purchase price paid by Purchaser for such Shares in connection with the Stock Purchase Rights (the "Repurchase Option").

(b) The Company may exercise its Repurchase Option by delivering, personally or by registered mail, to Purchaser (or his or her transferee or legal representative, as the case may be), within ninety (90) days of the date on which Purchaser ceases to be a Service Provider, a notice in writing indicating the Company's intention to exercise the Repurchase Option and setting forth a date for closing not later than thirty (30) days from the mailing of such notice. The closing shall take place at the Company's office. At the closing, the holder of the certificates for the Unreleased Shares being transferred shall deliver the stock certificate or certificates evidencing the Unreleased Shares, and the Company shall deliver the purchase price therefor.

(c) At its option, the Company may elect to make payment for the Unreleased Shares to a bank selected by the Company. The Company shall avail itself of this option by a notice in writing to Purchaser stating the name and address of the bank, date of closing, and waiving the closing at the Company's office.

(d) If the Company does not elect to exercise the Repurchase Option conferred above by giving the requisite notice within ninety (90) days following the date on which Purchaser ceases to be a Service Provider, the Repurchase Option shall terminate.

(e) One hundred percent (100%) of the Shares shall initially be subject to the Repurchase Option. The Shares shall be released from the Repurchase Option in accordance with the Vesting Schedule set forth in the Grant Notice until all Shares are released from the Repurchase Option. Fractional Shares shall be rounded to the nearest whole share.

(f) Any Shares which from time to time have not yet been released from the Company's Repurchase Option pursuant to Section 3(e) above shall be referred to herein as "Unreleased Shares."

4. Transferability of the Shares; Escrow.

(a) Purchaser hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company from time to time, to transfer the Unreleased Shares as to which the Repurchase Option has been exercised from Purchaser to the Company.

(b) To ensure the availability for delivery of Purchaser's Unreleased Shares upon repurchase by the Company pursuant to the Repurchase Option under Section 3 above, Purchaser hereby appoints the Secretary, or any other person designated by the Company from time to time as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such Unreleased Shares, if any, repurchased by the Company pursuant to the Repurchase Option and shall, upon execution of this Agreement, deliver and deposit with the Secretary of the Company, or such other person designated by the Company from time to time, the share certificate(s) representing the Unreleased Shares, together with the stock assignment duly endorsed in blank, attached hereto as Exhibit B. The Unreleased Shares and stock assignment shall be held by the Secretary, or such other person designated by the Company from time to time, in escrow, pursuant to the Joint Escrow Instructions of the Company and Purchaser attached as Exhibit C hereto, until the Company exercises its Repurchase Option as provided in Section 3 above, until such Unreleased Shares are vested, or until such time as the Repurchase Option no longer is in effect. As a further condition to the Company's obligations under this Agreement, the spouse or registered domestic partner of Purchaser, if any, shall execute and deliver to the Company the Consent of Spouse or Domestic Partner attached hereto as Exhibit D. Upon vesting of the Unreleased Shares, the escrow agent shall

promptly deliver to Purchaser the certificate or certificates representing such Shares in the escrow agent's possession belonging to Purchaser, and the escrow agent shall be discharged of all further obligations hereunder; provided, however, that the escrow agent shall nevertheless retain such certificate or certificates as escrow agent if so required pursuant to other restrictions imposed pursuant to this Agreement.

(c) The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Shares in escrow and while acting in good faith and in the exercise of its judgment.

(d) Transfer or sale of the Shares is subject to restrictions on transfer imposed by Section 5 of this Agreement and any applicable state and federal securities laws. Any transferee shall hold such Shares subject to all of the provisions hereof and shall acknowledge the same by signing a copy of this Agreement. Any transfer or attempted transfer of any of the Shares not in accordance with the terms of this Agreement shall be void and the Company may enforce the terms of this Agreement by stop transfer instructions or similar actions by the Company and its agents or designees.

5. Purchaser's Rights to Transfer Shares.

(a) Company's Right of First Refusal. Before any Shares held by Purchaser or any permitted transferee (each, a "Holder") may be sold, pledged, assigned, hypothecated, transferred, or otherwise disposed of (each, a "Transfer"), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares proposed to be Transferred on the terms and conditions set forth in this Section 5 (the "Right of First Refusal"). In the event the Company's charter, bylaws and/or a stockholders' agreement applicable to the Shares contain a right of first refusal with respect to the Shares, such right of first refusal shall apply to the Shares to the extent such provisions are more restrictive than the Right of First Refusal set forth in this Section 5 and the Right of First Refusal set forth in this Section 5 shall not in any way restrict the operation of the Company's charter, bylaws or the operation of any applicable stockholders' agreement.

(i) Notice of Proposed Transfer. In the event any Holder desires to Transfer any Shares, the Holder shall deliver to the Company a written notice (the "Notice") stating: (A) the Holder's bona fide intention to sell or otherwise Transfer such Shares; (B) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (C) the number of Shares to be Transferred to each Proposed Transferee; and (D) the price for which the Holder proposes to Transfer the Shares (the "Offered Price"), and the Holder shall offer such Shares at the Offered Price to the Company or its assignee(s).

(ii) Exercise of Right of First Refusal. Within twenty-five (25) days after receipt of the Notice, the Company and/or its assignee(s) may elect in writing to purchase all, but not less than all, of the Shares proposed to be Transferred to any one or more of the Proposed Transferees by delivery of a written exercise notice to the Holder. The purchase price shall be determined in accordance with Section 5(a)(iii) hereof.

(iii) Purchase Price. The purchase price ("Repurchase Price") for the Shares repurchased under this Section 5 shall be the Offered Price. Should the Offered Price specified in the Notice be payable in property other than cash, the Company or its assignee shall have the right to pay the purchase price in the form of cash equal in amount to the value of such property, as determined by the Administrator.

(iv) Payment. Payment of the Repurchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check or wire transfer), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within five (5) days after receipt of the Notice or in the manner and at the times mutually agreed to by the Company and the Holder.

(v) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be Transferred are not purchased by the Company and/or its assignee(s) as provided in this Section 5, then the Holder may sell or otherwise Transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other Transfer is consummated within sixty (60) days after the date of the Notice and provided further that any such sale or other Transfer is effected in accordance with any Applicable Laws and the Proposed Transferee agrees in writing that the provisions of this Section 5 and the Restricted Stock Purchase Agreement, if applicable, shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not Transferred to the Proposed Transferee within such 60-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal as provided herein before any Shares held by the Holder may be sold or otherwise Transferred.

(b) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 5 notwithstanding and to the extent permitted by the Administrator, the Transfer of any or all of the Shares during Purchaser's lifetime or upon Purchaser's death by will or intestacy to Purchaser's Immediate Family or a trust for the benefit of Purchaser's Immediate Family shall be exempt from the Right of First Refusal. As used herein, "Immediate Family" shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister or stepchild (whether or not adopted). In such case, the transferee or other recipient shall receive and hold the Shares so Transferred subject to the provisions of the Plan, this Agreement and any other applicable agreements, and there shall be no further Transfer of such Shares except in accordance with the terms of this Section 5 (or otherwise as expressly provided under the Plan).

(c) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to all Shares if the Company becomes a Publicly Listed Company upon such occurrence.

6. Ownership, Voting Rights, Duties. This Agreement shall not affect in any way the ownership, voting rights or other rights or duties of Purchaser, except as specifically provided herein.

7. Adjustment for Stock Split. All references to the number of Shares and the purchase price of the Shares in this Agreement shall be appropriately adjusted to reflect any stock split, stock dividend or other change in the Shares which may be made by the Company after the date of this Agreement.

8. Notices. Notices required hereunder shall be given in person or by registered mail to the address of Purchaser shown on the records of the Company, and to the Company at its principal executive office.

9. Survival of Terms. This Agreement shall apply to and bind Purchaser and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

10. Section 83(b) Election for Unreleased Shares. Purchaser hereby acknowledges that he or she has been informed that, with respect to the purchase of Unreleased Shares, that unless an election is filed by Purchaser with the Internal Revenue Service and, if necessary, the proper state taxing authorities, within thirty (30) days of the purchase of the Shares, electing pursuant to Section 83(b) of the Code (and similar state tax provisions if applicable) to be taxed currently on any difference between the purchase price of the Shares and their Fair Market Value on the date of purchase, there will be a recognition of taxable income to Purchaser, measured by the excess, if any, of the fair market value of the Shares, at the time the Company's Repurchase Option lapses over the purchase price for the Shares. Purchaser represents that Purchaser has consulted any tax consultant(s) Purchaser deems advisable in connection with the purchase of the Shares or the filing of the Election under Section 83(b) and similar tax provisions.

PURCHASER ACKNOWLEDGES THAT IT IS PURCHASER'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(b), EVEN IF PURCHASER REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON PURCHASER'S BEHALF.

11. Representations. Purchaser has reviewed with his or her own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. Purchaser is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Purchaser understands that Purchaser (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

12. Restrictive Legends and Stop-Transfer Orders.

(a) Any share certificate(s) evidencing the Shares issued hereunder shall be endorsed with the following legends and any other legends that may be required by state or federal securities laws:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF REPURCHASE IN FAVOR OF RESTORATION ROBOTICS, INC. (THE "COMPANY") AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK PURCHASE AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND HAVE THEY BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT.

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

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

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

14. Conformity to Securities Laws. Purchaser acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Shares are to be issued, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations. Purchaser shall not transfer in any manner the Shares issued pursuant to this Agreement, without regard to whether such Shares are no longer subject to the Repurchase Option, unless (i) the transfer is pursuant to an effective registration statement under the Securities Act, or the rules and regulations in effect thereunder or (ii) counsel for the Company shall have reasonably concluded that no such registration is required because of the availability of an exemption from registration under the Securities Act.

15. Lock-Up Period. Purchaser hereby agrees that if so requested by the Company or any representative of the underwriters (the "Managing Underwriter") in connection with any registration of the offering of any securities of the Company under the Securities Act, Purchaser shall not, directly or indirectly, sell or otherwise transfer any Shares or other securities of the Company during a period of up to 180 days (the "Lock-Up Period") following the effective date of a registration statement of the Company filed under the Securities Act; provided, however, that such restriction shall apply only to the first registration

statement of the Company to become effective under the Securities Act that includes securities to be sold on behalf of the Company to the public in an underwritten public offering under the Securities Act. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Lock-Up Period and these restrictions shall be binding on any transferee of such Shares. Notwithstanding the foregoing, the 180-day period may be extended for up to such number of additional days as is deemed necessary by the Company or the Managing Underwriter to continue coverage by research analysts in accordance with NASD Rule 2711 or any successor rule.

16. Further Instruments. Purchaser hereby agrees to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement including, without limitation, the Investment Representation Statement, in the form attached to the Grant Notice as Exhibit E.

17. Governing Law; Severability. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware excluding that body of law pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

18. Rules Particular To Specific Countries.

(a) Generally. Generally. Purchaser shall, if required by the Administrator, enter into an election with the Company or a subsidiary (in a form approved by the Company) under which any liability to the Company's (or a subsidiary's) Tax Liability, including, but not limited to, National Insurance Contributions ("NICs") and Fringe Benefit Tax ("FBT"), is transferred to and met by Purchaser. For purposes of this Section 18, Tax Liability shall mean any and all liability under applicable non-U.S. laws, rules or regulations from any income tax, the Company's (or a subsidiary's) NICs, FBT or similar liability and Purchaser's NICs, FBT or similar liability under non-U.S. laws that are attributable to: (A) the grant of, or any other benefit derived by the Purchaser from the Shares; (B) the acquisition by Purchaser of the Shares; or (C) the disposal of any Shares acquired.

(b) Tax Indemnity. Purchaser shall indemnify and keep indemnified the Company and any of its subsidiaries from and against any Tax Liability.

* * * * *

EXHIBIT B

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED I, , hereby sell, assign and transfer unto ( ) shares of the Common Stock of Restoration Robotics, Inc. registered in my name on the books of said corporation represented by Certificate No. herewith and do hereby irrevocably constitute and appoint to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.

This Assignment Separate from Certificate may be used only in accordance with the Restricted Stock Purchase Agreement between Restoration Robotics, Inc. and the undersigned dated , .

Dated: _____, _____

Signature:_____

INSTRUCTIONS: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise the Repurchase Option, as set forth in the Restricted Stock Purchase Agreement, without requiring additional signatures on the part of Purchaser.

EXHIBIT C

JOINT ESCROW INSTRUCTIONS

_____, ____

Secretary
Restoration Robotics, Inc.
[Address]
[Address]

Dear Secretary,

As Escrow Agent for both Restoration Robotics, Inc. (the "Company") and the undersigned purchaser of stock of the Company (the "Purchaser"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Stock Purchase Agreement ("Agreement") between the Company and the undersigned, in accordance with the following instructions:

1. In the event the Company or any entitled parties (referred to collectively for convenience herein as the "Company") exercises the Company's Repurchase Option set forth in the Agreement, the Company shall give to Purchaser and you a written notice specifying the number of shares of stock to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. Purchaser and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing, you are directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver the same, together with the certificate evidencing the shares of stock to be transferred, to the Company or its assignee, against the simultaneous delivery to you of the purchase price (by cash, a check, or a combination thereof) for the number of shares of stock being purchased pursuant to the exercise of the Company's Repurchase Option.

3. Purchaser irrevocably authorizes the Company to deposit with you any certificates evidencing shares of stock to be held by you hereunder and any additions and substitutions to said shares as defined in the Agreement. Purchaser does hereby irrevocably constitute and appoint you as Purchaser's attorney-in-fact and agent for the term of this escrow to execute, with respect to such securities, all documents necessary or appropriate to make such securities negotiable and to complete any transaction herein contemplated, including but not limited to the filing with any applicable state blue sky authority of any required applications for consent to, or notice of transfer of, the securities. Subject to the provisions of this paragraph 3 and to the terms of the Agreement, Purchaser shall exercise all rights and privileges of a stockholder of the Company while the stock is held by you.

4. Upon written request of Purchaser, but no more than once per calendar year, unless the Company's Repurchase Option has been exercised, you will deliver to Purchaser a certificate or certificates representing the number of shares of stock as are not then subject to the Company's Repurchase Option. Within one hundred twenty (120) days after Purchaser ceases to be a Service Provider, you will deliver to Purchaser a certificate or certificates representing the aggregate number of shares held or issued pursuant to the Agreement and not purchased by the Company or any other entitled parties pursuant to exercise of the Company's Repurchase Option.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to Purchaser, you shall deliver all of the same to Purchaser and shall be discharged of all further obligations hereunder.

6. Your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for Purchaser while acting in good faith, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the expiration of any rights under any applicable state, federal or local statute of limitations or similar statute or regulation with respect to these Joint Escrow Instructions or any documents deposited with you.

11. You shall be entitled to employ such legal counsel and other experts as you may deem necessary properly to advise you in connection with your obligations hereunder, may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor.

12. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be an officer or agent of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company shall appoint a successor Escrow Agent.

13. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

14. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such disputes shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

15. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to each of the other parties thereunto entitled at such addresses as a party may designate by written notice to each of the other parties hereto.

16. By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

17. This instrument shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

18. These Joint Escrow Instructions shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, excluding that body of law pertaining to conflicts of law.

(Signature Page Follows)

IN WITNESS WHEREOF, these Joint Escrow Instructions shall be effective as of the date first set forth above.

RESTORATION ROBOTICS, INC.

By: _____

Name: _____

Title: _____

PURCHASER

By: _____
Name: _____

Address:

_____

_____

ESCROW AGENT

By: _____

Name: _____

Title: _____

EXHIBIT D

CONSENT OF SPOUSE OR DOMESTIC PARTNER

I, , spouse or registered domestic partner of , have read and approve the Restricted Stock Purchase Agreement dated , , between my spouse or registered domestic partner and Restoration Robotics, Inc. In consideration of granting of the right to my spouse or registered domestic partner to purchase shares of common stock of Restoration Robotics, Inc. set forth in the Restricted Stock Purchase Agreement, I hereby appoint my spouse or registered domestic partner as my attorney-in-fact in respect to the exercise of any rights under the Agreement and agree to be bound by the provisions of the Restricted Stock Purchase Agreement insofar as I may have any rights in said Restricted Stock Purchase Agreement or any shares issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Restricted Stock Purchase Agreement.

Dated: _____, _____

_____

Signature of Spouse or Registered Domestic Partner

EXHIBIT E

INVESTMENT REPRESENTATION STATEMENT

PURCHASER :

COMPANY : Restoration Robotics, Inc.

SECURITY : Common Stock

AMOUNT :

DATE :

In connection with the purchase of the above-listed shares of Common Stock (the "Securities") of Restoration Robotics, Inc., a Delaware corporation (the "Company"), the undersigned ("Purchaser") represents to the Company the following:

1. Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Purchaser is acquiring these Securities for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

2. Purchaser acknowledges and understands that the Securities 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 Purchaser's investment intent as expressed herein. Purchaser understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Purchaser's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Purchaser further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the Securities. Purchaser understands that the certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities 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 or agreements.

3. Purchaser is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer

qualifies under Rule 701 at the time of the grant of the Stock Purchase Right to Purchaser, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may under present law be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the Exchange Act); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three (3) month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Stock Purchase Right, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires the resale to occur not less than six months, or, in the event the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, not less than one year, after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above or, in the case of a non-affiliate who subsequently holds the Securities less than one year, the satisfaction of the conditions set forth in section (2) of the paragraph immediately above.

4. Purchaser further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Purchaser understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Purchaser:

_____

[Purchaser]

Date: _____, ____

FORM OF 83(B) ELECTION AND INSTRUCTIONS

These instructions are provided to assist you if you choose to make an election under Section 83(b) of the Internal Revenue Code, as amended, with respect to the shares of common stock of Restoration Robotics, Inc. transferred to you. **Please consult with your personal tax advisor as to whether an election of this nature will be in your best interests in light of your personal tax situation.**

The executed original of the Section 83(b) election must be filed with the Internal Revenue Service not later than 30 days after the date the shares were transferred to you. PLEASE NOTE: There is no remedy for failure to file on time. The steps outlined below should be followed to ensure the election is mailed and filed correctly and in a timely manner. ALSO, PLEASE NOTE: If you make the Section 83(b) election, the election is irrevocable.

Complete Section 83(b) election form (attached as Attachment 1) and make four (4) copies of the signed election form. (Your spouse, if any, should sign the Section 83(b) election form as well.)

Prepare the cover letter to the Internal Revenue Service (sample letter attached as Attachment 2).

Send the cover letter with the originally executed Section 83(b) election form and one (1) copy via certified mail, return receipt requested to the Internal Revenue Service at the address of the Internal Revenue Service where you file your personal tax returns. We suggest that you have the package date-stamped at the post office. The post office will provide you with a certified receipt that includes a dated postmark. Enclose a self-addressed, stamped envelope so that the Internal Revenue Service may return a date-stamped copy to you. However, your postmarked receipt is your proof of having timely filed the Section 83(b) election if you do not receive confirmation from the Internal Revenue Service.

One (1) copy must be sent to Restoration Robotics, Inc. for its records and **one (1) copy must be attached to your federal income tax return for the applicable calendar year**.

Retain the Internal Revenue Service file stamped copy (when returned) for your records.

Please consult your personal tax advisor for the address of the office of the Internal Revenue Service to which you should mail your election form.

ATTACHMENT 1

ELECTION UNDER INTERNAL REVENUE CODE SECTION 83(B)

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income for the current taxable year the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of shares (the "Shares") of Common Stock of Restoration Robotics, Inc., a Delaware corporation (the "Company").

The name, address and taxpayer identification number of the undersigned taxpayer are:

_____
_____
_____

SSN: _____

The name, address and taxpayer identification number of the Taxpayer's spouse are (complete if applicable):

_____
_____
_____

SSN: _____

Description of the property with respect to which the election is being made:

( ) shares of Common Stock of the Company.

The date on which the property was transferred was . The taxable year to which this election relates is calendar year .

Nature of restrictions to which the property is subject:

The Shares are subject to repurchase by the Company or its assignee upon the occurrence of certain events. This repurchase right lapses based upon the continued performance of services by the taxpayer over time.

The fair market value at the time of transfer (determined without regard to any lapse restrictions, as defined in Treasury Regulation Section 1.83-3(i)) of the Shares was $ per Share.

The amount paid by the taxpayer for Shares was $ per share.

A copy of this statement has been furnished to the Company.

Dated: _____, ____ Taxpayer Signature _____

The undersigned spouse of Taxpayer joins in this election. (Complete if applicable).

Dated: _____, ____ Spouse's Signature _____

Signature(s) Notarized by:

_____

_____

ATTACHMENT 2

SAMPLE COVER LETTER TO INTERNAL REVENUE SERVICE

_____, ____

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Internal Revenue Service
[Address where taxpayer files returns]

Re: Election under Section 83(b) of the Internal Revenue Code of 1986
Taxpayer: _____
Taxpayer's Social Security Number: _____
Taxpayer's Spouse: _____
Taxpayer's Spouse's Social Security Number: _____

Ladies and Gentlemen:

Enclosed please find an original and one copy of an Election under Section 83(b) of the Internal Revenue Code of 1986, as amended, being made by the taxpayer referenced above. Please acknowledge receipt of the enclosed materials by stamping the enclosed copy of the Election and returning it to me in the self-addressed stamped envelope provided herewith.

Very truly yours,

_____

Enclosures

cc: Restoration Robotics, Inc.

Exhibit 10.30

RESTORATION ROBOTICS, INC.

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into by and between Ryan Rhodes ("Executive") and Restoration Robotics, Inc. (the "Company") (together referred to herein as the "Parties"), dated as of September 21, 2016 and effective as of the Effective Date (as defined below).

R E C I T A L S

A. The Company desires to assure itself of the services of Executive by engaging Executive to perform services under the terms hereof.

B. Executive desires to provide services to the Company on the terms herein provided commencing on July 25, 2016 (the date Executive actually commences employment with the Company, the "Effective Date").

C. Certain capitalized terms used in this Agreement are defined in Section 11 below.

In consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Employment.

(a) General. The Company shall employ Executive as a full-time employee of the Company effective as of the Effective Date for the period and in the position set forth in this Section 1, and upon the other terms and conditions herein provided.

(b) Position and Duties. Effective on the Effective Date, Executive: (i) shall serve as the Chief Executive Officer of the Company, with responsibilities, duties and authority usual and customary for such position, subject to direction by the Company's Board of Directors (the "Board"); (ii) shall report directly to the Board; and (iii) agrees promptly and faithfully to comply with all present and future policies, requirements, directions, requests and rules and regulations of the Company in connection with the Company's business. In addition, the Board shall appoint Executive to serve as a member of the Board. Executive shall attend each regular meeting of the Board, and such other meetings for which there is reasonable prior notice, in person except as may be otherwise agreed by the Board prior to such meeting.

(c) Location. Executive shall be based at the Company's headquarters in San Jose, California, except for such travel as may be necessary to fulfill Executive's duties and responsibilities.

(d) Exclusivity. Except with the prior written approval of the Board (which the Board may grant or withhold in its sole and absolute discretion), Executive shall devote Executive's entire working time, attention and energies to the business of the Company and shall not (i) accept any other employment or consultancy; (ii) serve on the board of directors or similar body of any other entity; or (iii) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be competitive with, or that might place Executive in a competing position to, that of the Company or any of its subsidiaries or affiliates. Notwithstanding the foregoing, Executive may devote reasonable time to unpaid activities such as supervision of personal investments and activities involving professional, charitable, educational, religious, civic and similar types of activities, speaking engagements and membership on committees, *provided* such activities do not individually or in the aggregate interfere with the performance of Executive's duties under this Agreement, violate the Company's standards of conduct then in effect or raise a conflict under the Company's conflict of interest policies.

2. Compensation and Related Matters.

(a) Base Salary. Executive's annual base salary (the "Base Salary") will be $300,000, less payroll deductions and all required withholdings, payable in accordance with the Company's normal payroll practices. The Board or a committee of the Board shall review Executive's Base Salary periodically.

(b) Bonus. Executive will be eligible to receive an annual performance bonus with a target achievement of thirty percent (30%) of Executive's then-Base Salary (the "Annual Bonus"). Any Annual Bonus amount payable shall be based on the achievement of performance goals to be established by the Board or a committee of the Board; *provided* that, for calendar year 2016, the performance goals shall be established by the Board or a committee of the Board within sixty (60) days following the date hereof. Such Annual Bonus, if earned, will be contingent upon Executive's continued employment through the applicable payment date. The Annual Bonus, if any, earned for the 2016 calendar year shall be pro-rated for partial service. Executive hereby acknowledges and agrees that nothing contained herein confers upon Executive any right to an Annual Bonus in any calendar year, and that whether the Company pays Executive an Annual Bonus will be determined by the Board or a committee of the Board in its sole discretion.

(c) Equity Awards.

(i) Stock Option. Following the Effective Date, Executive shall be granted, subject to approval by the Board, an option to purchase 8,886,440 shares of the Company's common stock (the "Option"), which represents approximately 3.8% of the Fully Diluted Shares (as defined below) as of the Effective Date (after taking into account such grant), with an exercise price per share equal to the fair market value of a share of the Company's common stock on the date of grant, determined based upon the most recent Section 409A valuation (as determined by the Board in its sole discretion), *provided* that Executive is

employed by the Company on the date of grant. Subject to Executive's continued service with the Company through the applicable vesting date, twenty five percent (25%) of the total number of shares subject to the Option shall vest on the first anniversary of the Effective Date and 1/48th of the total number of shares subject to the Option will vest on each monthly anniversary of the Effective Date thereafter. The Option, and any shares acquired upon exercise, will be subject to the terms and conditions of the Company's equity incentive plan and an option agreement to be entered into between Executive and the Company. For the purposes of this Agreement, "Fully Diluted Shares" shall be calculated by adding the number of outstanding shares of capital stock of the Company plus the number of shares of Company common stock subject to issuance under outstanding options and warrants plus the number of shares of Company common stock that are reserved for future issuance (but not yet issued) under the Company's equity incentive plan, in each case, as of the Effective Date.

(ii) Change in Control Acceleration. Upon the consummation of a Change in Control of the Company, subject to either (i) Executive's continued employment with the Company until immediately prior to such Change in Control or (ii) Executive's termination of employment by the Company without Cause or by Executive for Good Reason within three (3) months prior to such Change in Control, each outstanding equity award held by Executive (including, without limitation, the Option) shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall lapse, in each case, with respect to one hundred percent (100%) of the then-unvested shares subject to such outstanding award effective as of immediately prior to such Change in Control.

(d) Benefits. Executive may participate in such employee and executive benefit plans and programs as the Company may from time to time offer to provide to its executives, subject to the terms and conditions of such plans. Notwithstanding the foregoing, nothing herein is intended, or shall be construed, to require the Company to institute or continue any, or any particular, plan or benefits.

(e) Vacation. Executive shall be entitled to vacation, sick leave, holidays and other paid time-off benefits provided by the Company from time to time which are applicable to the Company's executive officers in accordance with Company policy. The opportunity to take paid time off is contingent upon Executive's workload and ability to manage Executive's schedule.

(f) Business Expenses. The Company shall reimburse Executive for all reasonable, documented, out-of-pocket travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures as in effect from time to time.

3. Termination.

(a) At-Will Employment. The Company and Executive acknowledge that Executive's employment is and shall continue to be "at-will," as defined under applicable law.

This means that it is not for any specified period of time and can be terminated by Executive or by the Company at any time, with or without advance notice, and for any or no particular reason or cause. It also means that Executive's job duties, title and responsibility and reporting level, work schedule, compensation and benefits, as well as the Company's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time in the sole discretion of the Company. This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a duly authorized member of the Board. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement.

(b) Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its affiliates, and, at the Company's request, Executive shall execute such documents as are necessary or desirable to effectuate such resignations.

4. Obligations upon Termination of Employment.

(a) Executive's Obligations. Executive hereby acknowledges and agrees that all Personal Property (as defined below) and equipment furnished to, or prepared by, Executive in the course of, or incident to, Executive's employment, belongs to the Company and shall be promptly returned to the Company upon termination of Executive's employment (and will not be kept in Executive's possession or delivered to anyone else). For purposes of this Agreement, "Personal Property" includes, without limitation, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof (including computer files), keys, building card keys, company credit cards, telephone calling cards, computer hardware and software, laptop computers, docking stations, cellular and portable telephone equipment, personal digital assistant (PDA) devices and all other proprietary information relating to the business of the Company or its subsidiaries or affiliates. Following termination, Executive shall not retain any written or other tangible material containing any proprietary information of the Company or its subsidiaries or affiliates. In addition, Executive shall continue to be subject to the Confidential Information Agreement (as defined below). The representations and warranties contained herein and Executive's obligations under this Section 4(a) and the Confidential Information Agreement shall survive the termination of Executive's employment and the termination of this Agreement.

(b) Payments of Accrued Obligations upon Termination of Employment. Upon a termination of Executive's employment for any reason, Executive (or Executive's estate or legal representative, as applicable) shall be entitled to receive, within ten (10) days after the date Executive terminates employment with the Company (or such earlier date as may be required by applicable law): (i) any portion of Executive's Base Salary earned through Executive's termination date not theretofore paid, (ii) any expenses owed to Executive under Section 2(f) above, (iii) any accrued but unused vacation pay owed to Executive pursuant to Section 2(e) above, and (iv) any amount arising from Executive's participation in, or benefits under, any employee benefit plans, programs or arrangements under Section 2(d) above, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements.

(c) Severance Payments upon Covered Termination. If Executive experiences a Covered Termination, and if Executive executes a general release of all claims against the Company and its affiliates in substantially the form provided by the Company attached hereto as Exhibit A (the "Release of Claims") that becomes effective and irrevocable within sixty (60) days, or such shorter period of time specified by the Company, following such Covered Termination, then, in addition to any accrued obligations payable under Section 4(b) above, the Company shall provide Executive with the following:

(i) Severance. Executive shall be entitled to receive a lump sum cash payment equal to six (6) months plus one additional month for each full year of Executive's service to the Company of Executive's Base Salary at the rate in effect immediately prior to Executive's date of termination. Such payment shall be made, less applicable withholdings, on the first payroll date following the date the Release of Claims becomes effective and irrevocable. In addition, Executive shall be eligible to receive his annual bonus for the year in which the Termination Date occurs to the extent earned based on the attainment of applicable performance goals as determined by the Board in its sole discretion following the end of the calendar year in which the Termination Date occurs, pro-rated based on the total number of days elapsed in the calendar year as of the Termination Date. If and to the extent earned, such pro-rated bonus shall be paid out at the same time annual bonuses are paid generally to senior executives of the Company for the relevant year, less applicable withholdings, but in no event later than March 15th of the year immediately following that in which such pro-rated bonus is earned.

(ii) Continued Healthcare. The Company shall notify Executive of any right to continue group health plan coverage sponsored by the Company or an affiliate of the Company immediately prior to Executive's date of termination pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). If Executive elects to receive such continued healthcare coverage, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents, less the amount of Executive's monthly premium contributions for such coverage prior to termination, for the period commencing on the date of Executive's Covered Termination through the earlier of (A) the last day of the sixth (6th) full calendar month plus one additional month for each full year of Executive's service to the Company following the date of the Covered Termination and (B) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Executive agrees to notify the Company immediately if Executive becomes covered by a group health plan of a subsequent employer. After the Company ceases to pay premiums pursuant to the preceding sentence, Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance the provisions of COBRA.

(iii) Additional Vesting. The vesting and, if applicable, exercisability shall be accelerated effective as of immediately prior to such termination date with respect to that number of shares subject to Executive's then outstanding equity awards that would have become vested and, if applicable, exercisable during the six (6) month period plus one additional month for each full year of Executive's service to the Company following the termination date as if Executive had remained employed by the Company through such date.

(d) No Other Severance. The provisions of this Section 4 shall supersede in their entirety any severance payment or other arrangement provided by the Company, including, without limitation, any severance plan/policy of the Company.

(e) No Requirement to Mitigate; Survival. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or in any other manner. Notwithstanding anything to the contrary in this Agreement, the termination of Executive's employment shall not impair the rights or obligations of any party.

(f) Certain Reductions. The Company shall reduce Executive's severance benefits under this Agreement, in whole or in part, by any other severance benefits, pay in lieu of notice, or other similar benefits payable to Executive by the Company in connection with Executive's termination, including but not limited to payments or benefits pursuant to (i) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act, or (ii) any Company policy or practice providing for Executive to remain on the payroll without being in active service for a limited period of time after being given notice of the termination of Executive's employment. The benefits provided under this Agreement are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of Executive's termination of employment. Such reductions shall be applied on a retroactive basis, with severance benefits previously paid being recharacterized as payments pursuant to the Company's statutory obligation.

5. Limitation on Payments.

(a) Notwithstanding anything in this Agreement to the contrary, if any payment or distribution Executive would receive pursuant to this Agreement or otherwise ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Company shall cause to be determined, before any amounts of the Payment are paid to Executive, which of the following alternative forms of payment would maximize Executive's after-tax proceeds: (A) payment in full of the entire amount of the Payment (a "Full Payment"), or (B) payment of only a part of the Payment so that Executive receives that largest Payment possible without being subject to the Excise Tax (a "Reduced Payment"), whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax (all computed at the highest marginal rate, net of the maximum reduction in

federal income taxes which could be obtained from a deduction of such state and local taxes), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment, notwithstanding that all or some portion the Payment may be subject to the Excise Tax. Notwithstanding the above, provided that no securities of the Company are then-publicly traded and subject to Executive waiving Executive's right to the Payment that would otherwise trigger the Excise Tax, the Company will use its good faith efforts to conduct a vote of the Company's stockholders in accordance with the applicable provisions of Section 280G of the Code with such vote giving the stockholders the opportunity to approve the amount of such Payment that would otherwise trigger the Excise Tax in an effort to exempt such Payment from the Excise Tax if possible.

(b) If a Reduced Payment is made pursuant to this Section 5, (i) the Payment shall be paid only to the extent permitted under the Reduced Payment alternative, and Executive shall have no rights to any additional payments and/or benefits constituting the Payment, and (ii) reduction in payments and/or benefits will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits payable to Executive. In the event that acceleration of compensation from Executive's equity awards is to be reduced, such acceleration of vesting shall be canceled in the reverse order of the date of grant.

(c) All determinations required to be made under this Section 5 shall be made by such adviser as may be selected by the Company, *provided*, that the adviser's determination shall be made based upon "substantial authority" within the meaning of Section 6662 of the Code. The adviser shall provide its determination, together with detailed supporting calculations and documentation, to Executive and the Company within fifteen (15) business days following the date of termination of Executive's employment, if applicable, or such other time as requested by Executive (*provided*, that Executive reasonably believes that any of the Payments may be subject to the Excise Tax) or the Company. All reasonable fees and expenses of the adviser in reaching such a determination shall be borne solely by the Company.

6. Successors.

(a) Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 6(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

7. Notices. Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or one day following mailing via Federal Express or similar overnight courier service. In the case of Executive, mailed notices shall be addressed to Executive at Executive's home address that the Company has on file for Executive. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of the General Counsel of the Company.

8. Dispute Resolution. To ensure the timely and economical resolution of disputes that arise in connection with this Agreement, Executive and the Company agree that any and all controversies, claims and disputes arising out of or relating to this Agreement, including without limitation any alleged violation of its terms, shall be resolved solely and exclusively by final and binding arbitration held in Santa Clara County, California through Judicial Arbitration & Mediation Services ("JAMS") in conformity with the then-existing JAMS employment arbitration rules and California law. The arbitrator shall: (a) provide adequate discovery for the resolution of the dispute; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall award the prevailing Party attorneys' fees and expert fees, if any. Notwithstanding the foregoing, it is acknowledged that it will be impossible to measure in money the damages that would be suffered if the Parties fail to comply with any of the obligations imposed on them under Section 10(a) hereof, and that in the event of any such failure, an aggrieved person will be irreparably damaged and will not have an adequate remedy at law. Any such person shall, therefore, be entitled to injunctive relief, including specific performance, to enforce such obligations, and if any action shall be brought in equity to enforce any of the provisions of Section 10(a) of this Agreement, none of the Parties hereto shall raise the defense that there is an adequate remedy at law. Executive and the Company understand that by agreement to arbitrate any claim pursuant to this Section 8, they will not have the right to have any Claim decided by a jury or a court, but shall instead have any claim decided through arbitration. Executive and the Company waive any constitutional or other right to bring claims covered by this Agreement other than in their individual capacities. Except as may be prohibited by applicable law, the foregoing waiver includes the ability to assert claims as a plaintiff or class member in any purported class or representative proceeding.

9. Section 409A. The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date, ("Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If the Company determines that any provision of this

Agreement would cause Executive to incur any additional tax or interest under Section 409A (with specificity as to the reason therefor), the Company and Executive shall take commercially reasonable efforts to reform such provision to try to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A, *provided* that any such modifications shall not increase the cost or liability to the Company. To the extent that any provision hereof is modified in order to comply with or be exempt from Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Section 409A.

(a) Separation from Service. Notwithstanding any provision to the contrary in this Agreement, no amount deemed deferred compensation subject to Section 409A of the Code shall be payable pursuant to Section 4 above unless Executive's termination of employment constitutes a "separation from service" with the Company within the meaning of Section 409A ("Separation from Service") and, except as provided under Section 9(b) below, any such amount shall not be paid, or in the case of installments, commence payment, until the sixtieth (60th) day following Executive's Separation from Service. Any installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the sixtieth (60th) day following Executive's Separation from Service and the remaining payments shall be made as provided in this Agreement.

(b) Specified Employee. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service or (ii) the date of Executive's death. Upon the first day of the seventh (7th) month following the date of the Executive's Separation from Service, all payments deferred pursuant to this Section 9(b) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

(c) Expense Reimbursements. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A, any such reimbursements payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(d) Installments. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

10. Miscellaneous Provisions.

(a) Work Eligibility; Confidentiality Agreement. As a condition of Executive's employment with the Company, Executive will be required to provide evidence of Executive's identity and eligibility for employment in the United States. It is required that Executive brings the appropriate documentation with Executive at the time of employment. As a further condition of Executive's employment with the Company, Executive shall enter into and abide by the Company's Confidential Information and Invention Assignment Agreement (the "Confidential Information Agreement").

(b) Withholdings and Offsets. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise. If Executive is indebted to the Company at his termination date, the Company reserves the right to offset any severance payments under this Agreement by the amount of such indebtedness.

(c) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized director or officer of the Company (other than Executive). No waiver by either Party of any breach of, or of compliance with, any condition or provision of this Agreement by the other Party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(d) Whole Agreement. This Agreement and the Confidential Information Agreement (together with any equity award agreement between the Company and Executive) represent the entire understanding of the Parties hereto with respect to the subject matter hereof and supersede all prior arrangements and understandings regarding same.

(e) Amendment. This Agreement cannot be amended or modified except by a written agreement signed by Executive and an authorized member of the Company.

(f) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California.

(g) Severability. The finding by a court of competent jurisdiction of the unenforceability, invalidity or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid or illegal. Such court shall have the authority to modify or replace the invalid or unenforceable term or provision with a valid and enforceable term or provision which most accurately represents the intention of the Parties hereto with respect to the invalid or unenforceable term or provision.

(h) Interpretation; Construction. The headings set forth in this Agreement are for convenience of reference only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has been encouraged to consult with, and has consulted with, Executive's own independent counsel and tax advisors with respect to the terms of this Agreement. The Parties hereto acknowledge that each Party hereto and its counsel has reviewed and revised, or had an opportunity to review and revise, this Agreement, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

(i) Representations; Warranties. Executive represents and warrants that Executive is not restricted or prohibited, contractually or otherwise, from entering into and performing each of the terms and covenants contained in this Agreement, and that Executive's execution and performance of this Agreement will not violate or breach any other agreements between Executive and any other person or entity and that Executive has not engaged in any act or omission that could be reasonably expected to result in or lead to an event constituting "Cause" for purposes of this Agreement.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

11. Definition of Terms. The following terms referred to in this Agreement shall have the following meanings:

(a) Cause. "Cause" means any one or more of the following: (i) Executive's willful failure substantially to perform his duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Executive's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Executive of any proprietary information or trade secrets of the Company or any other party to whom Executive owes an obligation of nondisclosure as a result of his relationship with the Company; or (iv) Executive's willful breach of any of his obligations under any written agreement or covenant with the Company, including, without limitation, this Agreement or the Confidential Information Agreement. With respect to sub-clauses (i) and (iv) above, prior to terminating Executive for Cause (i) the Company shall provide written notice of the events and circumstances giving rise to Cause, (ii) the Executive shall have 30 days to cure and (iii) the Executive must have failed to cure within such 30 day cure period.

(b) Change in Control. "Change in Control" mean (i) the liquidation, dissolution or winding up of the Company; (ii) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganizations, provided that the applicable transaction shall not be deemed a Change in Control unless the Company's stockholders constituted immediately prior to such transaction do not hold more than fifty percent (50%) of the voting power of the surviving or acquiring entity (or its parent) immediately following such transaction (taking into account only voting power resulting from stock held by such stockholders prior to such transaction); (iii) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power outstanding before such transaction is transferred; or (iv) a sale, conveyance or other disposition of all or substantially all of the assets of the Company (including without limitation a license of all or substantially all of the Company's intellectual property that is either exclusive or otherwise structured in a manner that constitutes a license of all or substantially all of the assets of the Company); *provided* that a Change in Control shall not include (A) a merger or consolidation with a wholly-owned subsidiary of the Company, (B) an initial public offering of the Company, (C) a transaction effected exclusively for the purpose of changing the domicile or state of incorporation of the Company or (D) any transaction or series of related transactions principally for bona fide equity financing purposes in which the Company is the surviving corporation. Notwithstanding the foregoing, a "Change in Control" must also constitute a "change in control event," as defined in Treasury Regulation §1.409A-3(i)(5) with respect to any compensation or benefit that is subject to Section 409A of the Code.

(c) Covered Termination. "Covered Termination" shall mean the termination of Executive's employment either (i) by the Company other than for Cause; or (ii) by Executive for Good Reason.

(d) Good Reason. "Good Reason" means Executive's resignation from all positions he then holds with the Company that is effective within one-hundred twenty (120) days after the occurrence, without Executive's written consent, of any of the following: (i) a material reduction in Executive's Base Salary as in effect immediately prior to such reduction (other than in connection with a general reduction of base salaries applicable to all employees in similar positions not to exceed 10%); (ii) the relocation of Executive's primary work location to a facility or a location more than fifty (50) miles from Executive's then present location; (iii) a material reduction by the Company in the kind or level of employee benefits to which Executive was entitled immediately prior to such reduction with the result that Executive's overall benefits package is significantly reduced (other than in connection with a general reduction of benefits applicable to all employees in similar positions); or (iv) the significant reduction of Executive's duties, authority or responsibilities (taken as a whole), relative to Executive's duties, authority or responsibilities as in effect immediately prior to such reduction, *provided*, that any change made solely as the result of the Company becoming a subsidiary or business unit of a larger company in a Change in Control shall not provide for Executive's resignation for Good Reason hereunder. Notwithstanding the foregoing, a resignation shall not constitute a resignation for "Good Reason" unless the condition giving rise to such resignation continues more than thirty (30) days following Executive's written notice of such condition provided to the Company within thirty (30) days of the first occurrence of such condition, and Executive's resignation is effective not later than thirty (30) days after the expiration of such thirty (30) day cure period.

(*Signature page follows*)

IN WITNESS WHEREOF, each of the Parties has executed this Agreement, in the case of the Company by its duly authorized member, as of the day and year set forth below.

RESTORATION ROBOTICS, INC.

/s/ Fred Moll

Name: Fred Moll

Title: Chairman of the Board of Directors

Date: 9/1/16

EXECUTIVE

/s/ Ryan Rhodes

Name: Ryan Rhodes

Date: 9/1/16

EXHIBIT A

SEPARATION AGREEMENT

This Separation Agreement (the "Agreement") by and between Ryan Rhodes ("Executive") and Restoration Robotics, Inc. (the "Company") is dated as of [ ], 20[ ] and is made effective eight (8) days after Executive's signature hereto (the "Effective Date"), unless Executive revokes his acceptance of this Agreement pursuant to Section 5(c) below. Any reference to the Company throughout this Agreement shall include the Company, its subsidiaries and any successors thereto.

A. Executive's employment with the Company and status as an officer, director and employee of the Company and each of its affiliates will end effective upon the Termination Date (as defined below).

B. Executive and the Company want to end their relationship amicably and also to establish the obligations of the parties including, without limitation, all amounts due and owing to Executive.

C. The payments and benefits being made available to Executive pursuant to this Agreement are intended to satisfy all outstanding obligations under that certain employment agreement by between Executive and the Company, dated as of August 26, 2016 (the "Employment Agreement").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Termination Date. Executive acknowledges and agrees that his status as an officer, a member of the board of directors and employee of the Company will end effective as of the close of business on [ ], 20[ ] (such date, the "Termination Date"). Executive hereby agrees to execute such further document(s) as shall be determined by the Company as necessary or desirable to give effect to the termination of Executive's status as an officer of the Company; *provided* that such documents shall not be inconsistent with any of the terms of this Agreement.

2. Final Paycheck; Payment of Accrued Wages and Expenses.

(a) *Final Paycheck*. As required by law, the Company will pay Executive within seventy two (72) hours of the Termination Date all accrued but unpaid base salary and all accrued and unused vacation earned through the Termination Date, subject to standard payroll deductions and withholdings. Executive is entitled to these payments regardless of whether Executive executes this Agreement.

(b) *Business Expenses*. Executive agrees that, within ten (10) business days after the Termination Date, Executive will submit Executive's final documented expense reimbursement statement reflecting all business expenses Executive incurred through the Termination Date, if any, for which Executive seeks reimbursement. The Company will reimburse Executive for these expenses pursuant to its regular business practice.

3. Separation Payments and Benefits. Without admission of any liability, fact or claim, the Company hereby agrees, subject to Executive's execution and non-revocation of this Agreement and Executive's performance of his continuing obligations pursuant to this Agreement, the Employment Agreement and that certain Confidential Information and Invention Assignment Agreement entered into between Executive and the Company (the "Confidentiality Agreement"), to provide Executive the severance benefits set forth below. Specifically, the Company and Executive agree as follows:

(a) *Severance*. The Company shall pay to Executive a lump sum cash payment equal to $[ ], less applicable withholdings and deductions, which equals six (6) months of Executive's annual base salary at the rate in effect immediately prior to the Termination Date. Such payment shall be made, less applicable withholdings, on the first payroll date following the Effective Date.

(b) *Bonus*. In addition, Executive shall be eligible to receive his annual bonus for 20[ ], which is the year in which the Termination Date occurs, to the extent earned based on the attainment of applicable performance goals as determined by the Company's board of directors in its sole discretion following December 31, 20[ ], pro-rated based on the fraction equal to [ ]/36[5], which represents the total number of days elapsed in the calendar year as of the Termination Date. If and to the extent earned, such pro-rated bonus shall be paid out at the same time annual bonuses are paid generally to senior executives of the Company for 20[ ], less applicable withholdings, but in no event later than March 15, 20[ ].

(c) *Healthcare Continuation Coverage.* The Company shall notify Executive of any right to continue group health plan coverage sponsored by the Company or an affiliate of the Company immediately prior to the Termination Date pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"). If Executive elects to receive such continued healthcare coverage, the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents, less the amount of Executive's monthly premium contributions for such coverage prior to termination, for the period commencing on the Termination Date through the earlier of (A) the last day of the sixth (6th) full calendar month following the Termination Date and (B) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Executive agrees to notify the Company immediately if Executive becomes covered by a group health plan of a subsequent employer. After the Company ceases to pay premiums pursuant to the preceding sentence, Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance the provisions of COBRA.

(d) *Equity Awards*: The Company shall accelerate the vesting and, if applicable, exercisability of each of Executive's options to purchase shares of Company common stock (collectively, "Equity Awards") as of the Termination Date with respect to that number of unvested shares as otherwise would have vested had Executive continued employment with the Company for the six (6)-month period immediately following the Termination Date. All Equity Awards shall otherwise remain subject in all respects to the restrictions of the applicable Equity Award agreements between the Executive and the Company and the Company's applicable equity incentive plan. In addition, all unvested shares subject to Equity Awards held by the Executive as of the Termination Date (after giving effect to the accelerated vesting provided under this Section 3(c)) shall continue to remain outstanding (but not continue to vest) until the three (3) month anniversary of the Termination Date, after which time they will terminate and cease to be outstanding for no consideration. Notwithstanding the foregoing, in the event a Change in Control (as defined in the Employment Agreement) occurs on or prior to the three (3) month anniversary of the

Termination Date, then each unvested Equity Award shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall lapse, in each case, with respect to one hundred percent (100%) of the then-unvested shares effective as of immediately prior to such Change in Control. For the avoidance of doubt, Executive's unvested Equity Awards shall not continue to vest after the Termination Date through the three (3) month anniversary of the Termination Date (except for the acceleration provided in this Section, if applicable), and all outstanding but unexercised shares subject to the Equity Awards (whether vested or unvested) shall automatically terminate upon the three (3) month anniversary of the Termination Date.

(e) *Taxes*. Executive understands and agrees that all payments under this Agreement will be subject to appropriate tax withholding and other deductions. To the extent any taxes may be payable by Executive for the benefits provided to him by this Agreement beyond those withheld by the Company, Executive agrees to pay them himself and to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties, and associated attorneys' fees and costs, resulting from any failure by him to make required payments. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Internal Revenue Code of 1986, as amended, such reimbursements shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(f) *Sole Separation Benefit*. Executive agrees that the payments provided by this Section 3 are not required under the Company's normal policies and procedures and are provided as a severance solely in connection with this Agreement and the Employment Agreement. Thus, for any Company sponsored employee benefits not referenced in this Agreement, Executive will be treated as a terminated employee effective on the Termination Date. This includes but is not limited to the Company's 401(k) plan and Company sponsored life insurance and long-term disability insurance. Executive acknowledges and agrees that the payments referenced in this Section 4 constitute adequate and valuable consideration, in and of themselves, for the promises contained in this Agreement.

(g) *Unemployment Benefits*. After the Termination Date, Executive may apply for unemployment benefits. Whether Executive receives benefits will be determined by the State.

4. Full Payment. Executive acknowledges that the payment and arrangements herein shall constitute full and complete satisfaction of any and all amounts properly due and owing to Executive as a result of his employment with the Company and the termination thereof. Executive further acknowledges that, other than the Confidentiality Agreement, this Agreement shall supersede each agreement entered into between Executive and the Company regarding Executive's employment, including, without limitation, the Employment Agreement, and each such agreement shall be deemed terminated and of no further effect as of the Termination Date.

5. Executive's Release of the Company. Executive understands that by agreeing to the release provided by this Section 5, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Agreement.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company and each of its owners, affiliates, divisions, predecessors, successors, assigns, shareholders, subsidiaries, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment, remuneration or resignation by the Releasees, or any of them, including without limitation any and all Claims arising under federal, state, or local laws relating to employment, claims of any kind that may be brought in any court or administrative agency, any claims arising under the Age Discrimination in Employment Act ("ADEA"), as amended, 29 U.S.C. § 621, et seq.; the Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act , 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; California Business & Professions Code Section 17200, ordinance or statute regarding employment; Claims any other local, state or federal law governing employment; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any rights and benefits under this Agreement or benefit entitlements vested as of the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan, including, without limitation, the terms of any Company equity compensation plan and/or any equity compensation agreement between Executive and the Company;

(v) Claims for indemnification under California Labor Code Section 2802, the Company's Certificate of Incorporation, the Company's Bylaws, Delaware General Corporation Law or other applicable law, and under the terms of any policy of insurance purchased by the Company; and

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; *provided*, *however*, that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following: Executive acknowledges that Executive is knowingly and voluntarily waiving and releasing any rights Executive may have under the ADEA. Executive also acknowledges that the consideration given for the waiver and release herein is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing, as required by the ADEA, that: (i) Executive's waiver and release do not apply to any rights or claims that may arise after the execution date of this Agreement; (ii) Executive has been advised hereby that Executive has the right to consult with an attorney prior to executing this Agreement; (iii) Executive has [twenty-one (21)] days from the date of this Agreement to execute this Agreement (although Executive may choose to voluntarily execute this Agreement earlier); (iv) Executive has seven (7) days following the execution of this Agreement by Executive to revoke the Agreement, and Executive will not receive the severance benefits provided by Section 2 of the Agreement unless and until such seven (7) day period has expired; (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth (8th) day after this Agreement is executed by Executive, *provided* that the Company has also executed this Agreement by that date; and (vi) this Agreement does not affect Executive's ability to test the knowing and voluntary nature of this Agreement. If Executive wishes to revoke this Agreement, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. Pacific Time on the 7th day following Executive's execution of this Agreement to [Brian Cuneo, Latham & Watkins LLP, 140 Scott Drive, Menlo Park, CA 94025, fax: (650) 463-2600].

(d) EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

6. Non-Disparagement, Transition, Transfer of Company Property; Confidentiality; and Job References.

(a) *Non-Disparagement*. Executive agrees that Executive will not make statements or representations to any person, entity or firm which could reasonably be expected to cast the Company or any entity or employee affiliated with the Company in an unfavorable light or which could reasonably be anticipated to adversely affect the name or reputation of the Company or any entity affiliated with the Company, or the name or reputation of any officer, agent or employee of the Company or of any entity affiliated with the Company; *provided* that Executive will respond accurately and fully to any question, inquiry or request for information when required by legal process.

(b) *Transition*. Each of the Company and Executive shall use their respective reasonable efforts to cooperate with each other in good faith to facilitate a smooth transition of Executive's duties to other executive(s) of the Company.

(c) *Transfer of Company Property*. Except as otherwise contemplated in this Agreement, on or before the Termination Date, Executive shall turn over to the Company all files, memoranda, records, and other documents, and any other physical or personal property which are the property of the Company and which he had in his possession, custody or control at the time he signed this Agreement. By executing and returning this Agreement, Executive is certifying that Executive has complied with Executive's obligation herein to immediately return all Company documents and information regardless of where Executive has maintained such Company property. Executive's compliance with the terms of this Section 6(c) is a condition precedent to Executive's eligibility to receive the payments and benefits described in Section 3 above.

(d) *Confidentiality*. The provisions of this Agreement will be held in strictest confidence by Executive and will not be publicized or disclosed in any manner whatsoever; *provided, however,* that: (i) Executive may disclose this Agreement to Executive's immediate family; (ii) Executive may disclose this Agreement in confidence to Executive's attorneys, accountants, auditors, tax preparers, and financial advisors; and (iii) Executive may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law. In particular, and without limitation, Executive agrees not to disclose the terms of this Agreement to any current or former Company employee or independent contractor.

(e) *Job References*. Executive should direct any job reference inquiries to the Company's Human Resources. Pursuant to Company policy, in response to any such inquiries, the Company will provide only the position Executive held and the dates of employment. The Company will confirm Executive's salary in response to any such inquiry only if Executive submits a signed request to the Company to disclose such information.

7. Executive Representations. Executive warrants and represents that (a) he has not filed or authorized the filing of any complaints, charges or lawsuits against the Company or any affiliate of the Company with any governmental agency or court, and that if, unbeknownst to Executive, such a complaint, charge or lawsuit has been filed on his behalf, he will immediately cause it to be withdrawn and dismissed, (b) he has reported all hours worked as of the date of this Agreement and has been paid all compensation, wages, bonuses, commissions, and/or benefits to which he may be entitled and no other compensation, wages, bonuses, commissions and/or benefits are due to him, except as provided in this Agreement, (c) he has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the Family and Medical Leave Act or any similar state law, (d) the execution, delivery and performance of this Agreement by

Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject, and (e) upon the execution and delivery of this Agreement by the Company and Executive, this Agreement will be a valid and binding obligation of Executive, enforceable in accordance with its terms.

8. No Assignment by Executive. Executive warrants and represents that no portion of any of the matters released herein, and no portion of any recovery or settlement to which Executive might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement, in any manner, including by way of subrogation or operation of law or otherwise. If any claim, action, demand or suit should be made or instituted against the Company or any other Releasee because of any actual assignment, subrogation or transfer by Executive, Executive agrees to indemnify and hold harmless the Company and all other Releasees against such claim, action, suit or demand, including necessary expenses of investigation, attorneys' fees and costs. In the event of Executive's death, this Agreement shall inure to the benefit of Executive and Executive's executors, administrators, heirs, distributees, devisees, and legatees. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only upon Executive's death by will or operation of law.

9. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California or, where applicable, United States federal law, in each case, without regard to any conflicts of laws provisions or those of any state other than California.

10. Miscellaneous. This Agreement, together with the Confidentiality Agreement, comprise the entire agreement between the parties with regard to the subject matter hereof and supersedes, in their entirety, any other agreements between Executive and the Company with regard to the subject matter hereof, including without limitation the Employment Agreement. The Company and Executive acknowledge that the termination of the Executive's employment with the Company is intended to constitute an involuntary separation from service for the purposes of Section 409A of the Code, and the related Department of Treasury regulations. Executive acknowledges that there are no other agreements, written, oral or implied, and that he may not rely on any prior negotiations, discussions, representations or agreements. This Agreement may be modified only in writing, and such writing must be signed by both parties and recited that it is intended to modify this Agreement. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

11. Company Assignment and Successors. The Company shall assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company and its successors, assigns, personnel and legal representatives.

12. Maintaining Confidential Information. Executive reaffirms his obligations under the Confidentiality Agreement. Executive acknowledges and agrees that the payments provided in Section 3 above shall be subject to Executive's continued compliance with Executive's obligations under the Confidentiality Agreement.

13. Executive's Cooperation. Before, on and after the Termination Date, Executive agrees to cooperate fully with the Company in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action which has been or may be filed. Upon Executive requests, with supporting invoices, Executive will be reimbursed by the Company for reasonable out-of-pocket expenses incurred by Executive providing such cooperation. If Executive is named as a defendant or potential defendant in any claim against the Company or Executive regarding Executive's actions or inactions which occurred in the proper scope of Executive's employment at the Company, the Company will provide Executive legal defense against such claim and shall indemnify Executive against any potential liability arising under such claim to the extent permitted by law.

(Signature page(s) follow)

IN WITNESS WHEREOF, the undersigned have caused this Separation Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below, which dates shall be after the Termination Date, but on or prior to the twenty-first (21st) day following the date of this Agreement.

DATED: _____, 20__

_____

Ryan Rhodes

DATED: _____, 20__

RESTORATION ROBOTICS, INC.

By: _____

[ ]

[ ]

Exhibit 10.31

Restoration Robotics, Inc.
1383 Shore Bird Way
Mountain View, CA 94043
650-965-3612

November 29, 2011

Charlotte Holland
####
######, ##

Dear Charlotte:

On behalf of Restoration Robotics, Inc. (the "Company"), I am pleased to offer you the position of Corporate Controller, reporting to James McCollum, the Company's President & CEO.

1. **Compensation.** In this exempt position, you will earn a starting annual salary of $175,000, subject to applicable tax withholding. Your salary will be payable biweekly in accordance with the Company's regular payroll policy.

2. **Employee Benefits.**

a. **Paid Time Off.** You will be eligible to accrue paid vacation at the full-time rate of ten (10) hours per calendar month, up to a maximum accrual of 240 hours. In addition, you will be eligible to accrue paid sick leave at the rate of 5 hours per calendar month, up to a maximum of 80 hours.

b. **Group Plans.** The Company will provide you with the opportunity to participate in the standard benefits plans currently available to other similarly situated employees, including medical, dental, vision, life insurance, Section 125 flexible benefits, and 401(k) retirement plans, subject to any eligibility requirements imposed by such plans.

3. **Equity Award.**

a. **Stock Option.** In connection with the commencement of your employment, the Company will recommend that the Board of Directors grant you a stock option (the "Option") to purchase 100,000 shares of the Company's Common Stock with an exercise price equal to the fair market value on the date of the grant. The Option shares will vest at the rate of 1/4th of the total number of shares on the first anniversary of your employment start date and 1/48th of the total number of shares each month thereafter. Vesting will, of course, depend on your continued employment with the Company. The Option will be an incentive stock option to the maximum extent allowed by the tax code and will be subject to the terms of the Company's 2005 Stock Plan and the Stock Option Agreement between you and the Company.

4. **Pre-employment Conditions.**

a. **Confidentiality Agreement.** Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Confidential Information and Invention Assignment Agreement, a copy of which is enclosed for your review and execution (the "Confidentiality Agreement"), prior to or on your Start Date.

b. **Right to Work.** For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three business days of your Start Date, or our employment relationship with you may be terminated.

c. **Verification of Information.** This offer of employment is also contingent upon the successful verification of the information you provided to the Company during your application process, as well as a general background check performed by the Company to confirm your suitability for employment. By accepting this offer of employment, you warrant that all information provided by you is true and correct to the best of your knowledge, and you expressly release the Company from any claim or cause of action arising out of the Company's verification of such information. You have a right to review copies of any public records obtained by the Company in conducting this verification process unless you check the box below.

5. **No Conflicting Obligations.** You understand and agree that by accepting this offer of employment, you represent to the Company that your performance will not breach any other agreement to which you are a party and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter (including all attachments) or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information and we will assist you in any way possible to preserve and protect the confidentiality of proprietary information belonging to third parties. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires.

6. **General Obligations.** As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to Human Resources.

7. **At-Will Employment.** Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time for any reason or no reason, without further obligation or liability. The Company also reserves the right to modify or amend the terms of your employment at any time for any reason. This policy of at-will employment is the entire agreement as to the duration of your employment and may only be modified in an express written agreement signed by the Chief Executive Officer of the Company.

We are pleased to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me, along with a signed and dated original copy of the Confidentiality Agreement, on or before December 1, 2011. The Company requests that you begin work in this new position on or before December 19, 2011. This letter, together with the Confidentiality Agreement, set forth the terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This letter will be governed by the laws of California, without regard to its conflict of laws provisions. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company.

Very truly yours,

RESTORATION ROBOTICS, INC.

By: Jim McCollum

Title: CEO

ACCEPTED AND AGREED:

/s/ Charlotte Holland
Signature

12/1/11
Date

_____I hereby waive my right to receive any public records as described above.

CONFIDENTIAL INFORMATION AND
INVENTION ASSIGNMENT AGREEMENT

As a condition of my becoming employed (or my employment being continued) by Restoration Robotics, Inc., a Delaware corporation ("Restoration Robotics") or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following:

1. **Employment Relationship.** I understand and acknowledge that this Agreement does not alter, amend or expand upon any rights I may have to continue in the employ of, for the duration of my employment with, the Company under any existing agreements between the Company and me, if any, or under applicable law. Any employment between the Company and me, whether commenced prior to or upon the date of this Agreement, shall be referred to herein as the "Relationship."

2. **Duties.** I will perform for the Company such duties as may be designated by the Company from time to time. During the Relationship, I will devote my best efforts to the interests of the Company and will not engage in other employment or in any activities detrimental to the best interests of the Company except as specifically provided in the Relationship or without the prior written consent of the Company.

3. **At-Will Relationship.** I understand and acknowledge that my Relationship with the Company is and shall continue to be at-will, as defined under applicable law, meaning that either I or the Company may terminate the Relationship at any time for any reason or no reason, without further obligation or liability.

4. **Confidential Information.**

(a) **Company Information.** I agree at all times during the term of my Relationship with the Company and thereafter to hold in strictest confidence and not to use, except for the benefit of the Company to the extent necessary to perform my obligations to the Company under the Relationship, or to disclose to any person, firm, corporation or other entity without written authorization of the Board of Directors of the Company, any Confidential Information of the Company which I obtain or create. I further agree not to make copies of such Confidential Information except as authorized by the Company. I understand that "Confidential Information" means, including without limitation, any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, suppliers, customer lists and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship), prices and costs, markets, software, developments, inventions, laboratory notebooks, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, licenses, finances, budgets, business forecasts, or other business information disclosed to me by the Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment or created by me in any business in

which Company is now or may later become engaged during the period of the Relationship, whether or not during working hours. Confidential Information shall exclude, and my obligations under this Agreement shall not apply to, information which:

(i) is in the public domain or is generally known or available;

(ii) hereafter becomes part of the public domain or is generally known or available through no violation of this Agreement or any other duty or agreement of confidentiality;

(iii) was known to me or in my possession free of any obligation of confidence prior to Company's disclosure hereunder;

(iv) is, to my knowledge, lawfully acquired by me from any third party not bound by an obligation of confidence to the Company;

(v) is required to be disclosed by me pursuant to judicial action or governmental regulations or other legal requirements; provided, however, that in such circumstances, I shall reasonably notify Company in writing prior to making such disclosure and shall cooperate with Company (at Company's expense) in the event that the Company elects to contest and avoid such disclosure.

(d) **Prior Obligations.** I represent that my performance of all terms of this Agreement as an employee of the Company has not breached and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me prior or subsequent to the commencement of my Relationship with the Company, and I will not disclose to the Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party.

(e) **Third Party Information.** I recognize that the Company has received and in the future will receive confidential or proprietary information from third parties subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party.

5. **Inventions.**

(a) **Inventions Retained and Licensed.** I have attached hereto, as Exhibit A, a list describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by me prior to the commencement of the Relationship (collectively referred to as "Prior Inventions"), which belong solely to me or belong to me jointly

with another, which relate to any of the Company's proposed businesses, products or research and development, and which have not been assigned to the Company hereunder; or, if no such list is attached, I represent that there are no such Prior Inventions. If, in the course of my Relationship with the Company, I incorporate into a Company product, process or machine a Prior Invention owned by me or in which I have an interest, the Company is hereby granted and shall have a non-exclusive, royalty-free, irrevocable, perpetual, worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, sell and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine.

(b) **Assignment of Inventions.** I agree that **I** will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title and interest throughout the world in and to any and all inventions, designs, original works of authorship, developments, concepts, know-how, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of my Relationship with the Company (collectively referred to as "Inventions") that are related to the field of cosmetic surgery and dermatology, or to any business in which Company is now or may later become engaged (the "Assigned Scope"), except as specifically provided herein. I further acknowledge that all Inventions which are made by me (solely or jointly with others) within the Assigned Scope and during the period of my Relationship with the Company are "works made for hire" (to the greatest extent permitted by applicable law) and are compensated by my salary as an employee, unless regulated otherwise by the mandatory law of the state of California. With respect to any copyrightable work, whether published or unpublished, the Assigned Scope shall include, but not be limited to, the worldwide rights to reproduce the copyrighted work, to prepare derivative works based on the copyrighted work, to distribute copies of the copyrighted work, to perform and to display the copyrighted work publicly, and to register the claim of copyright therein.

(c) **Maintenance of Records.** I agree to keep and maintain reasonably adequate and current written records of all Inventions within the Assigned Scope made by me (solely or jointly with others) during the term of my Relationship with the Company. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, and any other format. The records will be available to and remain the sole property of the Company at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. I agree to return all such records (including any copies thereof) to the Company at the time of termination of my Relationship with the Company as provided for in Section 6.

(d) **Patent and Copyright Rights.** I agree to assist Company, or its designee, at its expense, in every proper way to secure Company's, or its designee's, rights in the Inventions and any copyrights, patents, trademarks, mask work rights, moral rights, or other intellectual property rights relating thereto in any and all countries, including the disclosure to

Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordation's, and all other instruments which Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive such rights, and in order to assign and convey to Company or its designee, and any successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the termination of this Agreement until the expiration of the last such intellectual property right to expire in any country of the world. If Company or its designee is unable because of my mental or physical incapacity or unavailability or for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents, copyright, mask works or other registrations covering Inventions or original works of authorship assigned to Company or its designee as above, then I hereby irrevocably designate and appoint Company and its duly authorized officers and agents as my agent and attorney in fact, to act for and in my behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright or other registrations thereon with the same legal force and effect as if originally executed by me. I hereby waive and irrevocably quitclaim to Company or its designee any and all claims, of any nature whatsoever, which I now or hereafter have for infringement of any and all Inventions assigned to Company or such designee.

(e) **Exception to Assignments.** I understand that the provisions of this Agreement requiring assignment of Inventions to Company do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870 (attached hereto as Exhibit B). I will advise the Company promptly in writing of any inventions that I believe meet such provisions and are not otherwise disclosed on Exhibit A.

6. **Company Property; Returning Company Documents.** I acknowledge and agree that I have no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including, without limitation, stored company files, e-mail messages and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice. I further agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I agree that, at the time of termination of my Relationship with the Company, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns. In the event of the termination of the Relationship, I agree to sign and deliver the "Termination Certification" attached hereto as Exhibit C; however, my failure to sign and deliver the Termination Certificate shall in no way diminish my continuing obligations under this Agreement.

7. **Notification to Other Parties.**

In the event that I leave the employ of the Company, I hereby consent to notification by the Company to my new employer about my rights and obligations under this Agreement.

8. **Solicitation of Employees, Consultants and Other Parties.** I agree that during the term of my Relationship with the Company, and for a period of twenty-four (24) months immediately following the termination of my Relationship with the Company for any reason, whether with or without cause, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity. Further, during my Relationship with the Company and at any time following termination of my Relationship with the Company for any reason, with or without cause, I shall not use any Confidential Information of the Company to attempt to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct his or its purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

9. **Representations and Covenants.**

(a) **Facilitation of Agreement.** I agree to execute promptly any proper oath or verify any proper document required to carry out the terms of this Agreement upon the Company's written request to do so.

(b) **Conflicts.** I represent that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into with any third party, including without limitation any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to commencement of my Relationship with the Company. I agree not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

(c) **Voluntary Execution.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

10. **General Provisions.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California, without giving effect to the principles of conflict of laws.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter herein and merges all

prior discussions between us. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by both parties. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Severability.** If one or more of the provisions in this Agreement are deemed void by law, then the remaining provisions will continue in full force and effect.

(d) **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives, and my successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

(e) **Survival.** The provisions of this Agreement shall survive the termination of the Relationship and the assignment of this Agreement by the Company to any successor in interest or other assignee.

(f) **Remedies.** Company and I acknowledge and agree that violation of this Agreement by either Party may cause the non-violating Party irreparable harm, and therefore the Parties agree that the non-violating Party will be entitled to seek extraordinary relief in court, including but not limited to temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security and in addition to and without prejudice to any other rights or remedies that the non-violating Party may have for a breach of this Agreement.

(g) **ADVICE OF COUNSEL.** I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

The parties have executed this Agreement on the respective dates set forth below:

COMPANY:
Restoration Robotics, Inc.

By: /s/ Michael Herriet
Name: Michael Herriet
Title: Director, HR
Date: 05/8/17

1383 Shore Bird Way

Mountain View, CA 94043

EMPLOYEE:

/s/ Charlotte Holland
an Individual:

By: Charlotte Holland

Date: 12/1/11
Address: [address]

EXHIBIT A

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP
EXCLUDED UNDER SECTION 5

Country	Title	Registration No.	Application No.

____ No inventions or improvements

____ Additional Sheets Attached

Signature of Employee: _____

Print Name of Employee: _____ Date:

EXHIBIT B

Section 2870 of the California Labor Code is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

EXHIBIT C

TERMINATION CERTIFICATION

This is to certify that, to my knowledge, I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, flow charts, materials, equipment, other documents or property, or copies or reproductions of any aforementioned items belonging to Restoration Robotics, Inc., its subsidiaries, affiliates, successors or assigns (together the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information and Invention Assignment Agreement signed by me, including the reporting of any inventions and original works of authorship (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Confidential Information and Invention Assignment Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twenty-four (24) months from the date of this Certificate, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity. Further, I shall not at any time use any Confidential Information of the Company to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct his or its purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Date: _____

_____
(Employee's Signature)

_____
(Type/Print Employee's Name)

RESTORATION ROBOTICS, INC.

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment to the Employment Agreement between Restoration Robotics, Inc. (the **"Company")** and Charlotte Holland (**"Employee"**) dated November 29, 2011 (the **"Agreement"**) is made and effective as of December 12, 2013 between the Company and Employee (the **"Amendment"**).

WHEREAS, the Company has entered into the Agreement with Employee; and

WHEREAS, the Company and Employee wish to amend the Agreement upon and subject to the terms and conditions contained herein.

NOW, THEREFORE, the Company and Employee agree that the Agreement shall be amended as follows:

Amendment. A new Section 8(A) shall be added to the Agreement to read as follows:

"8. **Severance: Accelerated Vesting.**

(a) In the event your employment is terminated without "Cause" (as defined in the Company's 2005 Stock Plan) or you resigned for "Good Reason" (as defined below), you will be entitled to receive as severance: (i) a total of two months of continued base salary and benefits if the termination occurs after February 4, 2014 and before February 4, 2015, (ii) a total of four months of continued base salary and benefits if the termination occurs on or after February 4, 2015 and before February 4, 2016, and (iii) a total of six months of continued base salary and benefits if the termination occurs on or after February 4, 2016.

(b) In addition, if your employment is terminated without "Cause" or you resigned for "Good Reason" in connection with or during the one-year period following a Change of Control) as defined in the Company's 2005 Stock Plan), then 100% of the then unvested shares under the Option shall vest immediately.

(c) For purposes of this Agreement, your voluntary resignation will be deemed to be for "Good Reason" if it results from any of the following: (i) without your express written consent, the significant reduction of your duties, authority or responsibilities (taken as a whole), relative to your duties, authority or responsibilities as in effect immediately prior to such reduction: (ii) a material reduction by the Company, without your express written consent, in your base salary as in effect immediately prior to such reduction (other than in connection with a general reduction of base salaries applicable to all employees in similar positions); (iii) a material reduction by the Company, without your express written consent, in the kind of level of employee benefits to which you were entitled immediately prior to such reduction with the result that your overall benefits package is significantly reduced (other than in connection with a

general reduction of benefits applicable to all employees in similar positions); (iv) the relocation of your primary work location to a facility or a location more than 50 miles from your then present location, without your express written consent; or (v) the failure of the Company to obtain the assumption of this Agreement by any successors.

(d) In all cases, the foregoing several and acceleration of vesting benefits shall be subject to your execution of a general release of claims in form and substance reasonable satisfactory to the Company."

1. Full Force and Effect. To the extent not expressly amended hereby, the Agreement remains in full force and effect.

2. Entire Agreement. This Amendment, together with the Agreement (to the extent not amended hereby) and all exhibits thereto represent the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between the parties with respect to the subject matter herein.

3. Governing Law. This Amendment shall be governed by and construed and interpreted under the laws of the State of California without reference to conflicts of law principles.

4. Modification. This Amendment may not be altered, amended or modified in any way except by written consent of the Company and Employee. Waiver of any term or provision of this Amendment or forbearance to enforce any term or provision by any party shall not constitute a waiver as to any subsequent breach or failure of the same term or provision or a waiver of any other term or provisions of this Amendment.

5. Counterparts. This Amendment may be executed in counterparts, each of which shall be declared an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Amendment has been entered into as of the date first set forth above.

RESTORATION ROBOTICS, INC.		**EMPLOYEE**	
By:	/s/ James McCollum	By:	/s/ Charlotte Holland
Name:	James McCollum	Name:	Charlotte Holland
Title	Chief Executive Officer		

EXHIBIT B

CHANGE OF CONTROL AND SEVERANCE PLAN

- **Eligibility:** All Vice President level employees upon hiring or promotion to such position.

- **Change of Control Benefit:** Full acceleration of all unvested options if terminated without "cause" or resignation for "good reason" within 12 months of a change of control event. Applies to all option grants.

- **Severance Benefit:** Lump sum cash payment and continuation of benefit in an amount and time dependent on time as service as Vice President
    - Lump sum payment of 2 months' salary and 2 months continuation of company sponsored benefits if provided service as Vice President for at least 12 months but less than 24 months
    - Lump sum payment of 4 months' salary and 4 months continuation of company sponsored benefits if provided service as Vice President for at least 24 months but less than 36 months
    - Lump sum payment of 6 months' salary and 6 months continuation of company sponsored benefits if provided service as Vice President for 36 months or greater

Approved in the Apr 10, 2014 BOD Meeting

Exhibit 10.32

Restoration Robotics, Inc.
1383 Shore Bird Way
Mountain View, CA 94043
650-965-3612

September 4, 2008

Gabe Zingaretti

Dear Gabe:

On behalf of Restoration Robotics, Inc. (the "Company"). I am pleased to offer you the position of Senior Software Engineer, reporting to Shehrzad Qureshi, the Company's Director of Software Engineering.

1. **Compensation.** In this exempt position, you will earn a starting annual salary of $140,000, subject to applicable tax withholding. Your salary will be payable biweekly in accordance with the Company's regular payroll policy.

2. **Employee Benefits.**

a. **Paid Time Off.** You will be eligible to accrue paid vacation at the full-time rate of ten (10) hours per calendar month, up to a maximum accrual of 240 hours. In addition, you will be eligible to accrue paid sick leave at the rate of 5 hours per calendar month, up to a maximum of 80 hours.

b. **Group Plans.** The Company will provide you with the opportunity to participate in the standard benefits plans currently available to other similarly situated employees, including medical, dental, vision, life insurance, Section 125 flexible benefits, and 401(k) retirement plans, subject to any eligibility requirements imposed by such plans.

3. **Equity Award.**

a. **Stock Option.** In connection with the commencement of your employment, the Company will recommend that the Board of Directors grant you a stock option (the "Option") to purchase 50,000 shares of the Company's Common Stock with an exercise price equal to the fair market value on the date of the grant. The Option shares will vest at the rate of 1/4th of the total number of shares on the first anniversary of your employment start date and 1/48th of the total number of shares each month thereafter. Vesting will, of course, depend on your continued employment with the Company. The Option will be an incentive stock option to the maximum extent allowed by the tax code and will be subject to the terms of the Company's 2005 Stock Plan and the Stock Option Agreement between you and the Company.

4. **Pre-employment Conditions.**

a. **Confidentiality Agreement.** Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Confidential Information and Invention Assignment Agreement, a copy of which is enclosed for your review and execution (the "Confidentiality Agreement"), prior to or on your Start Date.

b. **Right to Work.** For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three business days of your Start Date, or our employment relationship with you may be terminated.

c. **Verification of Information.** This offer of employment is also contingent upon the successful verification of the information you provided to the Company during your application process, as well as a general background check performed by the Company to confirm your suitability for employment. By accepting this offer of employment, you warrant that all information provided by you is true and correct to the best of your knowledge, and you expressly release the Company from any claim or cause of action arising out of the Company's verification of such information. You have a right to review copies of any public records obtained by the Company in conducting this verification process unless you check the box below.

5. **No Conflicting Obligations.** You understand and agree that by accepting this offer of employment, you represent to the Company that your performance will not breach any other agreement to which you are a party and that you have not, and will not during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not need and will not use such information and we will assist you in any way possible to preserve and protect the confidentiality of proprietary information belonging to third parties. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires.

6. **General Obligations.** As an employee, you will be expected to adhere to the Company's standards of professionalism, loyalty, integrity, honesty, reliability and respect for all. Please note that the Company is an equal opportunity employer. The Company does not permit, and will not tolerate, the unlawful discrimination or harassment of any employees, consultants, or related third parties on the basis of sex, race, color, religion, age, national origin or ancestry, marital status, veteran status, mental or physical disability or medical condition, sexual orientation, pregnancy, childbirth or related medical condition, or any other status protected by applicable law. Any questions regarding this EEO statement should be directed to Human Resources.

7. **At-Will Employment.** Your employment with the Company will be on an "at will" basis, meaning that either you or the Company may terminate your employment at any time for any reason or no reason, without further obligation or liability. The Company also reserves the right to modify or amend the terms of your employment at any time for any reason. This policy of at-will employment is the entire agreement as to the duration of your employment and may only be modified in an express written agreement signed by the Chief Executive Officer of the Company.

We are pleased to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me, along with a signed and dated original copy of the Confidentiality Agreement, on or before September 5, 2008. The Company requests that you begin work in this new position on or before September 22, 2008. This letter, together with the Confidentiality Agreement, set forth the terms of your employment with the Company and supersede any prior representations or agreements, whether written or oral. This letter will be governed by the laws of California, without regard to its conflict of laws provisions. This letter may not be modified or amended except by a written agreement, signed by an officer of the Company.

Very truly yours,

RESTORATION ROBOTICS, INC.

By: /s/ Mohan Bodduluri
Name: Mohan Bodduluri
Title: VP, R&D

ACCEPTED AND AGREED:

Gabriole Zingaretti
Signature

09/04/2008
Date

GZ I hereby waive my right to receive any public records as described above.

Attachment A: Confidential Information and Invention Assignment Agreement

Attachment A

Confidential Information and Invention Assignment Agreement

CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

As a condition of my becoming employed (or my employment being continued) by or retained as a consultant (or my consulting relationship being continued) by Restoration Robotics, Inc., a Delaware corporation ("Restoration Robotics") or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my employment or consulting relationship with the Company and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following:

1. **Employment or Consulting Relationship.** I understand and acknowledge that this Agreement does not alter, amend or expand upon any rights I may have to continue in the employ of, or in a consulting relationship with, or the duration of my employment or consulting relationship with, the Company under any existing agreements between the Company and me or under applicable law. Any employment or consulting relationship between the Company and me, whether commenced prior to or upon the date of this Agreement, shall be referred to herein as the "Relationship."

2. **Duties.** I will perform for the Company such duties as may be designated by the Company from time to time. During the Relationship, I will devote my best efforts to the interests of the Company and will not engage in other employment or in any activities detrimental to the best interests of the Company except as specifically provided in the Relationship or without the prior written consent of the Company; provided that, the Company acknowledges and agrees that I will continue to participate in those activities in which I am already engaged, including without limitation, serving as an expert or consultant in connection with litigation matters, designing, filing and licensing to third parties patents and other intellectual property for technologies unrelated to cosmetic and reconstructive surgery and participating in activities that maintain and improve my reputation and credibility as an expert in your field; provided further, that such activities shall not interfere with my duties and obligations as an officer of the Company.

3. **At-Will Relationship.** I understand and acknowledge that my Relationship with the Company is and shall continue to be at-will, as defined under applicable law, meaning that either I or the Company may terminate the Relationship at any time for any reason or no reason, without further obligation or liability.

4. **Confidential Information.**

(a) **Company Information.** I agree at all times during the term of my Relationship with the Company and thereafter to hold in strictest confidence and not to use, except for the benefit of the Company to the extent necessary to perform my obligations to the Company under the Relationship, or to disclose to any person, firm, corporation or other entity without written authorization of the Board of Directors of the Company, any Confidential Information of the Company which I obtain or create. I further agree not to make copies of such Confidential Information except as authorized by the Company. I understand that "Confidential

Information" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, suppliers, customer lists and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship), prices and costs, markets, software, developments, inventions, laboratory notebooks, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, licenses, finances, budgets or other business information disclosed to me by the Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment or created by me and within the field of cosmetic and reconstructive surgery during the period of the Relationship, whether or not during working hours. Confidential Information shall exclude, and my obligations under this Agreement shall not apply to, information which:

(i) is in the public domain or is generally known or available;

(ii) hereafter becomes part of the public domain or is generally known or available through no violation of this Agreement or any other duty or agreement of confidentiality;

(iii) was known to me or in my possession prior to Company's disclosure hereunder;

(iv) is, to my knowledge, lawfully acquired by me from any third party not bound by an obligation of confidence to the Company;

(v) is independently developed by or for me without using the Confidential Information of the Company; or

(vi) is required to be disclosed by me pursuant to judicial action or governmental regulations or other legal requirements; provided, however, that in such circumstances, I shall reasonably notify Company in writing prior to making such disclosure and shall cooperate with Company (at Company's expense) in the event that the Company elects to contest and avoid such disclosure.

(d) **Prior Obligations.** I represent that my performance of all terms of this Agreement as an employee or consultant of the Company has not breached and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me prior or subsequent to the commencement of my Relationship with the Company, and I will not disclose to the Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party.

(e) **Third Party Information.** I recognize that the Company has received and in the future will receive confidential or proprietary information from third parties subject to a

duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out my work for the Company consistent with the Company's agreement with such third party.

5. **Inventions.**

(a) **Inventions Retained and Licensed.** I have attached hereto, as Exhibit A, a list describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by me prior to the commencement of the Relationship (collectively referred to as "Prior Inventions"), which belong solely to me or belong to me jointly with another, which relate to any of the Company's proposed businesses, products or research and development, and which have not been assigned to the Company hereunder; or, if no such list is attached, I represent that there are no such Prior Inventions. If, in the course of my Relationship with the Company, I incorporate into a Company product, process or machine a Prior Invention owned by me or in which I have an interest, the Company is hereby granted and shall have a non-exclusive, royalty-free, irrevocable, perpetual, worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, sell and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine.

(b) **Assignment of Inventions.** I agree that I will promptly make full written disclosure to Restoration Robotics, will hold in trust for the sole right and benefit of Restoration Robotics, and hereby assign to Restoration Robotics, or its designee, all my right, title and interest throughout the world in and to any and all inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of my Relationship with the Company (collectively referred to as "Inventions") that are related to the field of cosmetic and reconstructive surgery (the "Assigned Scope"), except as specifically provided herein. I further acknowledge that all Inventions which are made by me (solely or jointly with others) within the Assigned Scope and during the period of my Relationship with the Company are "works made for hire" (to the greatest extent permitted by applicable law) and are compensated by my salary (if I am an employee) or by such amounts paid to me under any applicable consulting agreement or consulting arrangements (if I am a consultant), unless regulated otherwise by the mandatory law of the state of California.

(c) **Maintenance of Records.** I agree to keep and maintain reasonably adequate and current written records of all Inventions within the Assigned Scope made by me (solely or jointly with others) during the term of my Relationship with the Company. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, and any other format. The records will be available to and remain the sole property of the Company at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may,

from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. I agree to return all such records (including any copies thereof) to Restoration Robotics at the time of termination of my Relationship with the Company as provided for in Section 6.

(d) **Patent and Copyright Rights.** I agree to assist Restoration Robotics, or its designee, at its expense, in every proper way to secure Restoration Robotics', or its designee's, rights in the Elected Inventions and any copyrights, patents, trademarks, mask work rights, moral rights, or other intellectual property rights relating thereto in any and all countries, including the disclosure to Restoration Robotics or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which Restoration Robotics or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive such rights, and in order to assign and convey to Restoration Robotics or its designee, and any successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Elected Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the termination of this Agreement until the expiration of the last such intellectual property right to expire in any country of the world. If Restoration Robotics or its designee is unable because of my mental or physical incapacity or unavailability or for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents, copyright, mask works or other registrations covering Inventions or original works of authorship assigned to Restoration Robotics or its designee as above, then I hereby irrevocably designate and appoint Restoration Robotics and its duly authorized officers and agents as my agent and attorney in fact, to act for and in my behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright or other registrations thereon with the same legal force and effect as if originally executed by me. I hereby waive and irrevocably quitclaim to Restoration Robotics or its designee any and all claims, of any nature whatsoever, which I now or hereafter have for infringement of any and all Elected Inventions assigned to Restoration Robotics or such designee.

(e) **Exception to Assignments.** I understand that the provisions of this Agreement requiring assignment of Inventions to Restoration Robotics do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870 (attached hereto as Exhibit B). I will advise the Company promptly in writing of any inventions that I believe meet such provisions and are not otherwise disclosed on Exhibit A.

6. **Company Property; Returning Company Documents.** I acknowledge and agree that I have no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including, without limitation, stored company files, e-mail messages and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice. I further agree that any property situated on the Company's premises and owned by the Company, including disks and

other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I agree that, at the time of termination of my Relationship with the Company, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns. In the event of the termination of the Relationship, I agree to sign and deliver the "Termination Certification" attached hereto as Exhibit C; however, my failure to sign and deliver the Termination Certificate shall in no way diminish my continuing obligations under this Agreement.

7. **Notification to Other Parties.**

(a) **Employees.** In the event that I leave the employ of the Company, I hereby consent to notification by the Company to my new employer about my rights and obligations under this Agreement.

(b) **Consultants.** I hereby grant consent to notification by the Company to any other parties besides the Company with whom I maintain a consulting relationship, including parties with whom such relationship commences after the effective date of this Agreement, about my rights and obligations under this Agreement.

8. **Solicitation of Employees, Consultants and Other Parties.** I agree that during the term of my Relationship with the Company, and for a period of twenty-four (24) months immediately following the termination of my Relationship with the Company for any reason, whether with or without cause, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity. Further, during my Relationship with the Company and at any time following termination of my Relationship with the Company for any reason, with or without cause, I shall not use any Confidential Information of the Company to attempt to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct his or its purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

9. **Representations and Covenants.**

(a) **Facilitation of Agreement.** I agree to execute promptly any proper oath or verify any proper document required to carry out the terms of this Agreement upon the Company's written request to do so.

(b) **Conflicts.** I represent that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into with

any third party, including without limitation any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to commencement of my Relationship with the Company. I agree not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

(c) **Voluntary Execution.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement and that I understand and will fully and faithfully comply with such provisions.

10. **General Provisions.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California, without giving effect to the principles of conflict of laws.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter herein and merges all prior discussions between us. No modification or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing signed by both parties. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Severability.** If one or more of the provisions in this Agreement are deemed void by law, then the remaining provisions will continue in full force and effect.

(d) **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives, and my successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

(e) **Survival.** The provisions of this Agreement shall survive the termination of the Relationship and the assignment of this Agreement by the Company to any successor in interest or other assignee.

(f) **Remedies.** Company and I acknowledge and agree that violation of this Agreement by either Party may cause the non-violating Party irreparable harm, and therefore the Parties agree that the non-violating Party will be entitled to seek extraordinary relief in court, including but not limited to temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security and in addition to and without prejudice to any other rights or remedies that the non-violating Party may have for a breach of this Agreement.

(g) **ADVICE OF COUNSEL.** I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

[Signature Page Follows]

The parties have executed this Agreement on the respective dates set forth below:

COMPANY:

Restoration Robotics, Inc.

By: /s/ Michael Herrick

Name: Michael Herrick

Title: Director, HR

Date: 5/8/17

1383 Shore Bird Way

Mountain View, CA 94043

EMPLOYEE:

Gabe Zingaretti
an Individual:

/s/ Gabe Zingaretti
Signature

Date:

Address:

EXHIBIT A

LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP
EXCLUDED UNDER SECTION 5

Country	Title	Registration No.	Application No.

____No inventions or improvements

____Additional Sheets Attached

Signature of Employee/Consultant: _____

Print Name of Employee/Consultant: _____ Date:

EXHIBIT B

Section 2870 of the California Labor Code is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

EXHIBIT C

TERMINATION CERTIFICATION

This is to certify that, to my knowledge, I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, flow charts, materials, equipment, other documents or property, or copies or reproductions of any aforementioned items belonging to Restoration Robotics, Inc., its subsidiaries, affiliates, successors or assigns (together the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information and Invention Assignment Agreement signed by me, including the reporting of any inventions and original works of authorship (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Confidential Information and Invention Assignment Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twenty-four (24) months from the date of this Certificate, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity. Further, I shall not at any time use any Confidential Information of the Company to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct his or its purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Date: _____

_____
(Employee's Signature)

_____
(Type/Print Employee's Name)

RESTORATION ROBOTICS, INC.

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment to the Employment Agreement between Restoration Robotics, Inc. (the **"Company"**) and Gabe Zingaretti (**"Employee"**) dated September 4, 2008 (the **"Agreement"**) is made and effective as of December 12, 2013 between the Company and Employee (the **"Amendment"**).

WHEREAS, the Company has entered into the Agreement with Employee; and

WHEREAS, the Company and Employee wish to amend the Agreement upon and subject to the terms and conditions contained herein.

NOW, THEREFORE, the Company and Employee agree that the Agreement shall be amended as follows:

Amendment. A new Section 8(A) shall be added to the Agreement to read as follows:

"8. Severance: Accelerated Vesting.

(a) In the event your employment is terminated without "Cause" (as defined in the Company's 2005 Stock Plan) or you resigned for "Good Reason" (as defined below), you will be entitled to receive as severance: (i) a total of two months of continued base salary and benefits if the termination occurs after September 4, 2013 and before September 4, 2014, (ii) a total of four months of continued base salary and benefits if the termination occurs on or after September 4, 2014 and before September 4, 2015, and (iii) a total of six months of continued base salary and benefits if the termination occurs on or after September 4, 2015.

(b) In addition, if your employment is terminated without "Cause" or you resigned for "Good Reason" in connection with or during the one-year period following a Change of Control (as defined in the Company's 2005 Stock Plan), then 100% of the then unvested shares under the Option shall vest immediately.

(c) For purposes of this Agreement, your voluntary resignation will be deemed to be for "Good Reason" if it results from any of the following: (i) without your express written consent, the significant reduction of your duties, authority or responsibilities (taken as a whole), relative to your duties, authority or responsibilities as in effect immediately prior to such reduction: (ii) a material reduction by the Company, without your express written consent, in your base salary as in effect immediately prior to such reduction (other than in connection with a general reduction of base salaries applicable to all employees in similar positions); (iii) a material reduction by the Company, without your express written consent, in the kind of level of employee benefits to which you were entitled immediately prior to such reduction with the result that your overall benefits package is significantly reduced (other than in connection with a

general reduction of benefits applicable to all employees in similar positions); (iv) the relocation of your primary work location to a facility or a location more than 50 miles from your then present location, without your express written consent; or (v) the failure of the Company to obtain the assumption of this Agreement by any successors.

(d) In all cases, the foregoing several and acceleration of vesting benefits shall be subject to your execution of a general release of claims in form and substance reasonable satisfactory to the Company."

1. Full Force and Effect. To the extent not expressly amended hereby, the Agreement remains in full force and effect.

2. Entire Agreement. This Amendment, together with the Agreement (to the extent not amended hereby) and all exhibits thereto represent the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between the parties with respect to the subject matter herein.

3. Governing Law. This Amendment shall be governed by and construed and interpreted under the laws of the State of California without reference to conflicts of law principles.

4. Modification. This Amendment may not be altered, amended or modified in any way except by written consent of the Company and Employee. Waiver of any term or provision of this Amendment or forbearance to enforce any term or provision by any party shall not constitute a waiver as to any subsequent breach or failure of the same term or provision or a waiver of any other term or provisions of this Amendment.

5. Counterparts. This Amendment may be executed in counterparts, each of which shall be declared an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Amendment has been entered into as of the date first set forth above.

RESTORATION ROBOTICS, INC.

By: /s/ James McCollum
Name: James McCollum
Title Chief Executive Officer

EMPLOYEE

By: /s/ Gabe Zingaretti
Name: Gabe Zingaretti

EXHIBIT B

CHANGE OF CONTROL AND SEVERANCE PLAN

- **Eligibility:** All Vice President level employees upon hiring or promotion to such position.
- **Change of Control Benefit:** Full acceleration of all unvested options if terminated without "cause" or resignation for "good reason" within 12 months of a change of control event. Applies to all option grants.
- **Severance Benefit:** Lump sum cash payment and continuation of benefit in an amount and time dependent on time as service as Vice President
    - Lump sum payment of 2 months' salary and 2 months continuation of company sponsored benefits if provided service as Vice President for at least 12 months but less than 24 months
    - Lump sum payment of 4 months' salary and 4 months continuation of company sponsored benefits if provided service as Vice President for at least 24 months but less than 36 months
    - Lump sum payment of 6 months' salary and 6 months continuation of company sponsored benefits if provided service as Vice President for 36 months or greater

Approved in the Apr 10, 2014 BOD Meeting

Exhibit 10.33

TRANSITION AND SEPARATION AGREEMENT

This Transition and Separation Agreement (the "Agreement") by and between James W. McCollum ("Executive") and Restoration Robotics, Inc. (the "Company") is made effective eight (8) days after Executive's signature hereto (the "Effective Date"). Any reference to the Company throughout this Agreement shall include the Company, its subsidiaries and any successors thereto.

A. Executive's employment with the Company and status as an officer, director and employee of the Company and each of its affiliates will end effective upon the Termination Date (as defined below).

B. Executive and the Company want to end their relationship amicably and also to establish the obligations of the parties including, without limitation, all amounts due and owing to Executive.

C. The payments and benefits being made available to Executive pursuant to this Agreement are intended to satisfy all outstanding obligations under that certain employment offer letter agreement by between Executive and the Company, dated as of October 23, 2005 (the "Employment Agreement").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. Termination Date. Executive acknowledges and agrees that his status as an officer, a member of the board of directors and employee of the Company will end effective as of the close of business on December 30, 2016, unless terminated earlier by the Company for any reason (such date, the "Termination Date"). Executive hereby agrees to execute such further document(s) as shall be determined by the Company as necessary or desirable to give effect to the termination of Executive's status as an officer of the Company; *provided* that such documents shall not be inconsistent with any of the terms of this Agreement.

2. Transition Services.

(a) *Transition Period.* During the period of time (the "Transition Period") commencing on the Effective Date and ending on the Termination Date, Executive shall be available to provide services to the Company as the Company's Chief Executive Officer, on an exclusive basis, and shall provide such services (the "Transition Services") as are customary for a Chief Executive Officer and as may be requested by the Company's Board of Directors from time to time. During the Transition Period, Executive reaffirms his commitment to remain in compliance with that certain Confidential Information and Invention Assignment Agreement entered into between Executive and the Company (the "Confidentiality Agreement"), it being understood that the term "employment" as used in the Confidentiality Agreement shall include the Transition Services during the Transition Period. Executive acknowledges and agrees that, during the Transition Period, Executive shall not, directly or indirectly, become employed by or provide assistance to any competitor of the Company.

(b) *Salary and Benefits Continuation.* During the Transition Period, Executive will continue to be paid his base salary at the rate in effect on the Effective Date, reimbursement of commuting expenses as set forth in Employment Agreement, accrue paid vacation and be eligible for all employee benefit plans generally available to executives of

the Company through the Termination Date; provided, however, that Executive shall not be eligible for any annual performance bonus for fiscal year 2016. All payments made to Executive during the Transition Period will be subject to standard payroll deductions and withholdings.

(c) *Equity Awards.* During the Transition Period, Executive's options to purchase shares of Company common stock (collectively, "Equity Awards") shall continue to vest and, if applicable, become exercisable and the restrictions thereupon lapse in accordance with their original vesting schedules, subject to Executive continuing to provide the Transition Services to the Company. Subject to Section 4(c) below, in the event Executive ceases to provide the Transition Services, Executive's unvested Equity Awards shall be forfeited as of the date of such complete cessation of services. Notwithstanding the foregoing, in the event of a Change of Control (as defined in the Employment Agreement), the vesting and exercisability of the Equity Awards shall automatically accelerate as to fifty percent (50%) of the then-unvested shares subject thereto, subject to Executive continuing to provide services to the Company through the date the Change of Control is consummated.

(d) *Monthly Transition Bonus.* For each calendar month of service Executive completes during the Transition Period, effective March 1, 2016, Executive shall be paid $20,000, less applicable withholdings and deductions, in accordance with the Company's standard payroll practices. Such monthly cash payment shall be pro-rated for any partial service during the calendar month in which the Transition Period ends. Executive is only eligible for the monthly cash bonus so long as Executive provides the Transition Services to the reasonable satisfaction of the Company, as determined by the Company's board of directors in good faith; once the Transition Period has been terminated, Executive shall no longer be eligible to receive any monthly cash bonus. The final monthly transition bonus will be paid in full to Executive within ten (10) business days from last full day of employment.

(e) *Protection of Information.* Executive agrees that, during the Transition Period and thereafter, Executive will not, except for the purposes of performing the Transition Duties, seek to obtain any confidential or proprietary information or materials of the Company.

3. Final Paycheck; Payment of Accrued Wages and Expenses.

(a) *Final Paycheck.* As required by law, the Company will pay Executive within seventy two (72) hours of the Termination Date all accrued but unpaid base salary and all accrued and unused vacation earned through the Termination Date, subject to standard payroll deductions and withholdings. Executive is entitled to these payments regardless of whether Executive executes this Agreement or a Release of Claims.

(b) *Business Expenses.* Executive agrees that, within ten (10) business days after the Termination Date, Executive will submit Executive's final documented expense reimbursement statement reflecting all business expenses Executive incurred through the Termination Date, if any, for which Executive seeks reimbursement. The Company will reimburse Executive for these expenses pursuant to its regular business practice.

4. Separation Payments and Benefits. Without admission of any liability, fact or claim, the Company hereby agrees, subject to Executive's execution of this Agreement and, on

or within thirty (30) days following the Termination Date, the General Release of Claims attached hereto as **Exhibit A** (the "Release of Claims") and Executive's performance of his continuing obligations pursuant to this Agreement, the Employment Agreement and the Confidentiality Agreement, to provide Executive the severance benefits set forth below (unless Executive was terminated for Cause prior to the end of the Transition Period, in which case, Executive shall not be eligible for the benefits described in this Section 4). Specifically, the Company and Executive agree as follows:

(a) *Severance.* The Company shall continue to pay to Executive his base salary at the rate in effect as of immediately prior to the Termination Date for the Severance Period (as defined below). Such payments shall be made in accordance with the Company's standard payroll practices, less applicable withholdings and deductions, with each payment deemed to be a separate payment for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). The first such payment shall commence on the first payroll date following the date the Release of Claims becomes effective and irrevocable, which shall include amounts otherwise due and payable under this Section 4(a) on or before such date. Further, and consistent with and in full satisfaction of Executive's Employment Agreement, the Company will directly pay or reimburse Executive for COBRA premiums following the Termination Date as set forth herein in Section 4(b) below and stock option vesting will be accelerated as set forth herein in Section 4(c) below. For purposes of this Agreement, the "Severance Period" shall mean the period of time commencing on the Termination Date and ending on the earlier of (i) the twelve (12)-month anniversary of the Termination Date and (ii) the date Executive commences full-time employment with another employer.

(b) *Healthcare Continuation Coverage.* If Executive elects to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall directly pay, or reimburse Executive for, the premium for Executive and Executive's covered dependents through the earlier of (i) the first (1st) anniversary of the Termination Date or (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). After the Company ceases to pay premiums pursuant to the preceding sentence, Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA. Executive acknowledges that he shall be solely responsible for all matters relating to Executive's continuation of coverage pursuant to COBRA, including, without limitation, Executive's election of such coverage and his timely payment of premiums.

(c) *Equity Awards*: The Company shall accelerate the vesting of each Equity Award held by Executive as of the Termination Date with respect to that number of unvested shares as otherwise would have vested had Executive continued employment with the Company for the twelve (12)-month period immediately following the Termination Date. All Equity Awards shall otherwise remain subject in all respects to the restrictions of the applicable Equity Award agreements between the Executive and the Company and the Company's applicable equity incentive plan. All unvested shares subject to Equity Awards held by the Executive as of the Termination Date (after giving effect to the accelerated vesting provided under this Section 4(c)) shall terminate and be forfeited as of the Termination Date.

(d) *Taxes.* Executive understands and agrees that all payments under this Agreement will be subject to appropriate tax withholding and other deductions. To the

extent any taxes may be payable by Executive for the benefits provided to him by this Agreement beyond those withheld by the Company, Executive agrees to pay them himself and to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties, and associated attorneys' fees and costs, resulting from any failure by him to make required payments. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, such reimbursements shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(e) *Sole Separation Benefit.* Executive agrees that the payments provided by this Section 4 are not required under the Company's normal policies and procedures and are provided as a severance solely in connection with this Agreement, the Employment Agreement and the Release of Claims. Thus, for any Company sponsored employee benefits not referenced in this Agreement, Executive will be treated as a terminated employee effective on the Termination Date. This includes but is not limited to the Company's 401(k) plan and Company sponsored life insurance and long-term disability insurance. Executive acknowledges and agrees that the payments referenced in this Section 4 constitute adequate and valuable consideration, in and of themselves, for the promises contained in this Agreement and the Release of Claims.

(f) *Unemployment Benefits.* After the Termination Date, Executive may apply for unemployment benefits. Whether Executive receives benefits will be determined by the State.

5. Full Payment. Executive acknowledges that the payment and arrangements herein shall constitute full and complete satisfaction of any and all amounts properly due and owing to Executive as a result of his employment with the Company and the termination thereof. Executive further acknowledges that, other than the Confidentiality Agreement, this Agreement and the Release of Claims shall supersede each agreement entered into between Executive and the Company regarding Executive's employment, including, without limitation, the Employment Agreement, and each such agreement shall be deemed terminated and of no further effect as of the Termination Date.

6. Executive's Release of the Company. Executive understands that by agreeing to the release provided by this Section 6, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Agreement.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company and each of its owners, affiliates, divisions, predecessors, successors, assigns, shareholders, subsidiaries, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time

to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment, remuneration or resignation by the Releasees, or any of them, including without limitation any and all Claims arising under federal, state, or local laws relating to employment, claims of any kind that may be brought in any court or administrative agency, any claims arising under the Age Discrimination in Employment Act ("ADEA"), as amended, 29 U.S.C. § 621, et seq.; the Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; California Business & Professions Code Section 17200, ordinance or statute regarding employment; Claims any other local, state or federal law governing employment; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any rights and benefits under this Agreement or benefit entitlements vested as of the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan, including, without limitation, the terms of any Company equity compensation plan and/or any equity compensation agreement between Executive and the Company;

(v) Claims for indemnification under California Labor Code Section 2802, the Company's Certificate of Incorporation, the Company's Bylaws, Delaware General Corporation Law or other applicable law, and under the terms of any policy of insurance purchased by the Company; and

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; *provided, however,* that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following: Executive acknowledges that Executive is knowingly and voluntarily waiving and releasing any rights Executive may have under the ADEA. Executive also acknowledges that the consideration given for the waiver and release herein is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing, as required by the ADEA, that: (i) Executive's waiver and release do not apply to any rights or claims that may arise after the execution date of this Agreement; (ii) Executive has been advised hereby that Executive has the right to consult with an attorney prior to executing this Agreement; (iii) Executive has twenty-one (21) days from the date of this Agreement to execute this Agreement (although Executive may choose to voluntarily execute this Agreement earlier); (iv) Executive has seven (7) days following the execution of this Agreement by Executive to revoke the Agreement, and Executive will not receive the transition benefits provided by Section 2 of the Agreement unless and until such seven (7) day period has expired; (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth (8th) day after this Agreement is executed by Executive, *provided* that the Company has also executed this Agreement by that date; and (vi) this Agreement does not affect Executive's ability to test the knowing and voluntary nature of this Agreement. If Executive wishes to revoke this Agreement, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. Pacific Time on the 7th day following Executive's execution of this Agreement to Brian Cuneo, Latham & Watkins LLP, 140 Scott Drive, Menlo Park, CA 94025, fax: (650) 463-2600.

(d) EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

7. *Mutual* Non-Disparagement, Transition, Transfer of Company Property; Confidentiality; and Job References.

(a) *Mutual Non-Disparagement.* Executive agrees that Executive will not make statements or representations to any person, entity or firm which could reasonably be expected to cast the Company or any entity or employee affiliated with the Company in an unfavorable light or which could reasonably be anticipated to adversely affect the name or reputation of the Company or any entity affiliated with the Company, or the name or reputation of any officer, agent or employee of the Company or of any entity affiliated with the Company; *provided* that Executive will respond accurately and fully to any question, inquiry or request for information when required by legal process. The officers, directors, and managing agents of the Company agree to refrain from discussing or making any derogatory or disparaging remarks or statements, oral or written, to any third parties

concerning Executive in any manner likely to be harmful to Executive's business reputation or personal reputation; *provided* that the Company officers, directors, and managing agents will respond accurately and fully to any question, inquiry or request for information when required by legal process.

(b) *Transition.* Each of the Company and Executive shall use their respective reasonable efforts to cooperate with each other in good faith to facilitate a smooth transition of Executive's duties to other executive(s) of the Company.

(c) *Transfer of Company Property.* Except as otherwise contemplated in this Agreement, on or before the Termination Date, Executive shall turn over to the Company all files, memoranda, records, and other documents, and any other physical or personal property which are the property of the Company and which he had in his possession, custody or control at the time he signed this Agreement. By executing and returning this Agreement and the Release of Claims, Executive is certifying that Executive has complied with Executive's obligation herein to immediately return all Company documents and information regardless of where Executive has maintained such Company property. Executive's compliance with the terms of this Section 7(c) is a condition precedent to Executive's eligibility to receive the payments and benefits described in Section 4 above.

(d) *Confidentiality.* The provisions of this Agreement and the Release of Claims will be held in strictest confidence by Executive and will not be publicized or disclosed in any manner whatsoever; *provided, however,* that: (i) Executive may disclose this Agreement to Executive's immediate family; (ii) Executive may disclose this Agreement and the Release of Claims in confidence to Executive's attorneys, accountants, auditors, tax preparers, and financial advisors; and (iii) Executive may disclose this Agreement and the Release of Claims insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law. In particular, and without limitation, Executive agrees not to disclose the terms of this Agreement or the Release of Claims to any current or former Company employee or independent contractor.

(e) *Job References.* Executive should direct any job reference inquiries to the Company's Human Resources. Pursuant to Company policy, in response to any such inquiries, the Company will provide only the position Executive held and the dates of employment. The Company will confirm Executive's salary in response to any such inquiry only if Executive submits a signed request to the Company to disclose such information.

8. Executive Representations. Executive warrants and represents that (a) he has not filed or authorized the filing of any complaints, charges or lawsuits against the Company or any affiliate of the Company with any governmental agency or court, and that if, unbeknownst to Executive, such a complaint, charge or lawsuit has been filed on his behalf, he will immediately cause it to be withdrawn and dismissed, (b) he has reported all hours worked as of the date of this Agreement and has been paid all compensation, wages, bonuses, commissions, and/or benefits to which he may be entitled and no other compensation, wages, bonuses, commissions and/or benefits are due to him, except as provided in this Agreement, (c) he has no known workplace injuries or occupational diseases and has been provided and/or has not been denied any leave requested under the Family and Medical Leave Act or any similar state law, (d) the execution, delivery and performance of this Agreement by Executive does not and will not conflict with, breach, violate or cause a default under any agreement, contract or instrument to which Executive is a party or any judgment, order or decree to which Executive is subject, and (e) upon the execution and delivery of

this Agreement by the Company and Executive, this Agreement will be a valid and binding obligation of Executive, enforceable in accordance with its terms.

9. No Assignment by Executive. Executive warrants and represents that no portion of any of the matters released herein, and no portion of any recovery or settlement to which Executive might be entitled, has been assigned or transferred to any other person, firm or corporation not a party to this Agreement, in any manner, including by way of subrogation or operation of law or otherwise. If any claim, action, demand or suit should be made or instituted against the Company or any other Releasee because of any actual assignment, subrogation or transfer by Executive, Executive agrees to indemnify and hold harmless the Company and all other Releasees against such claim, action, suit or demand, including necessary expenses of investigation, attorneys' fees and costs. In the event of Executive's death, this Agreement shall inure to the benefit of Executive and Executive's executors, administrators, heirs, distributees, devisees, and legatees. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only upon Executive's death by will or operation of law.

10. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California or, where applicable, United States federal law, in each case, without regard to any conflicts of laws provisions or those of any state other than California.

11. Miscellaneous. This Agreement, collectively with the Confidentiality Agreement and the General Release of Claims attached as **Exhibit A** hereto, comprise the entire agreement between the parties with regard to the subject matter hereof and supersedes, in their entirety, any other agreements between Executive and the Company with regard to the subject matter hereof, including without limitation the Employment Agreement. The Company and Executive acknowledge that the termination of the Executive's employment with the Company is intended to constitute an involuntary separation from service for the purposes of Section 409A of the Code, and the related Department of Treasury regulations. Executive acknowledges that there are no other agreements, written, oral or implied, and that he may not rely on any prior negotiations, discussions, representations or agreements. This Agreement may be modified only in writing, and such writing must be signed by both parties and recited that it is intended to modify this Agreement. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

12. Company Assignment and Successors. The Company shall assign its rights and obligations under this Agreement to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise). This Agreement shall be binding upon and inure to the benefit of the Company and its successors, assigns, personnel and legal representatives.

13. Maintaining Confidential Information. Executive reaffirms his obligations under the Confidentiality Agreement. Executive acknowledges and agrees that the payments provided in Section 4 above shall be subject to Executive's continued compliance with Executive's obligations under the Confidentiality Agreement.

14. Executive's Cooperation. Before, on and after the Termination Date, Executive agrees to cooperate fully with the Company in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action which has been or may be filed. Upon Executive requests, with supporting invoices, Executive will

be reimbursed by the Company for reasonable out-of-pocket expenses incurred by Executive providing such cooperation. If Executive is named as a defendant or potential defendant in any claim against the Company or Executive regarding Executive's actions or inactions which occurred in the proper scope of Executive's employment at the Company, the Company will provide Executive legal defense against such claim and shall indemnify Executive against any potential liability arising under such claim to the extent permitted by law.

(Signature page(s) follow)

IN WITNESS WHEREOF, the undersigned have caused this Transition and Separation Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

DATED: March 24, 2016

/s/ James W. McCollum
James W. McCollum

RESTORATION ROBOTICS, INC.

DATED: March 22, 2016

By: /s/ Fred H. Moll
Fred H. Moll
Chairman of the Board

EXHIBIT A

GENERAL RELEASE OF CLAIMS

This General Release of Claims ("Release") is entered into as of , 201 , between James W. McCollum ("Executive") and Restoration Robotics, Inc. (the "Company") (collectively referred to herein as the "Parties"), effective eight (8) days after Executive's signature hereto (the "Effective Date"), unless Executive revokes his acceptance of this Release as provided in Section 1(c), below. Any reference to the Company throughout this Release shall include the Company, its subsidiaries and any successors thereto.

1. Executive's Release of the Company. Executive understands that by agreeing to this Release, Executive is agreeing not to sue, or otherwise file any claim against, the Company or any of its employees or other agents for any reason whatsoever based on anything that has occurred as of the date Executive signs this Release.

(a) On behalf of Executive and Executive's heirs and assigns, Executive hereby releases and forever discharges the "Releasees" hereunder, consisting of the Company and each of its owners, affiliates, divisions, predecessors, successors, assigns, shareholders, subsidiaries, agents, directors, officers, partners, employees, and insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, loss, cost or expense, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "Claims"), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof, including, without limiting the generality of the foregoing, any Claims arising out of, based upon, or relating to Executive's hire, employment, remuneration or resignation by the Releasees, or any of them, including without limitation any and all Claims arising under federal, state, or local laws relating to employment, claims of any kind that may be brought in any court or administrative agency, any claims arising under the Age Discrimination in Employment Act ("ADEA"), as amended, 29 U.S.C. § 621, et seq.; the Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; the California Fair Employment and Housing Act; the California Family Rights Act; the California Labor Code; California Business & Professions Code Section 17200, ordinance or statute regarding employment; Claims any other local, state or federal law governing employment; Claims for breach of contract; Claims arising in tort, including, without limitation, Claims of wrongful dismissal or discharge, discrimination, harassment, retaliation, fraud, misrepresentation, defamation, libel, infliction of emotional distress, violation of public policy, and/or breach of the implied covenant of good faith and fair dealing; and Claims for damages or other remedies of any sort, including, without limitation, compensatory damages, punitive damages, injunctive relief and attorney's fees.

(b) Notwithstanding the generality of the foregoing, Executive does not release the following claims:

(i) Claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law;

(ii) Claims for workers' compensation insurance benefits under the terms of any worker's compensation insurance policy or fund of the Company;

(iii) Claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA;

(iv) Claims to any benefit entitlements vested as of the date of Executive's employment termination, pursuant to written terms of any Company employee benefit plan, including, without limitation, the terms of any Company equity compensation plan and/or any equity compensation agreement between Executive and the Company;

(v) Claims for indemnification under California Labor Code Section 2802, the Company's Certificate of Incorporation, the Company's Bylaws, Delaware General Corporation Law or other applicable law, and under the terms of any policy of insurance purchased by the Company; and

(vi) Executive's right to bring to the attention of the Equal Employment Opportunity Commission claims of discrimination; *provided, however,* that Executive does release Executive's right to secure any damages for alleged discriminatory treatment.

(c) In accordance with the Older Workers Benefit Protection Act of 1990, Executive has been advised of the following: Executive acknowledges that Executive is knowingly and voluntarily waiving and releasing any rights Executive may have under the ADEA. Executive also acknowledges that the consideration given for the waiver and release herein is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that Executive has been advised by this writing, as required by the ADEA, that: (i) Executive's waiver and release do not apply to any rights or claims that may arise after the execution date of this Release; (ii) Executive has been advised hereby that Executive has the right to consult with an attorney prior to executing this Release; (iii) Executive has twenty-one (21) days from the date of this Release to execute this Release (although Executive may choose to voluntarily execute this Release earlier); (iv) Executive has seven (7) days following the execution of this Release by Executive to revoke the Release, and Executive will not receive the severance benefits provided by Section 4 of that certain Transition and Separation Agreement entered into between the Parties as of March 24, 2016 (the "Transition and Separation Agreement") unless and until such seven (7) day period has expired; (v) this Release will not be effective until the date upon which the revocation period has expired, which will be the eighth (8th) day after this Release is executed by Executive, *provided* that the Company has also executed this Release by that date; and (vi) this Release does not affect Executive's ability to test the knowing and voluntary nature of this Release. If Executive wishes to revoke this Release, Executive must deliver notice of Executive's revocation in writing, no later than 5:00 p.m. Pacific Time on the 7th day following Executive's execution of this Release to Brian Cuneo, Latham & Watkins LLP, 140 Scott Drive, Menlo Park, CA 94025, fax: (650) 463-2600.

(d) EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE HAS BEEN ADVISED OF AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BEING AWARE OF SAID CODE SECTION, EXECUTIVE HEREBY EXPRESSLY WAIVES ANY RIGHTS EXECUTIVE MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

2. Executive Representations. Executive represents and warrants that:

(a) Executive has returned to the Company all Company property in Executive's possession pursuant to Section 7(c) of the Transition and Separation Agreement;

(b) Executive is not owed wages, commissions, bonuses or other compensation, other than any payments that become due under Sections 2(d), 3 and 4 of the Transition and Separation Agreement;

(c) During the course of Executive's employment Executive did not sustain any injuries for which Executive might be entitled to compensation pursuant to worker's compensation law or Executive has disclosed any injuries of which he is currently, reasonably aware for which he might be entitled to compensation pursuant to worker's compensation law;

(d) From the date Executive executed the Transition and Separation Agreement through the date Executive executes this Release, Executive has not made any disparaging comments about the Company, nor will Executive do so in the future; and

(e) Executive has not initiated any adversarial proceedings of any kind against the Company or against any other person or entity released herein, nor will Executive do so in the future, except as specifically allowed by this Release. Executive reaffirms his obligations under Section 7(a).

3. Maintaining Confidential Information. Executive reaffirms his obligations under that certain Confidential Information and Invention Assignment Agreement entered into between Executive and the Company (the "Confidentiality Agreement"). Executive acknowledges and agrees that the payments provided in Section 4 of the Transition and Separation Agreement shall be subject to Executive's continued compliance with Executive's obligations under the Confidentiality Agreement. Executive reaffirms his confidentiality obligations under Section 7(d) of the Transition and Separation Agreement.

4. Cooperation with the Company. Executive reaffirms his obligations to cooperate with the Company pursuant to Section 14 of the Transition and Separation Agreement.

5. Severability. The provisions of this Release are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

6. Choice of Law. This Release shall in all respects be governed and construed in accordance with the laws of the State of California, including all matters of construction, validity and performance, without regard to conflicts of law principles.

7. Integration Clause. This Release and the Transition and Separation Agreement contain the Parties' entire agreement with regard to the transition and separation of Executive's employment, and supersede and replace any prior agreements as to those matters, whether oral or written. This Release may not be changed or modified, in whole or in part, except by an instrument in writing signed by Executive and a member of the board of directors of the Company.

8. Execution in Counterparts. This Release may be executed in counterparts with the same force and effectiveness as though executed in a single document. Facsimile signatures shall have the same force and effectiveness as original signatures.

9. Intent to be Bound. The Parties have carefully read this Release in its entirety; fully understand and agree to its terms and provisions; and intend and agree that it is final and binding on all Parties.

(Signature page(s) follow)

IN WITNESS WHEREOF, and intending to be legally bound, the Parties have executed the foregoing on the dates shown below.

EXECUTIVE

James W. McCollum

Date: _____

RESTORATION ROBOTICS, INC.

By: Fred H. Moll
Title: Chairman of the Board

Date: _____

Exhibit 10.34

Restoration Robotics, Inc.
128 Baytech Way
San Jose, CA 95134
408-883-6888

August 4, 2016

Lisa Edone

Dear Lisa,

As we discussed, your employment with Restoration Robotics, Inc. ("Restoration Robotics" or the "Company") has been terminated effective August 3, 2016 ("Separation Date"). I am writing to confirm the terms of your separation from employment with the Company. This letter, upon your signature, will constitute the entire and final agreement between you and the Company concerning the terms of your separation from employment and offers you severance pay in exchange for a release of claims (the "Agreement"). The Effective Date of this Agreement will be eight (8) days after you sign it, as explained below.

1. Payment of Final Wages and Expenses; COBRA Rights: We will provide you with your final paycheck on the Separation Date which includes all earned wages and any accrued but unused vacation through August 3, 2016. Your eligibility for participation in the Restoration Robotics health benefit plan shall cease on the last day of August, 2016, subject to your right to continue health insurance under COBRA. If you timely elect continued coverage under COBRA, the Company will pay directly to its COBRA provider the COBRA premiums necessary to continue your coverage (and coverage for your eligible dependents, if currently elected) for a period of four months, and thereafter, you will be able to further continue COBRA coverage, if elected, at your own expense. You will receive a COBRA election form and a notice, under separate cover, that explain your rights under COBRA in more detail. You will be reimbursed for all outstanding properly documented business expenses incurred through the Separation Date, if any, according to the usual Company procedures. Please insure that you submit your final documented expense reimbursement statement before August 30, 2016.

2. Termination of Participation in Benefit Plans: Except as otherwise expressly provided in this Agreement, your participation in all employee benefit plans of Restoration Robotics will end as of the Separation Date, in accordance with the terms of those plans. You will not continue to earn vacation or other paid time off or to accrue bonuses after the Separation Date. Your rights and obligations with respect to any stock options granted to you by Restoration Robotics which had vested as of the Separation Date shall continue to be governed by the terms and conditions of Restoration Robotics 2005 Stock Option Plan and the Stock Option Agreement (collectively, the "Stock Agreements") and any agreements or other requirements applicable to those options. You acknowledge and agree that, as of the Separation Date, you will have vested in three hundred sixty thousand four hundred fifteen (360,415) options and no more. All stock options which are unvested as of the Separation Date have been cancelled as of that date.

3. Wage and Vacation Acknowledgment: Other than the Separation Pay (described in Section 4 below), you agree that, as of the Separation Date, you have been paid all wages, including salary, bonuses of any sort, and/or commissions, and accrued, unused vacation that you earned during your employment with the Company and that, except as expressly provided under this Agreement, no further compensation is owed to you, including equity compensation.

4. Additional Consideration from the Company: Separate from the payment referenced in Section 1 above, if you choose to sign this Agreement, and subject to your meeting in full your obligations under it and under the agreement between you and the Company captioned Confidential Information And Invention Assignment Agreement which you signed on April 25, 2013 ("CIIAA"), Restoration Robotics will provide you, in exchange for your release of claims in Section 6 below (executed within the time frame set forth in Section 14 and not revoking that release), the equivalent of 4 months of your current base salary for a total lump sum payment of $80,096.00 ("Separation Pay"). Such amount will be reduced by any tax or other amounts required to be withheld by Restoration Robotics under applicable law and all other deductions authorized by you.

5. Return of Company Property: You hereby confirm that you will return or have returned, as of the Separation Date or promptly thereafter, all Company property of any type whatsoever that has been in your possession or control.

6. Release of Claims:

6.1. General Release: You agree on behalf of yourself and your heirs, family members, executors, agents and assigns, to release, extinguish and waive all claims or rights you may have against Restoration Robotics and its past, present and future officers, directors, managers, members, agents, insurers, employees, investors, shareholders, attorneys, administrators, affiliates, divisions, benefit plans, plan administrators, subsidiaries, successors and assigns (collectively, the "Released Parties"), for loss or injury of any kind based on any matter, cause fact, thing act or omission whatsoever occurring prior to the date you sign below, including but not limited to those which in any way relate to or arise out of your employment, termination of employment or lack of employment with Restoration Robotics; which relate to or arise from your right to purchase, or actual purchase of, shares of stock of Restoration Robotics, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law and securities fraud under any state or federal law; or which arise under Title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act; the California Fair Employment and Housing Act; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act, except as prohibited by law; the Fair Credit Reporting Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act, except as prohibited by law; the Sarbanes-Oxley Act of 2002; the Uniformed Services Employment and Reemployment Rights Act; the California Family Rights Act; the California Labor Code, except as prohibited by law; the California Workers' Compensation Act, except as prohibited by law; or any other applicable local, state or federal law. However, this release is not intended to release or bar any claims that cannot be released as a matter of law, such as any challenge to the validity of your release of claims under the Age Discrimination in Employment Act of 1967, as amended ("ADEA"),

as set forth in this Agreement, claims for workers' compensation benefits, claims prohibited from release as set forth in California Labor Code section 206.5 (specifically "any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made") or any statutory right to be indemnified for necessary expenditures or losses incurred in the discharge of your duties under California Labor Code Section 2802.

6.2. ADEA Release: This Agreement is intended to satisfy the requirements of the Older Workers Benefit Protection Act of 1990 ("OWBPA"). You hereby acknowledge that you are waiving and releasing any rights you have or may have under the ADEA and that this waiver and release is knowing and voluntary. You acknowledge that the Separation Pay is consideration in addition to anything to which you were already entitled. You agree further that you are advised by this Agreement, as required by the OWBPA, that (a) this waiver and release does not apply to any rights or claims that may arise after the Effective Date of this Agreement; (b) you have the right and are advised to consult with an attorney prior to signing this Agreement, (c) you may have at least forty-five (45) days to consider this Agreement (although you may by your own choice sign the Agreement earlier), (d) you have seven (7) days following your signing of the Agreement to revoke the Agreement, and (e) this Agreement shall not be effective until the revocation period has expired, therefore making the agreement effective on the eighth (8th) day after this Agreement is signed (and not revoked) by you (the "Effective Date"). In addition, this Agreement does not prohibit you from challenging the validity of this Agreement's waiver and release of claims under the ADEA.

6.3. Information Disclosure: You acknowledge that you are being provided with a notice, as required by OWBPA, that contains information about the group of individuals covered in this Reduction in Force by the Company, any eligibility factors for participation, any time limits applicable, and the job titles and ages of all individuals eligible or selected to participate, and the ages of all individuals in the same job classification who are not eligible or selected to participate. (See Attachment 1.)

6.4. Section 1542: This Agreement extinguishes not only all claims and charges which you may have made, but also all those you could raise or could have raised against the Released Parties anywhere whether known to you or not. In signing this Agreement, you expressly waive and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, and do so understanding and acknowledging the significance of such specific waiver of Section 1542, which Section states as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

7. No Pursuit of Released Matters: You agree neither to file nor to encourage or knowingly permit another to file any claim, charge, grievance, complaint or action for any sort of monetary damages against the Released Parties concerning any matter referred to in this Agreement, except as otherwise provided by law. If you have previously filed any such claim, you agree to take all reasonable steps to cause it to be promptly dismissed or withdrawn with prejudice.

8. Confidentiality of Agreement: You agree that you will not disclose this Agreement or any of its terms or provisions, directly or by implication, except (i) to members of your immediate family and to your legal and tax advisors, and then only on condition that they agree not to further disclose this Agreement or any of its terms or provisions to others or (ii) as required by order of a court of competent jurisdiction or to the extent necessary to comply with required reporting of this Agreement to governmental administrative, regulatory or taxing authorities or (iii) as otherwise required by law.

9. Nondisparagement: You agree that you will not directly or indirectly make, or cause to be made, any written or oral statement or other form of communication that is derogatory or disparaging to Restoration Robotics or its officers, directors, stockholders or employees, or in any way impede or interfere with the professional relationships of the Company. You shall direct any inquiries by potential future employers to Restoration Robotics' human resources department, which shall use its best efforts to provide only your last position and dates of employment.

10. No Admission of Liability: This Agreement and any action taken by the Company or you, either previously or in connection with this Agreement, is not and shall not be construed to be an admission or evidence of any wrongdoing or liability on the part of either party.

11. Entire Agreement: This Agreement constitutes the entire agreement between you and the Company with respect to the subject matter hereof, and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter, except for the CIIAA and Stock Agreements, which remain in full force and effect.

12. Modification: It is expressly agreed that this Agreement may not be altered, amended, modified or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, executed by an authorized representative of the Company and you.

13. Miscellaneous: This Agreement shall be construed and governed by the laws of the State of California, and you and the Company agree that in the event of any litigation involving this Agreement, such litigation shall take place in either the state or federal courts located in Santa Clara County, California and you submit to the jurisdiction of those courts. The prevailing party in any dispute shall be awarded reasonable attorneys' fees and costs, unless otherwise prohibited by law. You and the Company agree that if, for any reason, any provisions of this Agreement are determined by a court to be unenforceable, the remaining provisions shall remain fully enforceable.

14. Review of Separation Agreement: You understand that you may take up to forty-five (45) days to consider this Agreement and, by signing below, affirm that you were advised to consult with an attorney prior to signing this Agreement. You also understand that you may revoke this Agreement in writing by delivering your revocation, for receipt by the Company (attn.: Debby Mueller), within seven (7) days of your signing this Agreement, that the Effective Date of this Agreement is the eighth (8th) day after you sign without revoking, and that your Severance Pay as set forth above under "Additional Consideration from the Company" in Section 4 will not be provided until after the Effective Date. You understand and agree that changes to this Agreement, whether material or immaterial, do not restart the running of the 45-day period. Please review the Agreement, and let me know if you have any questions.

15. Accepting the Agreement: To accept the Agreement, please date and sign this letter below by the date 45 days from the day it is provided to you, and return it to Debby Mueller at the Company within that 45-day period. If you do not sign and return the document to the Company by then, the Agreement will expire and will be automatically withdrawn without any further action on the part of the Company.

We wish you all the best in your future endeavors.

Sincerely,
RESTORATION ROBOTICS, INC.

/s/ Ryan Rhodes
Ryan Rhodes, Chief Executive Officer

I agree to the above.

/s/ Lisa Edone
Lisa Edone

8/16/16
Date

Exhibit 21.1

List of Subsidiaries of
Restoration Robotics, Inc.

Name	Jurisdiction of Incorporation or Organization
Restoration Robotics, Inc. Limited	Hong Kong
Restoration Robotics Europe Limited	United Kingdom
Restoration Robotics Korea Yuhan Hoesa	Republic of Korea

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Grant Thornton LLP
1801 California St., Suite 3700
Denver, CO 80202

T 303.813.4000
F 303.839.5711
www.GrantThornton.com

Restoration Robotics, Inc.

We have issued our report dated July 7, 2017, with respect to the consolidated financial statements of Restoration Robotics, Inc. contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption “Experts”.

GRANT THORNTON LLP
/s/ GRANT THORNTON LLP

Denver, Colorado
September 1, 2017

LATHAM&WATKINS LLP

140 Scott Drive
Menlo Park, California 94025
Tel: +1.650.328.4600 Fax: +1.650.463.2600
www.lw.com

September 1, 2017

VIA EDGAR AND HAND DELIVERY

United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549-6010

Attention: Russell Mancuso, Branch Chief
Heather Percival, Reviewing Attorney
Lynn Dicker, Senior Accountant
David Burton, Reviewing Accountant

Re: Restoration Robotics, Inc.
Registration Statement on Form S-1
Confidentially submitted on August 15, 2017
CIK No. 0001409269

Ladies and Gentlemen:

On behalf of our client, Restoration Robotics, Inc. (the "***Company***"), we are hereby filing a Registration Statement on Form S-1 (the "***Registration Statement***"). The Company previously submitted a draft Registration Statement on Form S-1 on a confidential basis pursuant to Title I, Section 106 under the Jumpstart Our Business Startups Act (the "***JOBS Act***") with the Securities and Exchange Commission (the "***Commission***") on July 7, 2017 and a revised draft thereto on August 15, 2017 (as revised, the "***Draft Submission***"). The Registration Statement has been revised to reflect the Company's responses to the comment letter to the Draft Submission received on August 29, 2017 from the staff of the Commission (the "***Staff***"). For your convenience, we are providing by overnight delivery a courtesy package that includes copies of the Registration Statement, including copies which have been marked to show changes from the Draft Submission, as well as copy of this letter.

For ease of review, we have set forth below each of the numbered comments of your letter in bold type followed by the Company's responses thereto.

LATHAM&WATKINS LLP

The ARTAS Solution, page 2

1. Expand your response to prior comment 2 to tell us the portion of patients that experience the results depicted.

Response: In response to the Staff's comment, the Company has revised pages 3 and 83 of the Registration Statement. The Company respectfully advises the Staff that a multitude of factors contribute to a patient's aesthetic outcome. The follicular unit extraction hair restoration procedure is a surgical procedure for which the ARTAS System assists the operating physician. Similar to most aesthetic surgical procedures, the patient's desired outcome or aesthetic look, the physician's skill and his/her performance during the procedure and the patient's post-operative care are factors that will contribute to the results a patient may experience from a hair restoration procedure with the ARTAS System. In addition, the number of grafts implanted and the number of planned hair restoration procedures a patient anticipates undergoing significantly affect the results of a particular hair restoration procedure with the ARTAS System. For example, a patient may wish to undergo a "phased" hair restoration process whereby the desired final aesthetic outcome is achieved over the course of multiple procedures each with a varying number of grafts. As a result, the Company cannot quantify the portion or percentage of patients that may experience a particular outcome from a single hair restoration procedure (or, similarly, the portion of patients with an outcome similar to that depicted in the Registration Statement).

Six Months Ended June 30, 2016 and June 30, 2017, page 68

2. We note your response to prior comment 13; however, it appears that a portion of your increase in revenue for the six months ended June 30, 2017 compared to the six months ended June 30, 2016 is due to increases in price of your ARTAS system given the number of units you sold in each period. Please revise your disclosure accordingly.

Response: In response to the Staff's comment, the Company has revised pages 67, 69 and 70 of the Registration Statement.

Exhibits Index

3. Tell us why you deleted former exhibit 10.25 from your exhibits index.

Response: In response to the Staff's comment, the Company has revised the exhibits index to the Registration Statement to include the former exhibit 10.25 as exhibit 10.32.

* * *

LATHAM&WATKINS LLP

We hope the foregoing answers are responsive to your comments. Please do not hesitate to contact me by telephone at (650) 463-3014 or by fax at (650) 463-2600 with any questions or comments regarding this correspondence.

Very truly yours,

/s/ Brian J. Cuneo

Brian J. Cuneo
of LATHAM & WATKINS LLP

cc: Ryan Rhodes, Restoration Robotics, Inc.
Charlotte Holland, Restoration Robotics, Inc.
Dave Cordeiro, Restoration Robotics, Inc.
Shayne Kennedy, Latham & Watkins LLP
Phillip S. Stoup, Latham & Watkins LLP
John D. Hogoboom, Lowenstein Sandler LLP