

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

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): July 19, 2023

CYTOSORBENTS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-36792
(Commission File Number)

98-0373793
(I.R.S. Employer Identification No.)

305 College Road East
Princeton, New Jersey
(Address of principal executive offices)

08540
(Zip Code)

Registrant's telephone number, including area code: (732) 329-8885

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
common stock, \$0.001 par value	CTSO	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

The contents of Item 5.02 of this Current Report on Form 8-K with respect to the Employment Agreement (as defined below) are hereby incorporated by reference into this Item 1.01.

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

On July 19, 2023, CytoSorbents Corporation (the “Company”) announced that it has entered into that certain Employment Agreement, dated as of July 10, 2023, by and between the Company and Alexander D’Amico (the “Employment Agreement”) pursuant to which Mr. D’Amico will serve as the Company’s Chief Financial Officer, effective as of August 7, 2023. Unless terminated earlier, the initial term of the Employment Agreement is through December 31, 2025 and the Employment Agreement will automatically renew for additional terms of one year unless the Company or Mr. D’Amico provide written notice of a non-renewal.

In accordance with the terms of the Employment Agreement, Mr. D’Amico will receive an annual base salary of \$425,000 and will be eligible to receive an annual cash bonus equal to a percentage of up to 45% of Mr. D’Amico’s base salary, payable contingent upon the achievement, as determined by the Board of Directors, of annual management milestones and upon Mr. D’Amico’s general performance. Mr. D’Amico will also be eligible to receive annual equity awards at the discretion of the Board of Directors.

Additionally, Mr. D’Amico received a cash signing bonus of \$5,000 and the following equity awards, each pursuant to the terms of the Employment Agreement:

Annual ISOs	Annual RSUs	Change in Control RSUs	Performance ISOs	Signing RSUs
70,000 ⁽¹⁾⁽⁶⁾	45,000 ⁽²⁾⁽⁶⁾⁽⁷⁾	150,000 ⁽³⁾⁽⁶⁾⁽⁷⁾	215,000 ⁽⁴⁾⁽⁶⁾	15,000 ⁽⁵⁾⁽⁶⁾⁽⁷⁾

(1) The Annual ISOs will vest in accordance with the following schedule, in each case, subject to the executive officer's continued service with the Company as of the applicable vesting date: 25,000 Annual ISOs upon the six-month anniversary of the date of grant and 15,000 Annual ISOs upon each of the first, second and third anniversaries of the date of grant.

(2) The Annual RSUs will vest 1/2 on the first anniversary of the date of grant and 1/2 on the second anniversary of the date of grant, subject to the executive officer's continued service with the Company as of the applicable vesting date. The Annual RSUs were awarded on a contingent basis, as further described in footnote (7).

(3) The Change in Control RSUs will vest only upon a Change in Control, as defined in the Amended and Restated CytoSorbents Corporation 2014 Long-Term Incentive Plan (the “Plan”), subject to the executive officer’s continued service with the Company as of the applicable vesting date. The Change in Control RSUs were awarded on a contingent basis, as further described in footnote (7).

(4) The Performance ISOs will vest only upon the achievement of certain milestones pursuant to the terms of the Company’s existing 2022-2025 performance pool in place for the Company’s management team, subject to the executive officer’s continued service with the Company as of the applicable vesting date.

(5) The Signing RSUs will vest either upon a Change of Control or will cliff vest on the second anniversary of the date of grant, subject to the executive officer’s continued service with the Company as of the applicable vesting date. The Signing RSUs were awarded on a contingent basis, as further described in footnote (7).

(6) The options have a 10-year term and a strike price equal to the closing price of the Company's common stock as reported on the Nasdaq Capital Market on the date of grant.

(7) These equity awards were awarded on a contingent basis. Pursuant to this contingent award structure, the awards will be subject to cash settlement unless prior to the settlement date, the Company has received prior shareholder approval of an amendment to the Plan to increase the number of shares of the Company’s common stock available for issuance pursuant to awards granted thereunder and such increase is, at a minimum, sufficient to permit the non-cash settlement of the contingent awards.

The Employment Agreement also provides for other customary benefits which include participation in employee benefit plans, paid time off and reimbursement of certain business-related expenses, including travel and continuing educational expenses. In addition, the Employment Agreement provide for certain termination benefits in the event of termination without “Cause” or voluntary termination of employment for “Good Reason” or in the event of a “Change of Control” of the Company, each as defined in the Employment Agreement.

The foregoing summary of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the copy of the Employment Agreement filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

On July 19, 2023, the Company issued a press release announcing Mr. D’Amico’s employment. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01 Exhibits

(d) Exhibits

Exhibit No.	Description
<u>10.1</u>	<u>Employment Agreement, dated July 10, 2023, by and between the Company and Mr. Alexander D’Amico</u>
<u>99.1</u>	<u>Press Release of the Company, dated July 19, 2023</u>
104	Cover Page Interactive Data File (embedded with the Inline XBRL document)

SIGNATURES

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

Dated: July 19, 2023

CYTOSORBENTS CORPORATION

By: /s/ Dr. Phillip P. Chan

Name: Dr. Phillip P. Chan

Title: Chief Executive Officer

Executive Employment Agreement

This Executive Employment Agreement (the “**Employment Agreement**” or “**Agreement**”) is made and entered by and between Alexander D’Amico (the “**Executive**”), and CytoSorbents Medical, Inc., on behalf of itself, its parent CytoSorbents Corporation, and all other affiliates and subsidiaries thereof (collectively, the “**Company**”), effective as of July 10, 2023.

WHEREAS, the parties wish to enter into this Employment Agreement on the mutually agreed-upon terms and conditions set forth herein in order for the Company and its affiliates to engage the unique services of the Executive and the Executive desires to serve the Company on the terms and conditions stated herein.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

1. Term. The term of the Executive’s employment under this Agreement shall be from August 7, 2023 through December 31, 2025, unless terminated earlier pursuant to Section 6 of this Agreement (“**Initial Term**”). Thereafter, the Executive’s employment hereunder shall automatically renew for additional terms of one-year (each a “**Renewal Term**” and together, the Initial Term and the Renewal Term, the “**Term**”), unless either party provides written notice of non-renewal on the other party at least sixty (60) days prior to commencement of a Renewal Term.

2. Position and Duties.

2.1 Position. During the Term, the Executive shall serve as Chief Financial Officer of the Company, reporting to the Chief Executive Officer of the Company (the “**CEO**”). In such position, the Executive shall have such duties, authority and responsibility as shall be determined from time to time by the CEO and/or the Board of Directors of the Company (the “**Board**”), which duties, authority and responsibility are consistent with the Executive’s position.

2.2 Duties. During the Term, the Executive shall devote substantially all of his business time and attention to the performance of his duties as Chief Financial Officer and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board.

3. Place of Performance. The principal place of the Executive’s employment shall be at the Company’s principal office; provided, that the Executive shall have the ability to work a certain number of days from home each week as agreed upon with the CEO, provided it does not interfere with the Executive’s performance or that of the accounting and finance team of the Company, or achievement of finance, accounting and management objectives; provided, further, that the Executive may be required to travel from time to time on Company business. Notwithstanding the foregoing, the Executive is required to be in-person in the Company’s office at 305 College Road East, Princeton, NJ 08540 for all multi-day management meetings, in-office investor, analyst and other otherwise important meetings, Board meetings and Wednesdays, unless previously agreed upon with the CEO.

4. Compensation.

4.1 Base Salary. The Company shall pay the Executive a base salary at an annualized rate of \$425,000, payable in equal semi-monthly installments in accordance with the Company's customary payroll practices. The Executive's base salary shall be reviewed annually by the Compensation Committee of the Board. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as "**Base Salary.**"

4.2 Bonus. The Executive shall be eligible to receive an annual cash bonus equal to a percentage of up to 45% of the Executive's Base Salary actually earned for the applicable calendar year (the "**Target Bonus**"), contingent upon the achievement, as determined by the Board, of annual management milestones and upon general performance as determined by the CEO. In consultation with the Chief Executive Officer and guided by third party compensation analysis, the Board shall notify the Executive by of the amount of the Target Bonus together with the performance milestones and objectives necessary for the Executive to achieve the Target Bonus for that calendar year as soon as practicable after such milestones and objectives have been established. Achievement of the Target Bonus, if any, shall be determined by the Board and payable no later than March 15 of the year after the year in which the performance relates so long as Executive is employed by the Company through December 31 of the applicable calendar year to which the bonus is attributable.

4.3 Sign-on Equity Awards. In consideration of the Executive's entering into this Agreement and as an inducement to join the Company, the Executive shall be granted the following equity awards under Amended and Restated CytoSorbents Corporation 2014 Long-Term Incentive Plan (the "LTIP"), *provided however*, that the equity awards described in clauses (b), (c) and (d) of this Section 4.3 shall not be awarded to the Executive unless and until there exists a sufficient number of shares available for issuance under the Company's LTIP (or any successor equity compensation plan) to make such awards on an aggregate basis. For the avoidance of doubt, references to the "date hereof" in clauses (b), (c) and (d) of this Section 4.3 shall refer to the date of this Agreement and not the date on which, if ever, such equity awards are granted following satisfaction of the condition described in the prior sentence.

(a) A signing bonus of \$5,000 cash

(b) An award of 15,000 restricted stock units based upon the value of the Company's common stock ("RSUs") that vest upon the earlier of the two (2) -year anniversary of the date hereof or a Change of Control of the Company (as defined in Section 6.6(b)), provided the Executive remains employed by the Company on such vesting date.

(c) An award of 45,000 RSUs that vest in equal installments of 50% each at the one-year and two-year anniversaries of the date hereof, provided the Executive remains employed by the Company on such vesting date.

(d) An award of 150,000 RSUs that vest only upon a Change of Control of the Company, provided the Executive remains employed by the Company on the date such Change of Control is consummated.

(e) An incentive stock option to purchase 70,000 shares of the Company's common stock (the "Option"), with an exercise price per share equal to the fair market value of the Company's common stock on the Option grant date, and with vesting on the following schedule: (i) 25,000 upon the six-month anniversary of the date hereof; (ii) 15,000 on the one-year anniversary of the date hereof; (iii) 15,000 on the two-year anniversary of the date hereof; and (iv) 15,000 on the three-year anniversary of the date hereof, in each case, subject to the Executive remaining employed by the Company on the applicable vesting date.

(f) A long-term incentive stock option to purchase shares of the Company's common stock, with an exercise price per share equal to the fair market value of the Company's common stock on the Option grant date, that vests subject to milestone-based vesting conditions if achieved prior to December 31, 2025, as further described below, and is subject to the executive officer's continued service with the Company as of the applicable vesting date.

- (i) 45,000 options will vest immediately if the Company obtains U.S. Food and Drug Administration approval for its product DrugSorb ("Milestone 1")
- (ii) 45,000 options will vest immediately if the Company achieves \$80 million or more in annual ex-U.S. sales ("Milestone 2"),
- (iii) 50,000 options will vest immediately if the Company achieves \$20 million or more in annual U.S. sales ("Milestone 3"), and
- (iv) 75,000 options will vest immediately if the Company achieves U.S. GAAP breakeven ("Milestone 4").

Such awards shall be governed by the LTIP and applicable restricted stock unit and/or stock option award agreements, as applicable, between the Executive and the Company. In the event of any conflict or ambiguity between this Agreement and the LTIP or the applicable award agreement, the LTIP and the award agreement shall govern. The Executive's Options and RSUs will be adjusted on the same basis as all other shareholders to account for any stock split, stock dividend or recapitalization.

4.4 Annual Equity Awards. In addition to the to the equity awards provided in Section 4.3, beginning in 2024, the Executive shall be eligible to participate in any equity incentive plan that the Company may adopt for its management team, on such terms and conditions as determined by the Compensation Committee of the Board.

5. Benefits. During the Term, the Executive shall be entitled to participate in all employee benefit plans, practices and programs maintained by the Company, as in effect from time to time (collectively, "**Employee Benefit Plans**"), on a basis which is no less favorable than is provided to other similarly situated executives of the Company, to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans. The Company reserves the right to amend or cancel any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and applicable law.

5.1 Vacation, Sick and Personal Days. During the Term, the Executive shall be entitled to four (4) weeks of paid vacation days per calendar year (prorated for partial years) in accordance with the Company's vacation policies, as in effect from time to time for executive employees. In addition to paid vacation days, the Executive shall be entitled to paid sick days and paid personal days in accordance with the Company's applicable policies, as in effect from time to time for executive employees. Unless otherwise required by applicable law or as may otherwise be provided in applicable Company policy, Executive may carry over up to five (5) days of accrued by unused paid vacation from one year to the next. In addition to the foregoing, the Executive shall be allotted additional time, as may be reasonable and necessary for the Executive to maintain the Executive's current New Jersey Certified Public Accountant license.

5.2 Business Expenses. The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment and travel expenses incurred by the Executive in connection with the performance of his duties in accordance with the Company's expense reimbursement policies and procedures and upon presentation to the Company of reasonable documentation (including receipts) substantiating such expenses, and as approved by the CEO. For the avoidance of doubt, (a) business expenses including reasonable monthly individual cell-phone charges and includes expenses of up to \$5,000 per year related to maintaining a current New Jersey Certified Public Accountant license including continuing professional education CPE credits, annual membership to NJCPA, attendance at the NJCPA Annual Convention, and a national accounting association membership, but (b) internet service and commuting expenses are specifically excluded.

5.3 Liability Insurance; Indemnification. With respect to the Executive's acts or failures to act while employed by the Company in the Executive's capacity as a director, officer, employee or agent of the Company, the Executive shall be entitled to: (i) indemnification from the Company pursuant to the Company's Bylaws; and (ii) liability insurance coverage, in each case on the same basis as other directors and officers of the Company. In addition, the Company shall advance to the Executive any expense incurred in defending any such indemnification-eligible proceeding or claim (or threatened indemnification-eligible proceeding or claim) to the maximum extent permitted by law; provided, however, that the Company may decline to advance expenses to the Executive in connection with any claim or proceeding between the Executive and the Company or its subsidiary or affiliates. If the Executive has any knowledge of any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, as to which the Executive may request indemnity under this provision, the Executive shall give the Company prompt written notice thereof. The Company shall be entitled to assume the defense of any such proceeding, and the Executive shall cooperate fully with such defense

6. Termination of Employment. This Agreement and the Executive's employment hereunder may be terminated as provided for in this Section 6.

6.1 Termination for Cause or Upon Notice of Non-Renewal. Without prior notice to the Executive, the Company may terminate the Executive's employment effective immediately for Cause (as defined below). If the Executive's employment is terminated either by the Company for Cause, or at the end of the Term as a result of either party's having provided written notice to the other party of non-renewal in accordance with Section 1 above, the Executive shall be entitled to receive only:

- (i) any accrued but unpaid Base Salary and accrued but unused vacation date as of the date of termination of Executive's employment ("**Termination Date**");
- (ii) reimbursement for unreimbursed business expenses properly incurred by the Executive through the Termination Date, which shall be subject to and paid in accordance with the Company's expense reimbursement policy; and
- (iii) such employee benefits (including equity compensation), if any, to which the Executive may be entitled under the Company's Employee Benefit Plans as of the Termination Date; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

Items 6.1(i) through 6.1(iii) are referred to herein collectively as the "**Accrued Obligations.**"

6.2 **Termination without Cause.** Without prior notice to the Executive, the Company may terminate the Executive's employment at any time without Cause.

- (a) If the Company terminates the Executive's employment without Cause, then the Executive shall be entitled to:
 - (i) The Accrued Obligations; and
 - (ii) Continued payment of Base Salary for six (6) months, plus an additional three (3) weeks for every full year of service to the Company as its Chief Financial Officer, with such continued payments not to exceed twelve (12) months total.
 - (iii) Notwithstanding the terms of any applicable stock option or equity incentive plan and/or agreement, (x) any and all service-vesting stock options and/or service-vesting restricted stock and/or service-vesting restricted stock units or other service-vesting equity or equity-based awards (with specific exclusion of restricted stock units that vest solely with a change in control, or "Change-in-control RSUs") granted to the Executive will become fully vested and exercisable (to the extent any such award is exercisable) on the Termination Date and (y) Executive shall have ninety (90) days from the Termination Date to exercise any stock options granted to the Executive (but in no event later than the expiration date noted in the applicable stock option agreement unless an extension beyond such expiration date would be permitted under the applicable stock option plan and applicable law and would not result in an "additional tax" as defined in Section 409A(a)(1)(B) of the Internal Revenue Code of 1986, as amended); and
 - (iv) Any Target Bonus due, as determined in good faith by the Board, for the calendar year of such termination, pro-rated based on the number of days Executive was actively employed by the Company during such year, payable at the same time such bonus would otherwise be paid in accordance with Section 4.5.

(b) The Executive's receipt of the payments and benefits under Section 6.2 (ii) are subject to the Executive's execution and non-revocation of a release of claims in favor of the Company, its parent and affiliates and their respective officers and directors in a form provided by and reasonably satisfactory to the Company (the "**Release**") and further subject to such Release becoming effective within sixty (60) days following the Termination Date (such 60-day period, the "**Release Execution Period**"); provided that if the Release Execution Period begins in one taxable year and ends in another taxable year, any payment which is "nonqualified deferred compensation" under Section 409A of the Internal Revenue Code shall not be made until the beginning of the second taxable year; provided further that, the first installment payment shall include all amounts that would otherwise have been paid to the Executive during the period beginning on the Termination Date and ending on the first payment date if no delay had been imposed.

6.3 Termination for Good Reason. The Executive may terminate his employment hereunder for Good Reason (as defined below), in accordance with Section 6.6(d) herein. If the Executive terminates his employment for Good Reason, then the Executive shall be entitled to the payments and benefits described in Section 6.2(a), subject to the same terms and conditions thereof and as set forth in Section 6.2(b).

6.4 Termination for Death or Disability. The Executive's employment hereunder shall terminate automatically upon the Executive's death during the Term, and the Company may terminate the Executive's employment on account of the Executive's Disability (as defined below). In the case of a termination for Disability, such termination shall be effective as of the last day of the month in which the Company shall have given notice to the Executive of its intention to terminate the Executive's employment for Disability. In the event of termination of employment due to death or Disability, the Executive (or the Executive's estate, as applicable) shall be entitled to the payments and benefits described in Section 6.2(a), subject to the same terms and conditions thereof and as set forth in Section 6.2(b); provided, however, that if Executive's employment is terminated due to Disability, any payments described in Section 6.2(a) shall be reduced by amounts received by Executive pursuant to any applicable disability benefits plan.

6.5 Change of Control.

(a) In the event that the Executive is terminated without Cause, the Executive terminates his employment for Good Reason, in each case within twelve (12) months following a Change of Control (as defined below), then the Executive shall be entitled to the following rather than the benefits provided under Section 6.2:

(i) The Accrued Obligations; and

- (ii) An amount equal to twelve (12) months' Base Salary, payable in lump sum.
- (iii) Full payment of the premiums for continued health insurance coverage pursuant to COBRA, provided the Executive timely elects and remains eligible for COBRA, until the earlier of (x) twelve (12) months following the Termination Date, or (y) until the Executive becomes eligible to participate in another employer's group health plan;
- (iv) Notwithstanding the terms of any applicable stock option or equity incentive plan and/or agreement, (x) any and all stock options and/or restricted stock and/or restricted stock units or other equity or equity-based awards granted to the Executive will become fully vested and exercisable (to the extent any such award is exercisable) on the Termination Date and (y) Executive shall have one (1) year from the Termination Date to exercise any stock options granted to the Executive (but in no event later than the expiration date noted in the applicable stock option agreement unless an extension beyond such expiration date would be permitted under the applicable stock option plan and applicable law and would not result in an "additional tax" as defined in Section 409A(a)(1)(B) of the Internal Revenue Code of 1986, as amended); and
- (v) Any Target Bonus due, as determined in good faith by the Board, for the calendar year of such termination, pro-rated based on the number of days Executive was actively employed by the Company during such year, payable at the same time such bonus would otherwise be paid in accordance with Section 4.5.

(b) The Executive's receipt of the payments and benefits under Section 6.5(a)(ii) and (iii) are subject to the Executive's execution of a Release during the Release Execution Period; provided that if the Release Execution Period begins in one taxable year and ends in another taxable year, payment under Section 6.5(a)(ii) shall not be made until the beginning of the second taxable year. Subject to the foregoing, the payment set forth in Section 6.5(a)(ii) shall be made no later than thirty (30) days after the Company's receipt of the Release executed by the Executive. Notwithstanding anything contained in this Agreement to the contrary, the Company shall commence payment of the COBRA premiums in accordance with Section 6.5(a)(iii) upon the effectiveness of the Release.

(c) For avoidance of doubt, and notwithstanding anything in this Agreement to the contrary, in the event the Executive is terminated without Cause or the Executive terminates his employment for Good Reason, in each case after the twelve (12) month anniversary of a Change of Control, the Executive shall be entitled to the payments and benefits set forth in Section 6.2 hereof rather than the benefits provided under this Section 6.5.

(d) A non-renewal of the Initial Term or Renewal Term by the Company at any time following a Change of Control shall entitle the Executive to the payments and benefits set forth in Section 6.2 hereof; provided, however, that in no event shall such a notice operate to provide less than 18 months of continued entitlement to salaried benefits from the date of a Change of Control (e.g., if a Change of Control occurred on August 1, 2024 and Buyer provided Executive with a notice of non-renewal on November 1, 2024 date, then Executive would be entitled to continued salaried benefits through January 31, 2026).

6.6 Definitions. For purposes of this Agreement, the following definitions apply:

- (a) **“Cause”** shall mean:
- (i) the Executive’s failure to perform the Executive’s duties (other than any such failure resulting from incapacity due to physical or mental illness);
 - (ii) the Executive’s failure to comply with any valid and legal directive of the Board;
 - (iii) the Executive’s engagement in dishonesty, illegal conduct or other misconduct, which is, in each case, materially injurious to the Company or its affiliates;
 - (iv) the Executive’s embezzlement, misappropriation or fraud, whether or not related to the Executive’s employment with the Company;
 - (v) the Executive’s conviction of or plea of guilty or *nolo contendere* to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;
 - (vi) the Executive’s violation of a material policy of the Company; or
 - (vii) the Executive’s material breach of any material obligation under this Agreement or any other written agreement between the Executive and the Company (including any parent, subsidiary, or affiliate thereof).

Cause shall not be deemed to exist pursuant to Section 6.6(a)(i) and (ii) unless the Company provides the Executive with written notice of the circumstances providing ground for cause under Section 6.6(a)(i) and (ii) the circumstances constituting such Cause (if able to be cured) recur and/or fail to be cured within thirty (30) days of receipt of notice from the Company.

- (b) **“Change of Control”** shall mean the occurrence of any of the following after the Effective Date:
- (i) one person (or more than one person acting as a group) acquires ownership of stock of the Company that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of such corporation; provided that, a Change of Control shall not occur if any person (or more than one person acting as a group) owns more than 50% of the total fair market value or total voting power of the Company’s stock and acquires additional stock;

- (ii) one person (or more than one person acting as a group) acquires (or has acquired during the twelve-month period ending on the date of the most recent acquisition) ownership of the Company's stock possessing 50% or more of the total voting power of the stock of such corporation;
- (iii) a majority of the members of the Board are replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the Board before the date of appointment or election; or
- (iv) the sale of all or substantially all of the Company's assets.

Notwithstanding the foregoing, a Change of Control shall not occur unless such transaction constitutes a change in the ownership of the Company, a change in effective control of the Company, or a change in the ownership of a substantial portion of the Company's assets under Section 409A.

(c) **"Disability"** shall mean the Executive's inability, due to physical or mental incapacity, to substantially perform the Executive's duties and responsibilities under this Agreement for one hundred eighty (180) days out of any three hundred sixty-five (365) day period and/or any one hundred twenty (120) consecutive day period.

(d) **"Good Reason"** shall mean the occurrence of any of the following, in each case without the Executive's written consent:

- (i) a material reduction in the Executive's Base Salary, other than a general reduction in Base Salary that affects all similarly situated executives in substantially the same proportions;
- (ii) a requirement by the Company not consented to by the Executive that the Executive's principal place of employment relocates by more than fifty (50) miles, further provided that such relocation results in a longer commute for the Executive;
- (iii) any material breach by the Company of any material provision of this Agreement; or
- (iv) a material, adverse change in the Executive's title, duties or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by applicable law), excluding, however, any such change that results due to the Company becoming a subsidiary or division of another entity, provided the Executive maintains his existing title in the subsidiary or division.

Notwithstanding the foregoing, the Executive cannot terminate his employment for Good Reason unless the Executive has provided written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within sixty (60) days of the initial existence of such grounds and the Company has had at least sixty (60) days from the date on which such notice is provided to cure such circumstances. If the Executive does not terminate his employment for Good Reason within one hundred twenty-five (125) days after the first occurrence of the applicable grounds, then the Executive will be deemed to have waived the right to terminate for Good Reason with respect to such grounds.

6.7 Resignation of All Other Positions. Upon termination of the Executive's employment hereunder for any reason and/or pursuant to any provision(s) herein, the Executive shall be deemed to have resigned from all positions that the Executive holds as an officer or member of the board of directors (or a committee thereof) of the Company or any of its affiliates, if any.

7. Section 280G. If any of the payments or benefits received or to be received by the Executive (including, without limitation, any payment or benefits received in connection with a Change of Control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the **"280G Payments"**) constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 7, be subject to the excise tax imposed under Section 4999 of the Code (the **"Excise Tax"**), then Executive shall be entitled to receive 280G Payments only up to the 280G Threshold (2.99 times the Base Amount as defined in Code section 280G(b)(3)), unless, the Executive would receive a greater net after tax benefit through payment of the full amount of the 280G Payments (taking into account the 20% excise tax), in which case the Executive shall receive the full amount of the 280G Payments otherwise payable. Any reduction of the 280G Payments shall be conducted in compliance with Code section 409A, and such reduction will be designed to deliver those 280G Payments that provide greatest overall economic value to the Executive.

8. Cooperation. The parties agree that certain matters in which the Executive will be involved in connection with his employment may necessitate the Executive's cooperation in the future. Accordingly, during the Term hereof and following the termination of the Executive's employment for any reason, to the extent reasonably requested by the Board or its representatives (including legal counsel), the Executive agrees to cooperate with the Company in connection with matters arising out of the Executive's service to the Company or employment therewith; provided that, the Company shall make reasonable efforts to minimize disruption of the Executive's other activities. The Company shall reimburse the Executive for reasonable out-of-pocket expenses actually incurred by Executive in connection with such cooperation in accordance with the Company's expense reimbursement policies then in effect. In addition, if Executive's cooperation is requested after the time period during which Executive is receiving severance from the Company, to the extent permitted by applicable law, the Company shall pay the Executive reasonable compensation for the Executive's loss of time in connection with such cooperation.

9. Confidential Information. The Executive understands and acknowledges that during the Term, the Executive will continue to have access to and learn about the Company's Confidential Information.

9.1 **Definition.** For purposes of this Agreement, “**Confidential Information**” includes, but is not limited to, all information of the Company, its parent, subsidiaries, and/or affiliates, or any of their respective clients, customers, suppliers, investors, or other business relations, that is not generally known to the public, whether in spoken, printed, electronic or any other form or medium, relating directly or indirectly to: business processes, methods, policies, plans, publications, documents, research, operations, services, techniques, transactions, know-how, trade secrets, computer programs, databases, records, financial information, marketing information, pricing information, design information, developments, market studies, sales information, revenue, costs, formulae, algorithms, product plans, designs, models, client information, client lists, of the Company or its businesses or any existing or prospective customer, supplier, investor or other associated third party, or of any other person or entity that has entrusted information to the Company in confidence, and/or all other information of a proprietary, confidential, and/or sensitive nature. The Executive understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used. The Executive understands and agrees that Confidential Information includes information received, accessed, learned, and/or developed by the Executive during the Term hereof, of the Prior Agreement, and any prior period(s) of Executive’s employment with the Company. Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Executive; provided that, such disclosure is through no direct or indirect fault of the Executive or person(s) either acting on the Executive’s behalf or under similar contractual or other obligations to not use or disclose Confidential Information.

9.2 **Disclosure and Use Restrictions.** The Executive agrees and covenants: (i) to treat all Confidential Information as strictly confidential; (ii) not to directly or indirectly disclose, publish, communicate or make available Confidential Information, or allow it to be disclosed, published, communicated or made available, in whole or part, to any entity or person whatsoever (including other employees of the Company not having a need to know and authority to know and use the Confidential Information in connection with the business of the Company and, in any event, not to anyone outside of the direct employ of the Company) except as required in the performance of the Executive’s authorized employment duties or with the prior written consent of the Board; and (iii) not to access or use any Confidential Information, and not to copy any documents, records, files, media or other resources containing any Confidential Information, or remove any such documents, records, files, media or other resources from the premises or control of the Company, except as required in the performance of his employment duties or with the prior consent of the Board. Nothing herein shall be construed to prevent or prohibit the Executive from providing truthful testimony on any non-privileged subject matter in response to a valid and lawful subpoena, court order, regulatory or governmental agency request, or other judicial, administrative, or legal process or as otherwise required by law, in which event the Executive shall notify the Company of such subpoena, court order, regulatory or governmental request, or other judicial, administrative or legal process or legal requirement (as applicable) in writing, unless prohibited to do so by law, as promptly as practicable after receiving any such request and at least ten (10) business days prior to providing such testimony (or, if such notice is not possible under the circumstances, with as much prior notice as is feasible) so that the Company may seek a protective order or other appropriate remedy; provided that the disclosure does not exceed the extent of disclosure required by such law, regulation or order. The Executive understands and acknowledges that the obligations under this Agreement with regard to any particular Confidential Information shall continue after his employment by the Company.

9.3 Exceptions; Defend Trade Secrets Act. Notwithstanding the foregoing and for the avoidance of doubt, nothing herein shall prohibit or restrict the Executive from reporting, without prior authorization from or notification to the Company, possible violations of federal law or regulation to any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of applicable federal or state law or regulation. The Executive is hereby notified that, pursuant to 18 U.S.C. § 1833(b) of the Defend Trade Secrets Act of 2016, an individual may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (B) solely for the purpose of reporting or investigating a suspected violation of law or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, the Executive is further notified that an individual who files an action or lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose a trade secret to the individual's attorney and use the trade secret information in a proceeding if the individual: (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret except pursuant to court order.

10. Restrictive Covenants.

10.1 Acknowledgment. The Executive understands and acknowledges that the nature of the Executive's position gives the Executive access to and knowledge of Confidential Information and places the Executive in a position of trust and confidence with the Company, and that the Executive has obtained and will obtain knowledge and skill relevant to the Company's industry, methods of doing business, and marketing strategies by virtue of the Executive's employment and continued employment with the Company. The Executive further understands and acknowledges that the Company's ability to reserve the use of Confidential Information for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure by the Executive is likely to result in unfair or unlawful competitive activity. The Executive acknowledges and agrees that the restrictive covenants herein are reasonable and reasonably necessary to protect the legitimate business interests of the Company, including its Confidential Information, customer relationships and goodwill.

10.2 Non-competition. Because of the Company's legitimate business interest as described herein and the good and valuable consideration offered to the Executive, during the Term and for the period of twelve (12) months after the termination of the Executive's employment for any reason, the Executive agrees and covenants not to engage in a Competing Business, as an employee, employer, owner, operator, manager, advisor, consultant, agent, employee, partner, director, stockholder, officer, or any other similar capacity, except on behalf of the Company. A "Competing Business" is an entity engaged in the same or similar business as the Company or its parent, and their respective subsidiaries, which is the use of polymeric sorbents to purify blood, blood products, and bodily fluids to prevent or treat inflammation or organ dysfunction. Executive acknowledges and agrees that a Competing Business of the Company also includes any business or activity in which the Company is engaged, in research and development, or is demonstrably planning to conduct, each as of the Termination Date. Nothing herein shall prohibit the Executive from purchasing or owning less than three percent (3%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation.

10.3 Non-solicitation of Employees. During the Term and for a period of twelve (12) months after the termination of the Executive's employment for any reason, the Executive agrees and covenants not to directly or indirectly solicit, hire, recruit, attempt to hire or recruit, or induce (or attempt to induce) any person to terminate his or her employment with the Company (including its parent or any affiliate or subsidiary thereof), provided that such person was employed by the Company (or any parent, affiliate, or subsidiary thereof) as of and/or at any time during the twelve (12) month period prior to the Termination Date.

10.4 Non-solicitation of Customers. The Executive understands and acknowledges that because of the Executive's experience with and relationship to the Company, the Executive has accessed and learned about, and will continue to have access to and learn about, much or all of the Company's customer information, and will have formed customer relationships. The Executive understands and acknowledges that loss of this customer relationship and/or goodwill will cause significant and irreparable harm to the Company. Therefore, the Executive agrees and covenants, during the Term and for a period of twelve (12) months after the termination of the Executive's employment for any reason, not to directly or indirectly solicit, contact, attempt to contact, or meet with, (i) any Company customers who the Executive directly or indirectly (including by way of Company employees whom the Executive managed or supervised) contracted with or solicited at any time in the two (2) year period prior to the Termination Date or about whom the Executive accessed or received Confidential Information at any time during the Executive's employment, or (ii) any potential customers who the Executive solicited or contacted within the six (6) month period before the Termination Date; in either case, for purposes of or in any way relating to the offering or providing of products, goods or services similar to or competitive with those offered by the Company.

11. Non-disparagement. The Executive agrees and covenants that the Executive will not during and after the Term, directly or indirectly make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments or statements concerning the Company or its businesses, or any of its employees, officers or directors. Notwithstanding the foregoing, nothing in this Agreement shall preclude the Executive or any directors or officers of the Company from making truthful statements that are required by applicable law, regulation or legal process, or interfere with any rights the Executive may have under Section 7 of the National Labor Relations Act.

12. Remedies. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 9, 10 and/or 11 hereof. The Executive agrees without reservation that each of the restraints contained herein may be necessary for the reasonable and proper protection of the relationships (client, customer, personnel, and business), goodwill, Confidential Information and other legitimate interests of the Company (including its parent, affiliates, and subsidiaries), and that each of these restraints, individually or in the aggregate, will not impose upon Executive any undue hardship or prevent him from pursuing a livelihood or obtaining other suitable employment during the period in which the Executive is bound by them. In the event of a breach or threatened breach by the Executive of Section 9, Section 10 or Section 11 of this Agreement, the Executive hereby consents and agrees that the Company shall be entitled to seek, in addition to all other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief. Should the Executive violate any of the terms of the restrictive covenant obligations articulated herein, the obligation at issue will run from the first date on which the Executive ceases to be in violation of such obligation. The Executive agrees that the length and/or time period of each of the restraints herein shall be tolled, and shall not run, during any period of time in which Executive is in violation of the terms thereof, in order that the Company shall have all the agreed-upon temporal protection recited herein.

13. Proprietary Rights.

13.1 Work Product. The Executive acknowledges and agrees that all writings, works of authorship, technology, inventions, discoveries, ideas and other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, amended, conceived or reduced to practice by the Executive individually or jointly with others during Executive's employment and/or continued employment and during the Term, and relating in any way to the business or contemplated business, research or development of the Company (regardless of when or where the Work Product is prepared or whose equipment or other resources is used in preparing the same) and all printed, physical and electronic copies, all improvements, rights and claims related to the foregoing, and other tangible embodiments thereof (collectively, "**Work Product**"), as well as any and all rights in and to copyrights, trade secrets, trademarks (and related goodwill), patents and other intellectual property rights therein arising in any jurisdiction throughout the world and all related rights of priority under international conventions with respect thereto, including all pending and future applications and registrations therefor, and continuations, divisions, continuations-in-part, reissues, extensions and renewals thereof (collectively, "**Intellectual Property Rights**"), shall be the sole and exclusive property of the Company. Work Product includes, but is not limited to, Company publications, research, strategies, discoveries, techniques, know-how, results, developments, algorithms, product designs, inventions, trade secrets, original works of authorship, and discoveries.

13.2 Work Made for Hire; Assignment. The Executive acknowledges that, by reason of being employed by the Company at the relevant times, to the extent permitted by law, all of the Work Product consisting of copyrightable subject matter is "work made for hire" as defined in 17 U.S.C. § 101 and such copyrights are therefore owned by the Company. To the extent that the foregoing does not apply, the Executive hereby irrevocably assigns to the Company, for no additional consideration, the Executive's entire right, title and interest in and to all Work Product and Intellectual Property Rights therein, including the right to sue, counterclaim and recover for all past, present and future infringement, misappropriation or dilution thereof, and all rights corresponding thereto throughout the world. Nothing contained in this Agreement shall be construed to reduce or limit the Company's rights, title or interest in any Work Product or Intellectual Property Rights so as to be less in any respect than that the Company would have had in the absence of this Agreement.

13.3 Further Assurances; Power of Attorney. During and after the Term, the Executive agrees to reasonably cooperate with the Company to (a) apply for, obtain, perfect and transfer to the Company the Work Product as well as an Intellectual Property Right in the Work Product in any jurisdiction in the world; and (b) maintain, protect and enforce the same, including, without limitation, executing and delivering to the Company any and all applications, oaths, declarations, affidavits, waivers, assignments and other documents and instruments as shall be requested by the Company. The Executive hereby irrevocably grants the Company power of attorney to execute and deliver any such documents on the Executive's behalf in the Executive's name and to do all other lawfully permitted acts to transfer the Work Product to the Company and further the transfer, issuance, prosecution and maintenance of all Intellectual Property Rights therein, to the full extent permitted by law, if the Executive does not promptly cooperate with the Company's request (without limiting the rights the Company shall have in such circumstances by operation of law). The power of attorney is coupled with an interest and shall not be effected by the Executive's subsequent incapacity.

14. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of the State of New Jersey without regard to conflicts of law principles. Any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in New Jersey. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

15. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Executive and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

16. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and by the Chair of the Board. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

17. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties further agree that any such court is expressly authorized to modify and/or reform any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement or by making such other modifications as it deems warranted, to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

18. Captions; Ambiguities. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. Any rule or principle of law that provides that ambiguities are to be construed against the drafting party shall not apply to this Agreement or the interpretation of any provision hereof.

19. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. Section 409A.

20.1 General Compliance. This Agreement is intended to comply with or be exempt from Section 409A and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A. In the event the Company and the Executive determine that this Agreement or payments under this Agreement fail to comply with Section 409A, the Company and the Executive shall reasonably cooperate to modify or amend this Agreement to result in compliance under Section 409A while preserving to the extent practicable the intended economics of this Agreement.

20.2 Specified Employees. Notwithstanding any other provision of this Agreement, if any payment or benefit provided to the Executive in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of the Termination Date (the "**Specified Employee Payment Date**") or, if earlier, on the Executive's death. The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date shall be paid to the Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

20.3 Reimbursements. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following:

- (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year;
- (b) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and
- (c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

21. Successors and Assigns; Third-Party Beneficiaries. This Agreement is personal to the Executive and shall not be assigned by the Executive. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns, and all references herein to the "Company" shall be construed to include any and all permitted successors and/or assigns thereto. Nothing herein is intended to or shall be construed to create any third-party beneficiaries other than the parent, affiliates, and subsidiaries of the Company, all of which are expressly intended as third-party beneficiaries of this Agreement (including any amendments or modifications hereafter).

22. Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company:

CytoSorbents Corporation
305 College Road East
Princeton, NJ 08540
c/o Chief Executive Officer

If to the Executive:

At the Executive's residence address as maintained by the Company in the regular course of its business for payroll purposes.

23. Representations of the Executive. The Executive represents and warrants to the Company that the Executive's execution of this Agreement and performance hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which the Executive is a party or is otherwise bound.

24. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

25. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

26. Attorneys' Fees. The Company agrees to reimburse Executive for reasonable legal fees incurred in negotiating this Agreement in accordance with the arrangement agreed upon by Executive and the Company's Board of Directors in 2019.

27. Acknowledgment of Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT THE EXECUTIVE HAS BEEN ADVISED TO CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE REGARDING THIS AGREEMENT, AND THAT THE EXECUTIVE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EXECUTIVE'S CHOICE BEFORE SIGNING THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written below.

CYTOSORBENTS MEDICAL, INC.

By: /s/ Dr. Phillip P. Chan

Name: Dr. Phillip P. Chan
Title: Chief Executive Officer
Date: July 10, 2023

ALEXANDER D'AMICO

Signature: /s/ Alexander D'Amico

Date: July 10, 2023



CytoSorbents

Press Release

CytoSorbents Appoints Alexander D’Amico as Chief Financial Officer

PRINCETON, N.J., July 19, 2023 (GLOBE NEWSWIRE) -- CytoSorbents Corporation (NASDAQ: CTSO), a leader in the treatment of life-threatening conditions in the intensive care unit and cardiac surgery using blood purification via its proprietary polymer adsorption technology, announced the appointment of Alexander D’Amico as Chief Financial Officer, to begin employment on August 7, 2023.

Mr. D’Amico brings over 20 years of broad finance, SEC reporting, merger and acquisition, fundraising, and accounting experience to CytoSorbents. Most recently, Mr. D’Amico was the Chief Financial Officer of Trulieve Cannabis Corporation (CSE: TRUL; OTCQX: TCNNF), an industry leading, vertically integrated cannabis company and multi-state operator in the U.S., overseeing more than 7,600 employees, including more than 250 finance, accounting, shared service, human resource and investor relations professionals. Through strategic organic growth and eleven separate acquisitions with a transaction value totaling \$2.5 billion, including the largest industry transaction in the U.S., Mr. D’Amico helped to engineer a rapid expansion of annual revenue from \$250M to more than \$1.2 billion, leveraging more than 4 million square feet of cultivation and processing space, and 180 retail stores across 12 states. Mr. D’Amico financed this growth through a series of equity and debt financings, totaling approximately \$650 million, and drove the consolidation and integration of these acquisitions, navigating through complex state regulatory environments, and achieved cost savings and gross margins of 55% last year.

Prior to Trulieve, Mr. D’Amico co-led Telaria’s global expansion into 7 new countries, top line revenue growth of over 50% in two years, the acquisition and integration of Slimcut (a global video outstream technology solutions company), and ultimately positioned this leader in digital video advertising services and software for exit/sale via merger to Rubicon Project for a total equity value of \$400M, as Vice President Finance/Controller. As Finance Director-Global Controllershship at Cognizant, a \$14.5 billion high-growth provider of information technology, consulting, and business process services, Mr. D’Amico led global accounting and finance consolidation as revenues grew nearly \$4.6B in just 3 years and generated more than \$50M in synergistic cost savings. As Senior Finance Manager at Quest Diagnostics, a Fortune 500 company and leading clinical laboratory, he co-championed the company’s Global Business Transformation from 50 domestic and 10 internationally decentralized business units to a Shared Service “Center of Excellence” (COE) reporting more than \$7.4B in consolidated revenues. At Quest, he also led the introduction, standardization, and centralization of the Sarbanes Oxley methodology to global markets.

Dr. Phillip Chan, Chief Executive Officer of CytoSorbents, stated, “We are thrilled to bring Alex on as Chief Financial Officer and as a key member of the CytoSorbents management team. Throughout his impressive career at major high growth publicly-traded companies, Alex has consistently demonstrated his key strengths in finance, international and domestic accounting, M&A, business strategy, execution, and SEC compliance and reporting. His record at Trulieve alone, which he helped to grow from a relatively small company to a massive commercial organization, highlights many of these key skills. Importantly, Alex has the perspective of scale of operations that will be invaluable as we drive expected rapid growth in the coming years based upon international sales of CytoSorb®, and if successful, sales of DrugSorb™-ATR in the U.S. and Canada. In addition, his extensive experience in M&A perfectly aligns with our longer-term growth strategy that includes both organic growth and acquisition.”

Alexander D’Amico stated, “I am excited to join CytoSorbents during this pivotal time in the Company’s history. In particular, I hope to leverage my diversified experience and expertise to help CytoSorbents expand its high margin international CytoSorb business, take advantage of new business prospects, and finance and build the U.S. and Canadian commercial organizations pending regulatory approvals. I believe CytoSorbents has an excellent future ahead and was immediately attracted to both its mission of saving lives and the deep sense of passion and purpose of the team. I consider this a compelling opportunity to use my skills and knowledge to help grow the Company, work with great colleagues, and serve people in need.”

Dr. Chan stated, “Separately, as we mentioned in a press release in October announcing her pending retirement, we are indebted to Kathy Bloch for her decade of service to the Company as CFO, helping to oversee and finance the rapid growth and commercialization of CytoSorb in 75 countries internationally to date, and for helping to manage this management transition.”

Mr. D’Amico began his career as an auditor for Deloitte, a global provider of audit and assurance, tax consulting, and risk and financial advisory services to corporations worldwide, where he served clients such as BASF and Brother International. He is a Certified Public Accountant in the State of New Jersey, and is a Chartered Global Management Accountant from the American Institute of Certified Public Accountants. Mr. D’Amico received his B.S. in accounting, graduating Summa Cum Laude from Rutgers University.

About CytoSorbents Corporation (NASDAQ: CTSO)

CytoSorbents Corporation is a leader in the treatment of life-threatening conditions in the intensive care unit and in cardiac surgery through blood purification. Its lead product, CytoSorb®, is approved in the European Union and distributed in 75 countries worldwide. It is an extracorporeal cytokine adsorber that reduces "cytokine storm" or "cytokine release syndrome" in common critical illnesses that can lead to massive inflammation, organ failure and patient death. In these diseases, the risk of death can be extremely high, and there are few, if any, effective treatments. CytoSorb is also used during and after cardiothoracic surgery to remove antithrombotic drugs and inflammatory mediators that can lead to postoperative complications, including severe bleeding and multiple organ failure. At the end of Q1 2023, more than 203,000 CytoSorb devices had been used cumulatively. CytoSorb was originally launched in the European Union under CE mark as the first cytokine adsorber. Additional CE mark extensions were granted for bilirubin and myoglobin removal in clinical conditions such as liver disease and trauma, respectively, and for ticagrelor and rivaroxaban removal in cardiothoracic surgery procedures. CytoSorb has also received FDA Emergency Use Authorization in the United States for use in adult critically ill COVID-19 patients with impending or confirmed respiratory failure. The DrugSorb™-ATR antithrombotic removal system, based on the same polymer technology as CytoSorb, also received two FDA Breakthrough Device Designations, one for the removal of ticagrelor and another for the removal of the direct oral anticoagulants (DOAC) apixaban and rivaroxaban in a cardiopulmonary bypass circuit during urgent cardiothoracic procedures. The Company is currently conducting the FDA-approved, randomized, controlled STAR-T (Safe and Timely Antithrombotic Removal-Ticagrelor) study of 120 patients at approximately 30 centers in U.S. and Canada to evaluate whether intraoperative use of DrugSorb-ATR can reduce the perioperative risk of bleeding in patients receiving ticagrelor and undergoing cardiothoracic surgery. This pivotal study is intended to support U.S. FDA and Health Canada marketing approval for DrugSorb-ATR in this application.

CytoSorbents' purification technologies are based on biocompatible, highly porous polymer beads that can actively remove toxic substances from blood and other bodily fluids by pore capture and surface adsorption. Its technologies have received non-dilutive grant, contract, and other funding of approximately \$48 million from DARPA, the U.S. Department of Health and Human Services (HHS), the National Institutes of Health (NIH), National Heart, Lung, and Blood Institute (NHLBI), the U.S. Army, the U.S. Air Force, U.S. Special Operations Command (SOCOM), Air Force Material Command (USAF/AFMC), and others. The Company has numerous marketed products and products under development based upon this unique blood purification technology protected by many issued U.S. and international patents and registered trademarks, and multiple patent applications pending, including ECOS-300CY®, CytoSorb-XL™, HemoDefend-RBC™, HemoDefend-BGA™, VetResQ®, K⁺ontrol™, DrugSorb™, DrugSorb™-ATR, ContrastSorb, and others. For more information, please visit the Company's websites at www.cytosorbents.com and www.cytosorb.com or follow us on [Facebook](#) and [Twitter](#).

Forward-Looking Statements

This press release includes forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, future targets and outlooks for our business, , statements about potential exposures resulting from our cash positions, representations and contentions, and are not historical facts and typically are identified by use of terms such as “may,” “should,” “could,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue” and similar words, although some forward-looking statements are expressed differently. You should be aware that the forward-looking statements in this press release represent management’s current judgment and expectations, but our actual results, events and performance could differ materially from those in the forward-looking statements. Factors which could cause or contribute to such differences include, but are not limited to, the risks discussed in our Annual Report on Form 10-K, filed with the SEC on March 9, 2023, as updated by the risks reported in our Quarterly Reports on Form 10-Q, and in the press releases and other communications to shareholders issued by us from time to time which attempt to advise interested parties of the risks and factors which may affect our business. We caution you not to place undue reliance upon any such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, other than as required under the Federal securities laws.

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