

Giltner Richard
Form 4
August 17, 2018

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Giltner Richard

2. Issuer Name and Ticker or Trading Symbol
UNITED THERAPEUTICS Corp
[UTHR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
08/16/2018

Director 10% Owner
 Officer (give title below) Other (specify below)

C/O UNITED THERAPEUTICS CORPORATION, 1040 SPRING STREET

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

SILVER SPRING, MD 20910

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	08/16/2018		S		3,240	D	\$ 129.382 (1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Giltner Richard C/O UNITED THERAPEUTICS CORPORATION 1040 SPRING STREET SILVER SPRING, MD 20910			X	

Signatures

/s/ John S. Hess, Jr. under Power of Attorney
Date: 08/17/2018

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

This transaction was executed in multiple trades at prices ranging from \$129.12 to \$129.60. The price reported above reflects the (1) weighted average price. The reporting person hereby undertakes to provide upon request to the SEC staff, the issuer or a security holder of the issuer full information regarding the number of shares and prices at which the transaction was effected.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. sp; — — — — 275,000 Officer 2015 91,000 — — — — 91,000 Himelfarb(3) Chief Operating 2017 228,653(5) 40,625 — 92,205 — (5) 361,483 Officer & General 2016 16,000 — — — — 16,000 Manager 2015 — — — — — — — — — — Naim(4) 2017 66,000 — — 188 — — 66,188 Chief Financial 2016 6,000 — — — — 6,000 Officer 2015 — — — — — — — — — —

David

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(1) Mr. Gadot's compensation prior to the Merger on November 28, 2016 was paid pursuant to a consulting agreement with MEDX Ventures Group LLC, of which Mr. Gadot is the Chief Executive Officer, Company Group Chairman and majority equity owner. All Other Compensation includes Mr. Gadot's monthly automobile allowance and tax gross-up.

(2) Amounts shown do not reflect cash compensation actually received by the named executive officer. Instead, the amounts shown are the non-cash aggregate grant date fair values of stock option awards made during the periods presented as determined pursuant to ASC Topic 718 and excludes the effect of forfeiture assumptions. The assumptions used to calculate the fair value of stock option awards are set forth under Note 10 to the Consolidated Financial Statements of the Company included in the Company's Form 10-K for the fiscal year ended December 31, 2017.

(3) Mr. Himelfarb commenced employment in December 2016.

(4) Mr. Ben Naim commenced employment in December 2016.

(5) The salary includes \$13,000 for Mr. Himelfarb's yearly automobile allowance.

Outstanding Equity Awards at Fiscal Year-End

The following table presents the outstanding equity awards held by each of the named executive officers as of the end of the fiscal year ended December 31, 2017.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Market value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested	
Harel Gadot	1,167,693	–	\$ 0.28	9/01/2024	–	–	–	–
		1,812,712	1.05	9/14/2027				
Hezi Himelfarb	–	1,087,627	1.29	10/15/2027	–	–	–	–
David Ben Naim	–	75,000	1.02	12/28/2027	–	–	–	–

Harel Gadot Employment Agreement

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The Company entered into an employment agreement (the “Gadot Agreement”) with Harel Gadot on November 28, 2016, to serve as the Company’s Chairman of the Board of Directors and Chief Executive Officer, on an indefinite basis subject to the termination provisions described in the Agreement. Pursuant to the terms of the Gadot Agreement, Mr. Gadot shall receive an annual base salary of \$360,000. The salary will be reviewed on an annual basis by the Compensation Committee of the Company to determine potential increases taking into account such performance metrics and criteria as established by the Executive and the Company.

Mr. Gadot shall also be entitled to receive a target annual cash bonus of up to a maximum amount of 40% of base salary. On March 9, 2017, the Company adopted a 2017 bonus plan (the "Bonus Plan"). The Bonus Plan provided for the payment of Mr. Gadot's bonus based on certain milestones of the Company being satisfied, as follows:

The Company having closed a financing of at least \$3 million in the first quarter of 2017, at which time 20% of the bonus would be payable. Such milestone was satisfied in January 2017.

The Company having closed a financing of at least \$10 million by the end of the third quarter of 2017, at which time 20% of the bonus would be payable.

The Company having entered into research agreements with Wayne State University (the "Wayne Agreement") and The Washington University in St. Louis (the "Washington Agreement") by the end of the first quarter of 2017, at which time 20% of the bonus would be payable. Such milestone was satisfied in January 2017.

The Company having initiated studies pursuant to both the Wayne Agreement and the Washington Agreement, by the end of April 2017, at which time 15% of the bonus would be payable.

The Company having completed the initial study from at least one of the Wayne Agreement and the Washington Agreement, by the end of 2017, at which time 15% of the bonus would be payable.

The Company meeting its 2017 budget, as approved by the Board of Directors of the Company by March 31, 2017, at which time 10% of the bonus would be payable.

A bonus plan for 2018 has not yet been adopted by the Company. Mr. Gadot shall be further entitled to a monthly automobile allowance and tax gross up on such allowance of \$1,150, and shall be granted options to purchase shares of common stock of the Company representing 5% of the issued and outstanding shares of the Company, based on vesting and other terms to be determined by the Compensation Committee of the Board of Directors subsequent to the Effective Time.

In the event Mr. Gadot's employment is terminated as a result of death, Mr. Gadot's estate would be entitled to receive any earned annual salary, bonus, reimbursement of business expenses and accrued vacation, if any, that is unpaid up to the date of Mr. Gadot's death.

In the event Mr. Gadot's employment is terminated as a result of disability, Mr. Gadot would be entitled to receive any earned annual salary, bonus, reimbursement of business expenses and accrued vacation, if any, incurred up to the date of termination.

In the event Mr. Gadot's employment is terminated by the Company for cause, Mr. Gadot would be entitled to receive any compensation then due and payable incurred up to the date of termination.

In the event Mr. Gadot's employment is terminated by the Company without cause, he would be entitled to receive (i) any earned annual salary; (ii) 12 months' pay and full benefits, (iii) a pro rata bonus equal to the maximum target

bonus for that calendar year; (iv) the dollar value of unused and accrued vacation days; and (v) applicable premiums (inclusive of premiums for Mr. Gadot's dependents) pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended, for twelve (12) months from the date of termination for any benefits plan sponsored by the Company. In addition, 100% of any unvested portion of his stock options shall immediately vest and become exercisable.

The agreement contains customary non-competition and non-solicitation provisions pursuant to which Mr. Gadot agrees not to compete and solicit with the Company. Mr. Gadot also agreed to customary terms regarding confidentiality and ownership of intellectual property.

Hezi Himelfarb Employment Agreement

We entered into an employment agreement (the "Himelfarb Agreement") with Mr. Himelfarb on December 5, 2016, to serve as our Chief Operating Office and General Manager, on an indefinite basis subject to the termination provisions described in the Himelfarb Agreement. Pursuant to the terms of the Himelfarb Agreement, Mr. Himelfarb shall receive a base salary of 64,000 New Israeli Shekel (NIS) per month or NIS 768,000 per year, or the equivalent of approximately \$211,624 per annum based on an exchange rate of \$.28 for NIS 1.0. The salary will be reviewed on an annual basis by the Company's Board of Directors to determine potential salary increases.

Mr. Himelfarb shall be entitled to grants or payments subject to the adoption by the Company at its discretion of a bonus plan or policy. On March 9, 2017, the Company adopted the Bonus Plan. The Bonus Plan provided for the payment of Mr. Himelfarb's bonus of up to 25% of his base salary based on certain milestones of the Company being satisfied, as follows:

The Company having closed a financing of at least \$3 million in the first quarter of 2017, at which time 20% of the bonus would be payable. Such milestone was satisfied in January 2017.

The Company having closed a financing of at least \$10 million by the end of the third quarter of 2017, at which time 20% of the bonus would be payable.

The Company having entered into research agreements with Wayne State University (the "Wayne Agreement") and The Washington University in St. Louis (the "Washington Agreement") by the end of the first quarter of 2017, at which time 20% of the bonus would be payable. Such milestone was satisfied in January 2017.

The Company having initiated studies pursuant to both the Wayne Agreement and the Washington Agreement, by the end of April 2017, at which time 15% of the bonus would be payable.

The Company having completed the initial study from at least one of the Wayne Agreement and the Washington Agreement, by the end of 2017, at which time 15% of the bonus would be payable.

The Company meeting its 2017 budget, as approved by the Board of Directors of the Company by March 31, 2017, at which time 10% of the bonus would be payable.

A bonus plan for 2018 has not yet been adopted by the Company. Mr. Himelfarb shall also be entitled to participate in the Company's motor vehicle program and receive a motor vehicle from the Company's vehicle pool, which shall be leased or rented by the Company for use by Mr. Himelfarb. The Company shall pay an amount equal to 8.33% of Mr. Himelfarb's salary, which shall be allocated to a fund for severance pay to Mr. Himelfarb, and an additional amount equal to 6.25% of Mr. Himelfarb's salary (6.5% as of January 1, 2017), which shall be allocated to a pension plan, in addition to disability insurance contributions and as otherwise may be required by applicable Israeli law from time to time. The Company shall also contribute to an educational fund an amount equal to 7.5% of each monthly payment of Mr. Himelfarb's full salary. Mr. Himelfarb is also entitled to options to purchase 1,087,627 shares of the Company's common stock, which represents 3% of the Company's issued and outstanding shares of common stock as of the closing of the Company's merger transaction with the Subsidiary on November 28, 2016. Such options have not yet been granted.

The Himelfarb Agreement contains customary non-competition provisions pursuant to which Mr. Himelfarb agrees not to compete with the Company. Mr. Himelfarb also agreed to customary terms regarding confidentiality and ownership of intellectual property.

David Ben Naim Services Agreement

We entered into a services agreement (the "Services Agreement") with DBN Finance Services effective October 31, 2016, to provide outsourced CFO services. Pursuant to the terms of the Services Agreement, DBN Finance Services

will provide its services exclusively through Mr. David Ben Naim, who will serve as the principal financial and accounting officer of Microbot Israel and the Company. Mr. Ben Naim's engagement will continue on an indefinite basis subject to the termination provisions described in the Agreement.

Pursuant to the Agreement, the Company shall pay the Service Provider a fixed fee of NIS 22,000, or the equivalent of approximately \$6,110 per month based on an exchange rate of \$.28 for NIS1.0, plus VAT per month, and the Company shall reimburse DBN Finance Services for reasonable and customary out of pocket expenses incurred by it or Mr. Ben Naim connection with the performance of the duties under the Services Agreement. In addition, the Company shall maintain for the benefit of Mr. Ben Naim, a Directors and Officers insurance policy, according to the Company's policy for other directors and officers of the Company.

Both the Company and DBN Finance Services shall have the right to terminate the Agreement for any reason or without reason at any time by furnishing the other party with a 30-day notice of termination. The Company shall further be entitled to terminate the Services Agreement for "cause" without notice, in which case neither DBN Finance Services nor Mr. Ben Naim shall be entitled to any compensation due to such early termination.

DBN Finance Services and Mr. Ben Naim agreed to customary provisions regarding confidentiality and intellectual property ownership. The Services Agreement also contains customary non-competition and non-solicitation provisions pursuant to which DBN Finance Services and Mr. Ben Naim agree not to compete and solicit with the Company during the term of the Agreement and for a period of twelve months following the termination of the Agreement.

Indemnification Agreements

The Company generally enters into indemnification agreements with each of its directors and executive officers. Pursuant to the indemnification agreements, the Company has agreed to indemnify and hold harmless these current and former directors and officers to the fullest extent permitted by the Delaware General Corporation Law. The agreements generally cover expenses that a director or officer incurs or amounts that a director or officer becomes obligated to pay because of any proceeding to which he is made or threatened to be made a party or participant by reason of his service as a current or former director, officer, employee or agent of the Company, provided that he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. The agreements also provide for the advancement of expenses to the directors and officers subject to specified conditions. There are certain exceptions to the Company's obligation to indemnify the directors and officers, and, with certain exceptions, with respect to proceedings that he initiates.

Limits on Liability and Indemnification

We provide directors and officers insurance for our current directors and officers.

Our certificate of incorporation eliminate the personal liability of our directors to the fullest extent permitted by law. The certificate of incorporation further provide that the Company will indemnify its officers and directors to the fullest extent permitted by law. We believe that this indemnification covers at least negligence on the part of the indemnified parties. Insofar as indemnification for liabilities under the Securities Act may be permitted to our directors, officers, and controlling persons under the foregoing provisions or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

Director Compensation

The Company adopted a compensation package for the non-management members of its Board, pursuant to which each such Board member would receive for his services \$12,000 per annum, \$750 per duly called Board meeting and \$250 per unanimous written consent. Furthermore, each member of the Audit Committee of the Board receives an additional \$10,000 per annum, and other committee members receive an additional \$5,000 per annum. Board members are also entitled to receive equity awards. Upon joining the Board, a member would receive an initial grant of \$40,000 of stock options (calculated as the product of the exercise price on the date of grant multiplied by the number of shares underlying the stock option award required to equal \$40,000), with an additional grant of stock options each year thereafter, to purchase such number of shares of the Company's common stock equal to \$20,000, subject to the member of the Board having served on the Board for at least twelve continuous months, and having

attended at least 80% of the Board meetings over the prior year.

The following table summarizes cash-based and equity compensation information for our outside directors, including annual Board and committee retainer fees and meeting attendance fees, for the year ended December 31, 2017:

Name	Fees earned or paid in cash	Stock Awards	Option Awards (1)	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Yoav Waizer	\$50,602	\$ -	\$ 828	\$ -	\$ -	\$ 50,000	(2) \$101,430
Moshe Shoham (3)	33,333	-	321	-	-	-	33,654
Yoseph Bornstein	52,166	-	828	-	-	-	52,994
Solomon Mayer	20,500	-	-	-	-	-	20,500
Scott Burell	53,062	-	828	-	-	-	53,890
Martin Madden	27,270	-	828	-	-	-	28,098
Laxminarain Prattipati	-	-	828	-	-	-	828

- Amounts shown do not reflect cash compensation actually received by the director. Instead, the amounts shown are the non-cash aggregate grant date fair values of stock option awards made during the period presented as determined pursuant to ASC Topic 718 and excludes the effect of forfeiture assumptions. The assumptions used to calculate the fair value of stock option awards are set forth under Note 10 to the Consolidated Financial Statements of the Company included in the Company's Form 10-K for the fiscal year ended December 31, 2017.
- (1) Represents consulting fees paid to Professor Shoham. Professor Shoham resigned from the Board as of December 6, 2017.
- (2) Represents director fee paid to Mr. Waizer for director services in 2016 to Microbot Medical Ltd.
- (3) Represents consulting fees paid to Professor Shoham. Professor Shoham resigned from the Board as of December 6, 2017.

Messrs. Gadot and Himelfarb received compensation for their services to the Company as set forth under the summary compensation table above.

Certain Relationships and Related Transactions

Related parties can include any of our directors or executive officers, certain of our stockholders and their immediate family members. Each year, we prepare and require our directors and executive officers to complete Director and Officer Questionnaires identifying any transactions with us in which the officer or director or their family members have an interest. This helps us identify potential conflicts of interest. A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the company as a whole. Our code of ethics requires all directors, officers and employees who may have a potential or apparent conflict of interest to immediately notify our general counsel, who serves as our compliance officer. In addition, the Corporate Governance Committee is responsible for considering and reporting to the Board any questions of possible conflicts of interest of Board members. Our code of ethics further requires pre-clearance before any employee, officer or director engages in any personal or business activity that may raise concerns about conflict, potential conflict or apparent conflict of interest. Copies of our code of ethics and the Corporate Governance Committee charter are posted on the corporate governance section of our website at www.microbotmedical.com.

In March 2011, Microbot Israel entered into a consulting agreement with MEDX Ventures Group LLC, of which Mr. Gadot is the Chief Executive Officer, Company Group Chairman and majority equity owner (the "Gadot Consulting Agreement"), pursuant to which Mr. Gadot served as Microbot Israel's Chief Executive Officer. Under the terms of the Gadot Consulting Agreement, MEDX Ventures Group received a monthly fee of \$17,000, which amount was to increase to \$25,000 per month upon the consummation of a merger or other similar transaction. Under the Gadot Consulting Agreement, MEDX Ventures Group and Mr. Gadot was subject to customary non-competition, non-solicitation, confidentiality and intellectual property ownership provisions. In addition, MEDX Ventures Group was entitled to receive reimbursement for all direct expenses in connection with the performance of services under the Gadot Consulting Agreement. Either Microbot or MEDX Ventures Group was entitled to terminate the Gadot Consulting Agreement upon 60 days' written notice. MEDX Ventures Group LLC is a stockholder of Microbot. As a result of the Merger, the Gadot Consulting Agreement was terminated in November 2016 and was replaced with an employment agreement between the Company and Mr. Gadot.

In 2015, Microbot Israel issued convertible promissory notes, at an interest rate of 10%, in the aggregate principal amount of \$411,500 (the "2015 Notes") to certain investors and Microbot Israel shareholders. The 2015 Notes matured on July 8, 2016. The principal and accrued but unpaid interest on the 2015 Notes converted into 452,650 shares of Series A Preferred Stock of Microbot Israel and warrants to purchase 409,750 shares of Series A Preferred Stock of Microbot Israel. The table below sets forth the 2015 Notes with aggregate principal in excess of \$120,000 that were purchased by Microbot's directors, executive officers and holders of more than 5% of its capital stock.

Name of 2015 Bridge Note Holder	Outstanding Principal Purchased in 2015
Saber Holding GmbH	\$ 140,000

Explanation of Responses:

Leon Lewkowicz

\$ 140,000

In 2016, Microbot Israel issued convertible promissory notes, at an annual interest rate of 10%, in the aggregate principal amount of \$750,000 (the "2016 Notes") to certain investors and Microbot Israel shareholders. The principal and accrued but unpaid interest on the 2016 Notes converted, at a 20% discount, into common stock upon the consummation of the Merger. The table below sets forth the 2016 Notes with aggregate principal in excess of \$120,000 that were purchased by Microbot Israel's directors, executive officers and holders of more than 5% of its capital stock.

Name of 2016 Bridge Note Holder	Outstanding Principal Purchased in 2016
Alpha Capital Anstalt	\$ 400,000
Saber Holding GmbH	\$ 175,000
Leon Lewkowicz	\$ 175,000

Microbot Israel entered into a license agreement with Technion Research and Development Foundation Ltd., or TRDF, in 2012 pursuant to which Microbot Israel obtained an exclusive, worldwide, royalty-bearing, sub-licensable license to certain patents and inventions relating to the SCS and TipCAT technology platforms. TRDF is a founding member of Microbot and current beneficially owns approximately 14.5% of Microbot's ordinary shares on an as converted basis.

On August 15, 2016, Microbot Israel and Alpha Capital Anstalt ("Alpha Capital"), a shareholder of Microbot Israel at that time, entered into an agreement pursuant to which, among other things, Alpha Capital agreed to fund a proposed \$4 million private placement, which obligation would be reduced dollar-for-dollar by any third party investors investing in such private placement. This agreement was superseded by the Letter Agreement referred to below.

The Company entered into a letter agreement (the "Letter Agreement") with Alpha Capital, dated November 18, 2016 but effective November 28, 2016 pursuant to which Alpha Capital committed to make a cash investment into the Company, no later than December 31, 2016, in an amount equal to the difference between \$4 million and the amount of cash released to the Company, by December 31, 2016, out of escrow pursuant to the Company's asset sale transaction with BOCO Silicon Valley, Inc., a California corporation. The Company waived Alpha Capital's commitments under the Letter Agreement.

On August 15, 2016, concurrently with the execution of the Merger Agreement, the Company (then named and operated as StemCells, Inc.) issued a 5.0% secured note (the "Secured Note") to Alpha Capital, in the principal amount of \$2 million, payable upon the earlier of (i) 30 days following the consummation of the Merger and (ii) December 31, 2016. In addition, on August 15, 2016, the Company and Alpha Capital entered into a Security Agreement to secure the Company's obligations under the Secured Note (the "Security Agreement"). The Company's obligations under the Secured Note were secured by a first priority security interest in all of the Company's intellectual property and certain other general assets. As of November 28, 2016, upon the closing of the Merger, the Company entered into a Securities Exchange Agreement (the "Exchange Agreement") with Alpha Capital, providing for the issuance to Alpha Capital of a convertible promissory note by the Company (the "Convertible Note") in a principal amount of \$2,028,767, which is equal to the principal and accrued interest under the Secured Note, in exchange for (a) the full satisfaction, termination and cancellation of the Secured Note and (b) the release and termination of the Security Agreement and the first priority security interest granted thereunder. Pursuant to the terms of the Convertible Note upon issuance, the Convertible Note is convertible into the Company's common stock any time after November 28, 2017 until the maturity date of November 28, 2019, based on a conversion price of \$0.64, subject to adjustments as provided in the Convertible Note and the other terms and the conditions specified in the Convertible Note. Pursuant to the terms of the

Note, the Company is obligated to pay interest on the outstanding principal amount owed under the Note at a fixed rate per annum of 6.0%, payable at maturity or earlier conversion.

On December 16, 2016, the Company entered into a Securities Exchange Agreement with Alpha Capital, pursuant to which Alpha exchanged approximately 9,735,925 shares or rights to acquire shares of the common stock of the Company held by it, for approximately 9,736 shares of a newly designated class of Series A Convertible Preferred Stock, par value \$0.01 per share. The common stock and common stock underlying the rights include all of the shares of common stock issued or issuable to Alpha Capital pursuant to the Merger. The closing of the exchange was effective as of December 27, 2016.

Principal Accountant Fees and Services.

Audit and Tax Fees

The Board, upon the recommendation of the Audit Committee, selected the independent accounting firm of Brightman Almagor Zohar & Co., a Member of Deloitte Touche Tohmatsu Limited (“Deloitte”) to audit the accounts of the Company for the year ending December 31, 2017.

The Audit Committee considered the tax compliance services provided by Deloitte and concluded that provision of such services is compatible with maintaining the independence of the independent accountants, and approved the provision by Deloitte of tax compliance services with respect to the year ending December 31, 2017.

The Audit Committee received the following information concerning the fees of the independent accountants for the years ended December 31, 2017 and 2016, has considered whether the provision of these services is compatible with independence of the independent accountants, and concluded that it is:

	Year Ended	
	12/31/17	12/31/16
Audit Fees (1)	\$35,000	\$35,000
Audit-Related Fees	–	–
Tax Fees	–	–
All Other Fees	–	–

Audit fees represents fees for the integrated audit of our annual consolidated financial statements and reviews of (1) the interim consolidated financial statements, and review of audit-related SEC filings; also includes fees related to issuing comfort letter(s). Also includes tax filing fees.

Audit and tax fees include administrative overhead charges and reimbursement for out-of-pocket expenses.

Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures for pre-approving all services (audit and non-audit) performed by our independent auditors. In accordance with such policies and procedures, the Audit Committee is required to pre-approve all audit and non-audit services to be performed by the independent auditors in order to assure that the provision of such services is in accordance with the rules and regulations of the SEC and does not impair the auditors' independence. Under the policy, pre-approval is generally provided up to one year and any pre-approval is detailed as to the particular service or category of services and is subject to a specific budget. In addition, the Audit Committee may pre-approve additional services on a case-by-case basis. During 2015 and through November 28, 2016, Microbot Israel did not have a standing audit committee.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee oversees our accounting and financial reporting processes and the audits of our financial statements on behalf of the Board, and selects an independent public accounting firm to perform these audits. Management has the primary responsibility for establishing and maintaining adequate internal control over financial reporting, preparing the financial statements, and establishing and maintaining adequate controls over public reporting. Our independent registered public accounting firm for fiscal 2017, Deloitte, had responsibility for conducting an audit of our annual financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles.

The Audit Committee oversaw the independent public accounting firm's qualifications and independence, as well as its performance. The Audit Committee assisted the Board in overseeing the preparation of the Company's financial statements, the Company's compliance with legal and regulatory requirements, and the performance of the Company's internal audit function. The Audit Committee met with personnel of the Company and Deloitte to review the scope and the results of the annual audit, the amount of audit fees, the Company's internal accounting controls, the Company's financial statements contained in the Company's Annual Report to Shareholders and other related matters.

The Audit Committee has reviewed and discussed with management the financial statements for fiscal year 2017 audited by Deloitte, as well as management's report on internal control over financial reporting, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework. The Audit Committee has discussed with Deloitte various matters related to the financial statements, including those matters required to be discussed by SAS 114 (The Auditor's Communication with Those Charged with Governance). The Audit Committee has also discussed with Deloitte its report on internal control over financial reporting, has received the written disclosures and the letter from Deloitte required by Public Company Accounting Oversight Board (PCAOB) Ethics and Independence Rule 3526, *Communication with Audit Committees Concerning Independence* (Rule 3526), and has discussed with Deloitte its independence.

Based upon such review and discussions, the Audit Committee recommended to the Board of Directors, and the Board approved the recommendation, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2017 for filing with the SEC.

AUDIT COMMITTEE

Scott Burell

Martin Madden

Yoseph Bornstein

The foregoing Audit Committee Report shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, and shall not otherwise be deemed filed under these acts, except to the extent we specifically incorporate by reference into such filings.

PROPOSAL 1: NOMINEES FOR ELECTION OF CLASS II DIRECTORS

The number of directors is currently fixed at seven. Both our restated certificate of incorporation, as amended to date, and our amended and restated by-laws provide for the classification of the Board into three classes (Class I, Class II and Class III), as nearly equal in number as possible, with the term of office of one class expiring each year.

Unless otherwise instructed, the enclosed proxy will be voted to elect the nominees named below, each of whom is now a Class III director, as Class III directors for a term of three years expiring at the 2021 Annual Meeting of Shareholders and until their successors are duly elected and qualified. Both Class III director nominees have been recommended by the Corporate Governance Committee because of their past experience serving on the Company's Board, the breadth of their business expertise, sound judgment, and demonstrated leadership, among other things. Proxies cannot be voted for a greater number of persons than the number of nominees named below. It is expected that the nominees will be able to serve, but if any are unable to serve, the proxy will be voted for a substitute nominee or nominees designated by the Board.

The Corporate Governance Committee has recommended and the Board has nominated **Yoseph Bornstein** and **Prattipati Laxminarain** for election as the Company's Class III directors to serve as Class III Directors until the 2021 Annual Meeting of Shareholders.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THIS PROPOSAL 1 TO ELECT AS DIRECTORS THE TWO NOMINEES DESCRIBED ABOVE.

PROPOSAL 2: RATIFICATION OF INDEPENDENT REGISTERED ACCOUNTING FIRM

The Company is asking the stockholders to ratify the selection of Deloitte, or its U.S. affiliate, as the Company's independent public accountants for the fiscal year ending December 31, 2018. The affirmative vote of the holders of a majority of the shares represented and voting at the Annual Meeting will be required to ratify the selection of Deloitte or its U.S. affiliate.

In the event the stockholders fail to ratify the appointment, the Audit Committee of the Board of Directors will consider it as a recommendation to select other auditors for the subsequent year, which the Audit Committee would then take under advisement. Even if the selection is ratified, the Audit Committee of the Board at its discretion could decide to terminate the engagement of Deloitte or its U.S. affiliate and engage another firm at any time if the Audit Committee determines that such a change would be necessary or desirable in the best interests of the Company and its

stockholders.

A representative of Deloitte is expected to attend the Annual Meeting telephonically and is not expected to make a statement, but will be available to respond to appropriate questions and may make a statement if such representative desires to do so.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THIS PROPOSAL 2 TO RATIFY THE SELECTION OF DELOITTE OR ITS U.S. AFFILIATE AS THE COMPANY’S INDEPENDENT PUBLIC ACCOUNTANTS FOR THE YEAR ENDING DECEMBER 31, 2018.

PROPOSAL 3: APPROVAL OF AMENDMENT TO THE COMPANY’S RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT

General

Our Board has adopted a resolution declaring advisable and recommending to the stockholders for their approval a proposal to amend the Company’s restated certificate of incorporation, as amended to date, to effect a reverse stock split of the Company’s issued and outstanding common stock at any whole number ratio of not less than one-for-five (1:5) and not greater than one-for-twenty (1:20) (the “Reverse Split”). Approval of this Proposal Number 3 would grant our Board the authority, without further action by the stockholders, to carry out the Reverse Split, at any time within three months after the date stockholder approval for the Reverse Split is obtained from our stockholders, with the exact exchange ratio and timing of the Reverse Split (if at all) to be determined at our Board’s discretion. Our primary reason for seeking to effect the Reverse Split is that the Reverse Split is the most effective means of increasing the per-share market price of our common stock in order to maintain our listing on the Nasdaq Capital Market.

Our Board's decision whether or not (and when) to effect a Reverse Split (and at what whole number ratio to effect the Reverse Split) will be based on a number of factors, including market conditions, existing and anticipated trading prices for our common stock and the continued listing requirements of the NASDAQ Capital Market.

A sample form of the certificate of amendment relating to this Proposal Number 3, which we would complete and file with the Secretary of State of the State of Delaware to carry out the Reverse Split, is attached to this proxy statement as Schedule A (the "Amendment"). Stockholders are encouraged to review this carefully as it would modify the capitalization of the Company upon its effectiveness.

As explained below, we are asking our stockholders to approve this Proposal Number 3 because we believe a Reverse Split would result in a higher price per share for the outstanding shares of our common stock, which we require to satisfy the continued listing requirements of the NASDAQ Capital Market to maintain a minimum bid price of \$1.00 per share for our common stock, and make our stock more marketable to investors and promote greater liquidity for our stockholders. In addition, as explained below, the Reverse Split, if approved by our stockholders and implemented by our Board, would result in an effective increase in the number of authorized shares of common stock available to us for future issuance to fund our continued operations and to grow our business.

What to Expect from a Reverse Stock Split

If approved by our stockholders, the Reverse Split would be implemented simultaneously for all of our then-outstanding common stock (the "Old Shares") and the exchange ratio would be the same for all of our issued and outstanding shares of common stock. The Reverse Split would affect all of our stockholders uniformly and would not affect any stockholder's percentage ownership interests in the Company, except to the extent that the Reverse Split results in any of our stockholders owning a fractional share, because fractional shares would be rounded up to the nearest whole share. Shares of common stock issued pursuant to the Reverse Split (the "New Shares") would remain fully paid and nonassessable. The Reverse Split would not affect our continuing to be subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended. Upon becoming effective, the Reverse Split would automatically convert outstanding Old Shares into a smaller fraction of New Shares, depending upon which conversion ratio our Board may select. Outstanding derivative securities, such as options and warrants, exercisable for, or convertible into, our common stock would be proportionally adjusted, as would the exercise and conversion prices of those derivative securities.

The information in the following table summarizes the possible effect of the Reverse Stock Split based upon our issued and outstanding equity, as of July 25, 2018:

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Split Ratio for Issued and Outstanding Shares	Common Stock Outstanding after the Reverse Split (1)	Warrants, Option and Preferred Shares reserved after the Reverse Split (1)	Common Stock Authorized after the Reverse Split	Post-Split Common Stock Authorized but Unissued and Unreserved after the Reverse Split (2)
1 for 5	8,744,085	1,761,473	220,000,000	209,494,442
1 for 10	4,372,042	880,736	220,000,000	214,747,222
1 for 15	2,914,695	587,157	220,000,000	216,498,148
1 for 20	2,186,021	440,368	220,000,000	217,373,611

As of July 25, 2018, we had the following issued and outstanding equity: (i) 43,720,427 shares of common stock; (ii) option awards to acquire up to 6,224,478 shares of common stock; and (iii) warrants to acquire up to 118,887 (1) shares of common stock. Furthermore, as of July 25, 2018, we had outstanding 2,464 shares of our preferred stock, which convert at a ratio of 1,000 shares of common stock for every one share of preferred stock converted. Upon the Reverse Split, the number of shares of common stock issuable upon conversion shall be proportionately adjusted in proportion to the number of shares of common stock outstanding immediately before the Reverse Split and the number of shares of common stock outstanding immediately after the Reverse Split.

The actual number of shares of common stock available after the Reverse Split may be higher or lower depending (2) on the number of fractional shares that are rounded up in the Reverse Split and as the result of rounding calculations for outstanding equity awards.

As of July 25, 2018, the Company had approximately 167,472,208 authorized, but unissued and available and unreserved, shares of Common Stock. Consequently, the Reverse Split would have the important effect of increasing the number of authorized and available shares of Common Stock to approximately 209,494,442 shares (at the 1 for 5 ratio) and 217,373,611 shares (at the 1 for 20 ratio).

In addition, all other things being equal, a reverse stock split by a publicly traded company reduces the number of shares outstanding but leaves the market capitalization of the Company the same, which should increase the price per share of the Company's stock. Put another way, after a reverse stock split, the enterprise value of the Company is spread over fewer shares and so the per share price of the stock should be commensurately higher. As an example, a hypothetical company with a market value of \$12.5 million and 50 million shares outstanding would have a trading price of \$0.25 per share (\$12.5 million divided by 50 million), while the same company with only 1.25 million shares outstanding would have a trading price of \$10.00 per share (\$12.5 million divided by 1.25 million). We can therefore anticipate, but can give no assurance, that the Reverse Split would proportionately increase the per share trading price of our outstanding common stock by an amount approximately equal to the inverse of the ratio selected by the Board (for example, an increase of 10 times current trading price for a one-for-ten Reverse Split).

Rationale for a Reverse Stock Split

As previously disclosed in a Current Report on Form 8-K filed on March 28, 2018, on March 22, 2018, the Listing Qualifications Staff (the "Staff") of The NASDAQ Stock Market notified the Company that, based upon the closing bid price of the Company's common stock for the 30 prior consecutive business days, the Company no longer satisfied the minimum \$1.00 closing bid price requirement, as set forth in Nasdaq Listing Rule 5550(a)(2), and had been provided a 180-day grace period to regain compliance with that requirement, through September 18, 2018.

The Board is asking the stockholders to grant it the authority, at its discretion, to effect the Reverse Split, which the Board believes is an effective way to increase the minimum bid price of our common stock proportionately and put us in a position to regain compliance with Nasdaq Listing Rule 5550(a)(2).

The Board believes that maintaining the listing of the Company's common stock on Nasdaq is in the best interests of the Company and its stockholders. The Board believes that the delisting of the Company's common stock from Nasdaq would impair our ability to raise additional funds and would result in decreased liquidity and/or increased volatility in our common stock, among other things. See "Certain Risks Associated with the Reverse Stock Split" below for more information.

Although we expect that the Reverse Split will result in an increase in the market price of our common stock, the Reverse Split may not result in a permanent increase in the market price of our common stock, which is dependent on

many factors, including general economic, market and industry conditions and other factors detailed from time to time in the reports we file with the SEC.

Potential Advantages of a Reverse Stock Split

Approval of this Proposal Number 3 would permit the company's Board of Directors, in its discretion, to file the Amendment with the Delaware Secretary of State in order to effect the Reverse Split. This, we believe, could provide a number of potential advantages, which we describe below.

Potential Advantage #1- Effective Increase in Authorized Shares. Because the Reverse Split would decrease the number of shares of common stock outstanding and the number of shares reserved for outstanding derivative securities, such as warrants and options, without changing the Company's authorized capital in any way, there would be a greater proportion of shares available for issuance following the Reverse Split, as set forth above.

The Reverse Split would not have any immediate effect on the proportionate voting power or other rights of our existing stockholders. However, upon issuance, any additional shares of authorized common stock issued would have rights identical to our currently outstanding shares of common stock. To the extent that the additional authorized shares of capital stock are issued in the future, they may decrease the voting rights of existing stockholders and, depending on the price at which they are issued, could be economically dilutive to existing stockholders and have a negative effect on the market price of the common stock. Current stockholders have no preemptive or similar rights, which means that current stockholders do not have a prior right to purchase any new issue of capital stock in order to maintain their proportionate ownership of the Company. We could also use the additional shares of capital stock for potential strategic transactions including, among other things, acquisitions, strategic partnerships, joint ventures, restructurings, business combinations, and investments, although we have no definitive present plans to do so. We cannot provide assurances that any such transactions will be consummated on favorable terms or at all, that they will enhance stockholder value or that they will not adversely affect our business or the trading price of our stock. However, we believe the effective increase in the Company's authorized capital will be important to preserving the Company's ability to opportunistically acquire assets and technologies to grow our business; a vote against this proposal could therefore hurt our ability to grow our business and complete our existing product development efforts.

Management is unaware of any specific effort to obtain control of the Company, and has no present intention of using the proposed effective increase in the number of authorized shares of common stock as an anti-takeover device. However, our authorized, but unissued, capital stock could be used to make an attempt to effect a change in control more difficult.

Potential Advantage #2- Maintain NASDAQ Capital Market Listing. We believe that having our common stock delisted from the NASDAQ Capital Market would be undesirable for our stockholders and potentially bad for our business. Among other things, being delisted could reduce the liquidity of our common stock. We also deem valuable our ticker symbol, which is easily recognized as "MBOT" and which we could lose if we were delisted by the NASDAQ Capital Market. Also, being listed on the NASDAQ Capital Market carries with it certain prestige, and we feel it improves the recognition of our Company.

While no assurances can be given, our Board believes that the Reverse Split, at a whole number exchange ratio ranging from one-for-five to one-for-ten, should result in an increase in the Company's price per share, and thereby help the company meet the \$1.00 per share minimum bid price requirement.

While the Company's stock price could trade above \$1.00 on its own accord over the next few months, our Board believes that it is in the Company's best interests and in the interests of our stockholders to seek approval of the proposed Amendment to effect the Reverse Split, so that we can regain compliance even if the Company's stock trading price does not increase above \$1.00 per share by September 18, 2018, the end of our second 180-day compliance period. Even if our common stock's closing bid price were to satisfy the minimum closing bid price requirements prior to approval of this Proposal Number 3, we may still effect the Amendment if our stockholders approve this Proposal and our Board determines that effecting the Reverse Split would be in the best interests of the Company and its stockholders.

Potential Advantage #3- Facilitate Potential Future Financings. By preserving our NASDAQ Capital Market listing, we can continue to consider and pursue a wide range of future financing options to support our ongoing business. We believe being listed on a national securities exchange, such as the NASDAQ Capital Market, is valued highly by many investors such as large institutions. A listing on a national securities exchange also has the potential to create better liquidity and reduce volatility for buying and selling shares of our stock, which benefits our current and future stockholders.

Potential Advantage #4- Increase Our Common Stock Price to a Level More Appealing for Investors. We believe that the Reverse Split could enhance the appeal of our common stock to the financial community, including institutional investors, and the general investing public. We believe that a number of institutional investors and investment funds are reluctant to invest in lower priced securities and that brokerage firms may be reluctant to recommend lower priced stock to their clients, which may be due in part to a perception that lower-priced securities are less promising as investments, are less liquid in the event that an investor wishes to sell his, her or its shares, or are less likely to be followed by institutional securities research firms. We believe that the reduction in the number of issued and outstanding shares of our common stock caused by the Reverse Split, together with the anticipated increased stock price immediately following and resulting from the Reverse Split, may encourage further interest and trading in our common stock and thus possibly promote greater liquidity for our stockholders, thereby resulting in a broader market for our common stock than that which currently exists.

Certain Risks Associated with the Reverse Stock Split

While we believe the proposed Reverse Split is critically important to our Company and its stockholders, the Reverse Stock does carry with it several significant risks.

We cannot assure you, for example, that the market price per share of our common stock after the Reverse Split will rise or remain constant in proportion to the reduction in the number of shares of common stock outstanding before the Reverse Split. For example, using the closing price of our common stock on July 25, 2018 of \$0.6191 per share as an example, if our Board were to implement the Reverse Split at a one-for-ten ratio, we cannot assure you that the post-split market price of our common stock would be or would remain at a price of ten times greater than \$0.6191, or \$6.191 ($\$0.6191 \times 10$). There can be no assurance that the minimum bid price per share of our common stock would remain in excess of \$1.00 following the Reverse Split for a sustained period of time, or long enough to satisfy Nasdaq's continued listing requirements. If it appears to the Nasdaq staff that we will not be able to comply with Nasdaq Listing Rule 5550(a)(2), or if we do not meet the minimum stockholders' equity or any other listing standard, our common stock may be subject to delisting. If our common stock is delisted, our common stock would likely trade only in the over-the-counter market. If our common stock were to trade on the over-the-counter market, selling our common stock could be more difficult because smaller quantities of shares would likely be bought and sold, transactions could be delayed, and security analysts' coverage of us may be reduced, or eliminated. In addition, in the event our common stock is delisted, broker-dealers have certain regulatory burdens imposed upon them, which may discourage them from effecting transactions in our common stock, further limiting the liquidity thereof. These factors could result in lower prices and larger spreads in the bid and ask prices for our common stock and would substantially impair our ability to raise additional funds and could result in a loss of institutional investor interest and fewer development opportunities for us.

The market price of our common stock will also be based on our performance and other factors, most of which are unrelated to the number of shares outstanding. If the Reverse Split is effected and the market price of our common stock declines, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would occur in the absence of a Reverse Split. Furthermore, the liquidity of our common stock could be adversely affected by the reduced number of shares that would be outstanding after the Reverse Split.

Because the number of authorized shares of the Company's common stock will not be reduced proportionately, the Reverse Split will increase the Board's ability to issue authorized and unissued shares without further stockholder action. Without taking into account the impact of the proposed Reverse Split, the Company already has a substantial number of authorized but unissued shares of stock, the issuance of which would be dilutive to our existing stockholders and may cause a decline in the trading price of our common stock. With respect to authorized but unissued and unreserved shares, the Company could also use such shares to oppose a hostile takeover attempt or delay or prevent changes in control or changes in or removal of management.

In addition, the Reverse Split may increase the number of stockholders who own odd lots (less than 100 shares). Any stockholder who owns fewer than 500 to 2,000 shares of common stock, depending on the final ratio, prior to the Reverse Split will own fewer than 100 shares of common stock following the Reverse Split. Stockholders who hold odd lots typically experience an increase in the cost of selling their shares and may have greater difficulty in effecting sales. Furthermore, some stockholders may cease being stockholders of the Company following the Reverse Split. Any stockholder who owns fewer than 5 to 20 shares of common stock, depending on the final ratio, prior to the Reverse Split will own less than one share of common stock following the Reverse Split and therefore such stockholder will receive cash equal to the market value of such fractional share and cease being a stockholder of the Company, as further described below under “–Procedure for Effecting the Reverse Stock Split and Exchange of Stock Certificates”.

Certain Risks Associated with Not Adopting the Reverse Stock Split Charter Amendment

Failure to carry out the Reverse Stock Split also carries several significant risks.

Delisting. If our stockholders do not approve the Reserve Split, the Company could be delisted from the NASDAQ Capital Market, thereby potentially decreasing the liquidity of our stock and hurting or stock's market price and discouraging future investments in our Company.

Procedure for Effecting Reverse Stock Split and Exchange of Stock Certificates

If this Proposal Number 3 is approved by our stockholders, we would file the Amendment with the Delaware Secretary of State at such time as our Board has determined the appropriate effective time for the Reverse Split. Our Board may delay effecting the Amendment without resoliciting stockholder approval to any time within three months after the date stockholder approval is obtained (if at all). The Amendment would become effective on the date the Amendment is filed with the Delaware Secretary of State (the "Reverse Split Effective Date"). Beginning on the Reverse Split Effective Date, each certificate representing Old Shares would be deemed for all corporate purposes to evidence ownership of New Shares.

As soon as practicable after the Reverse Split Effective Date, stockholders would be notified that the Reverse Split has been effected. Holders of Old Shares may then surrender certificates representing Old Shares in exchange for certificates representing New Shares in accordance with the procedures required by our transfer agent. Any Old Shares submitted for transfer, whether pursuant to a sale or other disposition, or otherwise, would automatically be exchanged for New Shares. **STOCKHOLDERS SHOULD NOT DESTROY ANY STOCK CERTIFICATES AND SHOULD NOT SUBMIT ANY CERTIFICATES UNTIL NOTIFIED OF THE REVERSE SPLIT EFFECTIVE DATE.**

Fractional Shares

No fractional shares would be issued in connection with the Reverse Split. Stockholders of record who otherwise would be entitled to receive fractional shares, would be entitled to rounding up of their fractional share to the nearest whole share.

Effect on Convertible Shares, Options, Warrants and Other Securities

All outstanding options, warrants and other securities entitling their holders to purchase or acquire shares of our common stock would be adjusted as a result of the Reverse Split, as required by the terms of each security. In particular, the conversion ratio for each security would be reduced proportionately, and the exercise price, if applicable, would be increased proportionately, in accordance with the terms of each security and based on the exchange ratio implemented in the Reverse Stock Split.

Accounting Matters

The Amendment is not expected to affect the common stock capital account on our balance sheet. As of the Reverse Split Effective Date, the stated capital on our balance sheet attributable to our common stock is expected to be reduced proportionately based on the selected exchange ratio, and the additional paid-in capital account is expected to be credited with the amount by which the stated capital is reduced. In future financial statements, we would restate net income or loss per share and other per share amounts for periods ending before the Reverse Split to give retroactive effect to the Reverse Split. The per share net income or loss and net book value of our common stock would be increased because there would be fewer shares of our common stock outstanding.

Discretionary Authority of the Board of Directors to Abandon Reverse Stock Split

Our Board reserves the right to abandon the Amendment without further action by our stockholders at any time before the effectiveness of the filing with the Delaware Secretary of State of the certificate of amendment to the Company's Restated Certificate of Incorporation, even if the Reverse Split has been authorized by our stockholders at the Annual Meeting. By voting in favor of the Reverse Split, you are expressly also authorizing our Board to determine not to proceed with, and abandon, the Reverse Split, if it should so decide.

No Dissenter's Rights

Neither Delaware law, the Company's Restated Certificate of Incorporation, nor the Company's amended and restated by-laws provides for appraisal or other similar rights for dissenting stockholders in connection with this proposal. Accordingly, the Company's stockholders will have no right to dissent and obtain payment for their shares, and we will not independently provide stockholders with any such right.

Material Federal Income Tax Consequences

The following discussion of certain U.S. federal income tax consequences to the Company's stockholders of the Reverse Split, if effected, does not purport to be a complete discussion of all of the possible U.S. federal income tax consequences and is included for general information only, is not intended as tax advice to any person and is not a comprehensive description of the tax consequences that may be relevant to each shareholder's own particular circumstances. The discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury Regulations promulgated thereunder, judicial authority and current administrative rulings and practices as in effect on the date of this proxy statement. Changes to the laws could alter the tax consequences described below, possibly with retroactive effect. The Company has not sought and will not seek an opinion of counsel or a ruling from the Internal Revenue Service regarding the U.S. federal income tax consequences of the reverse stock split.

This discussion addresses the U.S. federal income tax consequences only to a stockholder that is (i) a citizen or individual resident of the United States, (ii) a corporation organized in or under the laws of the United States or any state thereof or the District of Columbia or otherwise subject to U.S. federal income taxation on a net income basis in respect of our common stock, (iii) a trust if (1) a U.S. court is able to exercise primary supervision over administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) it has a valid election in place to be treated as a U.S. person, or (iv) an estate whose income is subject to U.S. federal income taxation regardless of its source. This discussion addresses only those shareholders who hold their pre-reverse stock split shares as "capital assets" as defined in the Code (generally, property held for investment), and will hold the shares received in the Reverse Split as capital assets. Further, it does not address any state, local, foreign or other income tax consequences, nor does it address the tax consequences to shareholders that are subject to special tax rules, such as, without limitation, shareholders who are subject to the alternative minimum tax, banks, insurance companies, regulated investment companies, personal holding companies, shareholders who are not "United States persons" as defined in Section 7701(a)(30) of the Code, U.S. persons whose functional currency is not the U.S. dollar, broker-dealers, tax-exempt entities, or S corporations, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (or investors therein). If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds pre-reverse stock split shares of our stock, the U.S. federal income tax treatment of a partner of the partnership will depend on the status of the partner and the activities of the partnership and upon certain determinations made at the partnership level. Partners in partnerships holding our common stock are urged to consult their own tax advisors about the U.S. federal income tax consequences of the reverse stock split.

Stockholders are advised to consult their own tax advisers regarding the U.S. federal income tax consequences of the Reverse Split in light of their personal circumstances and the consequences under state, local and foreign tax laws, and also as to any estate or gift tax considerations.

Exchange Pursuant to Reverse Stock Split

No gain or loss will be recognized by a stockholder upon such stockholder's exchange of pre-reverse stock split shares for post-reverse stock split shares pursuant to the Reverse Split, except to the extent of cash, if any, received in lieu of fractional shares, further described in "Cash in Lieu of Fractional Shares" below. The aggregate tax basis of the post-reverse stock split shares received in the Reverse Split, including any fractional share deemed to have been received, will be equal to the aggregate tax basis of the pre-reverse stock split shares exchanged therefor, and the holding period of the post-reverse stock split shares will include the holding period of the pre-reverse stock split shares.

The Company will not recognize any gain or loss as a result of the reverse stock split.

Vote Necessary to Approve Proposal 3; Directors' Recommendation

Approval of this Reverse Split Proposal requires the affirmative vote of the holders of a majority of the shares of Common Stock outstanding and entitled to vote on the matter, either in person or by proxy, at the meeting. **THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THIS PROPOSAL 3 TO APPROVE THE AMENDMENT TO THE COMPANY'S RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT.**

OTHER MATTERS

Shareholder Proposals

Shareholders who wish to present proposals for inclusion in the Company's proxy materials for the 2019 Annual Meeting of Shareholders may do so by following the procedures prescribed in Rule 14a-8 under the Exchange Act. To be eligible, the Shareholder proposals must be received by our corporate secretary on or before May 7, 2019.

Shareholders who wish to make a proposal at the 2019 Annual Meeting of Shareholders, other than one that will be included in our proxy materials, must notify us no later than July 21, 2019 (see Rule 14a-4 under the Exchange Act). If a Shareholder who wishes to present a proposal at the 2019 Annual Meeting of Shareholders fails to notify us by July 21, 2019, the proxies that management solicits for the meeting will confer discretionary authority to vote on the Shareholder's proposal if it is properly brought before the meeting.

Shareholder Nominations of Directors

A shareholder entitled to vote for the election of directors at a meeting may nominate persons for election as directors by giving timely notice thereof in proper written form to the secretary accompanied by a petition signed by at least 100 record holders of capital stock of the Company which shows the class and number of shares held by each person and which represent in the aggregate 1% or more of the outstanding shares entitled to vote in the election of directors. The submission must be in writing and delivered to Microbot Medical Inc., Attn: Secretary, Board of Directors, 25 Recreation Park Drive, Unit 108, Hingham, MA 02043, in accordance with the advance notice procedures and other requirements set forth in Section 3.2 of our bylaws for nominees to be considered for nomination at the 2019 annual meeting. These requirements are separate from, and in addition to, the requirements discussed above to have the shareholder nomination or other proposals included in our proxy statement and form of proxy/voting instruction card pursuant to the SEC's rules. Submissions must include the name, address and number of shares of common stock beneficially owned by each participant in the Nominating Shareholder group, a representation that the Nominating Shareholder meets the requirements described in the Board policy and will continue to meet them through the date of the annual meeting, a description of all arrangements or understandings between or among the Nominating Shareholder group (or any participant in the Nominating Shareholder group) and the candidate or any other person or entity regarding the candidate, all information regarding the candidate that the Company would be required to disclose in a proxy statement under SEC rules, including whether the candidate is independent or, if not, a description of the reasons why not, the consent of the candidate to serve as a director, and representations by the candidate regarding his or her performance of the duties of a director. Full details may be obtained from the secretary of the Board at the address above or on our website at www.microbotmedical.com. The Corporate Governance Committee will consider and evaluate up to two candidates recommended in accordance with this policy in connection with any annual meeting. The Corporate Governance Committee will consider and evaluate candidates recommended by Shareholders on the same basis as candidates recommended by other sources.

In addition, the Company's by-laws provide that a Shareholder entitled to vote for the election of directors at a meeting may nominate persons for election as directors by giving timely notice thereof in proper written form to the Secretary accompanied by a petition signed by at least 100 record holders of capital stock of the Company representing in the aggregate 1% or more of the outstanding shares entitled to vote in the election of directors, which petition must show the class and number of shares held by each person. To be timely, such notice and petition must be received at the principal executive offices of the Company not less than 60 days nor more than 90 days prior to the meeting, except if less than 70 days notice of the date of the meeting is given to Shareholders, in which case the notice and petition must be received not later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public disclosure of such date was made. The requesting Shareholder is required to provide information with respect to the nominee(s) for director similar to that described above, as more fully set forth in the Company's by-laws.

Form 10-K

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with the SEC, is available without charge upon request by writing to Microbot Medical Inc. at 25 Recreation Park Drive, Unit 108, Hingham, MA 02043, Attention: Investor Relations. A copy of this report is also available through our website at www.microbotmedical.com or, alternatively, at www.sec.gov.

“Householding” of Proxy Materials

Some banks, brokers and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may have been sent to multiple shareholders in your household. The Company will promptly deliver a separate copy of either document to you if you contact the Secretary at the following address or telephone number: Microbot Medical Inc., 25 Recreation Park Drive, Unit 108, Hingham, MA 02043; telephone: (781) 875-3605. In addition, copies of both documents may be obtained from our website (www.microbotmedical.com, click on the button “Investors” and then “Presentations and Resources”). You may also request information from Morrow Sodali LLC, our proxy solicitor, at the following address and telephone number: Morrow Sodali LLC, 470 West Avenue, Stamford, CT 06902; Stockholders Call Toll Free: 800-662-5200; Microbot-info@morrrowsodali.com. If you want to receive separate copies of the proxy statement or the annual report to shareholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact the Company at the above address or telephone number.

Other Business

The Board knows of no business that will come before the meeting for action except as described in the accompanying Notice of Meeting. However, as to any such business, the persons designated as proxies will have authority to act in their discretion.

By order of the Board of Directors

Harel Gadot
Chairman, President, and Chief Executive Officer

