

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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) August 15, 2024

KORU Medical Systems, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-12305
(Commission
File Number)

13-3044880
(IRS Employer
Identification No.)

100 Corporate Drive, Mahwah, NJ
(Address of principal executive offices)

07430
(Zip Code)

Registrant's telephone number, including area code **(845) 469-2042**

(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:

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
common stock, \$0.01 par value	KRMD	The Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 5.02. DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

(e) Long-Term Incentive Program

On August 15, 2024, the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of KORU Medical Systems, Inc. (the “Company”) approved a Long-Term Incentive Program (“LTIP”), the purpose of which is to incentivize the retention and performance of executives and certain other employees of the Company through annual equity-based awards, and made awards to participants including the following executive officers (the “Executive Participants”): Linda Tharby, President and Chief Executive Officer; Thomas Adams, Chief Financial Officer; Kenneth Miller, Chief Commercial Officer; and Christopher Pazdan, Chief Operating Officer.

All awards under the LTIP will be granted under, and in accordance with, the Company’s 2024 Omnibus Equity Incentive Plan (the “Plan”). The LTIP will be administered by the Committee. Participants in the LTIP are (i) “executive participants”, which are officers of the Company who are subject to Section 16 of the Securities Exchange Act of 1934, as amended, (ii) “management participants”, which are management-level employees with “vice president” titles, and (iii) “other participants”, which are certain other employees identified by the Committee upon the recommendation of the CEO.

Each fiscal year of the Company, each participant will have an aggregate target value for such year’s awards under the LTIP. Unless otherwise determined by the Committee, for each executive participant, the aggregate target value shall be based on median market and peer data provided by a compensation consultant selected by the Committee, multiplied by a percentage determined by the Committee (and upon the recommendation of the CEO with respect to other participants) taking into account the participant’s experience and position with the Company. The number of shares subject to awards equal to the aggregate target value shall be based on the arithmetic mean of the high and low prices of a share of the Company’s common stock as reported on the Nasdaq Capital Market on the last trading day before the grant date.

Each fiscal year of the Company, for executive participants and management participants, (i) 33% (25% in the case of the CEO) of the participant’s aggregate target value will be granted as an annual award in the form of restricted stock units with time-based vesting requirements (RSUs), (ii) 33% (50% in the case of the CEO) of the participant’s aggregate target value will be granted as an annual award in the form of restricted stock units with performance-based vesting requirements (PSUs), and (iii) 33% (25% in the case of the CEO) of the participant’s aggregate target value will be granted as an annual award in the form of nonqualified stock options (Options) with time-based vesting requirements. Each fiscal year, for other participants, 100% of the participant’s aggregate target value shall be granted as in the form of RSUs.

Unless otherwise determined by the Committee, RSUs and Options awarded under the LTIP will vest as to one-fourth of the shares of Common Stock subject to such awards on each of the first four anniversaries of the date of grant, subject to the participant’s continued employment with the Company through the applicable vesting date (except as may be otherwise provided in the award agreement), and will shall have such other terms and conditions as shall be set forth in the applicable award agreement approved by the Committee.

PSUs awarded under the LTIP will vest based on performance criteria determined by the Committee and set forth in the Award Agreement, which criteria may include (without limitation) targeted or growth of revenue, cash flow, earnings per share, earnings before one or more of interest, taxes, depreciation, and amortization, return on equity, income or net income, operating income or net operating income, gross margin, operating margin, or profit margin. The PSU Award Agreement will provide a target percentage range for the actual number of LTIP PSUs that may become vested, based on the level of achievement of the foregoing or other performance measure(s), as determined by the Committee, and may provide that the payout based on the actual number of LTIP PSUs be modified based on performance criteria determined by the Committee.

The Committee may provide accelerated vesting of awards under the LTIP in the event of a change in control of the Company, as defined in the Plan.

Executive Officer Awards

On August 15, 2024, the Committee approved awards under the LTIP, with a grant date of August 15, 2024, pursuant to which shares of the Company's common stock may be issued to the Company's executive officers.

Of these awards, the Company approved the following LTIP awards for its executive participants:

<u>Name and Title</u>	<u>RSUs (#)</u>	<u>Target PSUs (#)</u>	<u>Options (#)</u>
Linda Tharby President and CEO	63,872	127,660	140,950
Thomas Adams CFO	21,617	21,617	47,722
Kenneth Miller CCO	23,574	23,574	52,008
Christopher Pazdan COO	20,255	20,255	44,721

These PSUs will vest based on the Company's annual revenue for its fiscal year ended December 31, 2026, subject to the participant's continued employment with the Company through the vesting date. The actual number of PSUs that may become vested ranges from 0% to 150% of the target number of PSUs granted, based on the specified levels of achievement of the foregoing performance measure, with the target number shown in the "Target PSUs" column above representing achievement at 100%. In addition, the payout based on the actual number of PSUs that have vested will be modified between 0.5-1.5 times based on the average of the price of the Company's common stock for the 20 days prior and ending December 31, 2026. The maximum number of shares issuable pursuant to these PSUs is 434,489.

Of these RSUs and Options, one-fourth will vest on March 15, 2025 and on each first, second and third anniversary thereof. The exercise price of these Options is \$2.33 per share, which was the arithmetic mean of the high and low prices of a share of the Company's common stock as reported on the Nasdaq Capital Market on the last trading day before the grant date. These Options expire ten years after the grant date; provided that these Options may be exercised for only 90 days following the participant's separation of employment.

Upon a Change in Control (as defined in the Plan), all of these unvested RSUs will vest, and if the Change in Control occurs prior to December 31, 2026, a number of PSUs will vest at 100% of the target number of PSUs granted with a payout modifier based on to the price of the common stock on the date of the Change in Control.

Copies of the Company's Long-Term Incentive Program, Form of Restricted Stock Unit Award Agreement, Form of Performance Stock Unit Award Agreement and Form of Nonqualified Stock Option Award Agreement are being filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference. The foregoing description of the LTIP is qualified in its entirety by reference to the full text of the Long-Term Incentive Program.

Additional Information

On August 16, 2024, the Committee approved the following changes to the 2024 compensation of Kenneth Miller, Chief Commercial Officer, effective August 18, 2024: a base salary increase of \$25,000 to \$385,000, and an increase to his bonus potential to up to 60% of his annual base salary in accordance with the Company's Annual Incentive Compensation Plan.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits.

Exhibit No.	Description
10.1	KORU Medical Systems, Inc. Long-Term Incentive Program
10.2	Form of Restricted Stock Unit Award Agreement
10.3	Form of Performance Stock Unit Award Agreement
10.4	Form of Nonqualified Stock Option Award Agreement
104	Cover Page Interactive Data File (embedded within 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.

KORU Medical Systems, Inc.

(Registrant)

Date: August 21, 2024

By: /s/ Linda Tharby

Linda Tharby

President and Chief Executive Officer

EXHIBIT 10.1

**KORU MEDICAL SYSTEMS, INC.
LONG-TERM INCENTIVE PROGRAM
(AS OF August 15, 2024)**

The KORU Medical Systems, Inc. Long-Term Incentive Program (the “LTIP”) was adopted by the Compensation Committee of the Board of Directors (the “Committee”) to set forth the terms and conditions of the long-term incentive program of the Company, the purpose of which is to incentivize the retention and performance of certain key executives and other employees of the Company through annual equity-based awards. All equity-based awards hereunder shall be granted under, and in accordance with, the Company’s 2024 Omnibus Equity Incentive Plan (the “Incentive Plan”) and shall constitute Awards thereunder. Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Incentive Plan.

1. Administration. The LTIP shall be administered by the Committee. The Committee shall have full power and authority to administer and interpret the LTIP and any awards made under the LTIP, and its interpretations shall be conclusive and binding on all persons.

2. Participation. Officers of the Company who are subject to Section 16 of the Exchange Act (“Executive Officers”), management-level employees with “vice president” titles (together with the Executive Officers, “Executive Participants”), and certain other employees identified by the Committee upon the recommendation of the CEO (“Other Participants”), shall participate in the LTIP. Each participating employee is referred to herein as a “Participant”.

3. Aggregate Target Values. Each fiscal year of the Company, each Participant shall have an aggregate target value (the “Aggregate Target Value”) for such year’s awards under the LTIP. Unless otherwise determined by the Committee in its discretion, for each Participant, the Aggregate Target Value shall be based on median market and peer data provided by a compensation consultant selected by the Committee, multiplied by a percentage determined by the Committee (and upon the recommendation of the CEO with respect to Other Participants) taking into account the Participant’s experience and position with the Company. The number of shares of the Company’s Common Stock subject to awards equal to the aggregate target value shall be based on the arithmetic mean of the high and low prices of a share of the Company’s common stock as reported on the Nasdaq Capital Market on the last trading day before the grant date.

4. Annual Equity Grants. Each fiscal year of the Company, with respect to each Executive Participant other than the CEO, (i) 33% of the Participant’s Aggregate Target Value shall be granted as an annual award (the “Annual LTIP RSU Award”) in the form of restricted stock units with time-based vesting requirements, paid out in shares of the Company’s Common Stock (the “LTIP RSUs”), (ii) 33% of the Participant’s Aggregate Target Value shall be granted as an annual award (the “Annual LTIP PSU Award”) in the form of restricted stock units with performance-based vesting requirements, paid out in shares of the Company’s Common Stock (the “LTIP PSUs”), and (iii) 33% of the Participant’s Aggregate Target Value shall be granted as an annual award (the “Annual LTIP Option Award”) in the form of nonqualified stock options with time-based vesting requirements (“LTIP Options”). Each fiscal year of the Company, with respect to the CEO, (x) 25% of the CEO’s Aggregate Target Value shall be granted as an Annual

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LTIP RSU Award in the form of LTIP RSUs, (y) 50% of the CEO’s Aggregate Target Value shall be granted as an Annual LTIP PSU Award in the form of LTIP PSUs, and (z) 25% of the CEO’s Aggregate Target Value shall be granted as an Annual LTIP Option Award in the form of LTIP Options. Each fiscal year of the Company, with respect to each Other Participant, 100% of the Participant’s Aggregate Target Value shall be granted as an Annual LTIP RSU Award in the form of LTIP RSUs.

5. Annual LTIP RSU Award. For each fiscal year of the Company, except as otherwise determined by the Committee and set forth in the Applicable Award Agreement, the Annual LTIP RSU Award with respect to each Participant (i) shall vest as to one-fourth of the shares of Common Stock subject to such Annual LTIP RSU Award on each of the first four anniversaries of the Grant Date, subject to the Participant’s continued employment with the Company through the applicable vesting date (except as may be otherwise provided in the Award Agreement), and (ii) shall have such other terms and conditions as shall be set forth in the applicable Award Agreement approved by the Committee.

6. Annual LTIP PSU Award. For each fiscal year of the Company, the Annual LTIP PSU Award with respect to each Participant (i) shall vest based on performance criteria determined by the Committee and set forth in the Award Agreement, which criteria may include (without limitation) targeted or growth of revenue, cash flow, earnings per share, earnings before one or more of interest, taxes, depreciation, and amortization, return on equity, income or net income, operating income or net operating income, gross margin, operating margin, or profit margin; (ii) shall provide a target percentage range for the actual number of LTIP PSUs that may become vested, based on the level of achievement of the foregoing or other performance measure(s), as determined by the Committee; (iii) may provide that the payout based on the actual number of LTIP PSUs be modified based on performance criteria determined by the Committee; and (iv) have such other terms and conditions as shall be set forth in the applicable Award Agreement approved by the Committee.

7. Annual LTIP Option Award. For each fiscal year of the Company, except as otherwise determined by the Committee and set forth in the applicable Award Agreement, the Annual LTIP Option Award with respect to each Participant (i) shall vest as to one-fourth of the shares of Common Stock subject to such Annual LTIP Option Award on each of the first four anniversaries of the Grant Date, subject to the Participant's continued employment with the Company through the applicable vesting date (except as may be otherwise provided in the Award Agreement), and (ii) shall have such other terms and conditions as shall be set forth in the applicable Award Agreement approved by the Committee.

8. Change In Control. The Committee may provide for accelerated vesting of any Award upon a Change in Control.

9. New Hires and Promotions. For new hires and promotions of individuals, Annual LTIP RSU Awards, Annual LTIP PSU Awards and/or Annual LTIP Option Awards shall be made based on the determination of the Committee upon the recommendation of the CEO as to (i) whether or not the individual will participate in the LTIP during the year of hire or promotion, (ii) the applicable Aggregate Target Value, (iii) whether or not the Aggregate Target Value shall

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be prorated based on the hiring or promotion date of such individual, (iv) whether or not the Aggregate Target Value shall be reduced by any other award made to such individual during the applicable year (e.g., a previous annual award or a new hire recruitment award), (v) the actual number of LTIP RSU Awards, LTIP PSU Awards and/or Annual LTIP Option Awards to be granted, and (v) the first vesting date for any Annual LTIP RSU Award or Annual LTIP Option Award.

10. Amendment and Termination. The Committee may amend, alter, suspend, discontinue, or terminate the LTIP or any portion thereof at any time; provided, that any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

11. No Right to Continued Employment. Neither the LTIP, its adoption, its operation, nor any action taken under the LTIP shall be construed as giving any employee the right to be retained or continued in the employ of the Company or any Affiliates, nor shall it interfere in any way with the right and power of the Company or any of Affiliates to dismiss or discharge any employee or take any action that has the effect of terminating any employee's employment at any time.

12. Governing Law. The LTIP shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

13. Grant Date. The Grant Date with respect to each grant shall be as set forth in any applicable grant date policy of the Company from time to time (or as otherwise specifically determined by the Committee in connection with any award).

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EXHIBIT 10.2

**KORU MEDICAL SYSTEMS, INC.
2024 Omnibus Equity Incentive Plan
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Pursuant to this Restricted Stock Unit Award Agreement (this “*Award Agreement*”), and subject to the terms and conditions herein and in the KORU Medical Systems, Inc. 2024 Omnibus Equity Incentive Plan (the “*Plan*”), KORU Medical Systems, Inc. (the “*Company*”) grants an Award of restricted stock units (“*RSUs*”), as set forth below.

<p style="text-align: center;">Summary of Award Terms:</p> <p>Name of Grantee: _____ (the “<i>Grantee</i>”) Date of Grant: _____, 2024 (the “<i>Grant Date</i>”) Number of RSUs Granted: _____ Vesting Schedule: Subject to the Grantee’s continued employment with the Company and the provisions of the Plan and this Award Agreement, the RSUs shall vest in four equal installments on _____ and on the first, second and third anniversaries thereof. Effect of Change of Control: Upon the occurrence of a Change in Control, 100% of the unvested RSUs shall immediately vest as of the date of the Change in Control.</p>

Capitalized terms used in this Award Agreement, unless otherwise defined, shall have the meanings set forth in the Plan.

1. **Grant of RSUs.**

(a) Pursuant to Section 10 of the Plan, subject to the terms and conditions of this Award Agreement and the Plan, the Company hereby grants to the Grantee on the Grant Date an Award consisting of the RSUs. Each RSU represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Award Agreement and the Plan.

(b) The RSUs shall be credited to a separate account maintained for the Grantee on the books and records of the Company (the “*Account*”). All amounts credited to the Account shall continue for all purposes to be part of the general assets of the Company.

2. **Vesting.**

(a) Except as otherwise provided herein, provided that the Grantee has not had a Termination of Affiliation on or before the applicable vesting date, the RSUs will vest in accordance with the Vesting Schedule set forth in the Summary of Award Terms above (the period during which restrictions apply, the “*Restricted Period*”). Once vested, the RSUs become “*Vested Units*.”

(b) Except as otherwise specifically provided herein, if the Grantee’s Termination of Affiliation occur at any time before all of the Grantee’s RSUs have vested, the Grantee’s unvested RSUs shall be automatically forfeited upon the Grantee’s Termination of Affiliation and neither the Company nor any Affiliate shall have any further obligations to the Grantee under this Award Agreement.

3. **Settlement of Award.**

(a) Subject to Section 9 hereof, promptly following the vesting date, and in any event no later than June 15 of the calendar year following the calendar year in which such vesting occurs, the Company shall (a) issue and deliver to the Grantee the number of shares of Common Stock of the Company (“*Shares*”) equal to the number of Vested Units; and (b) enter the Grantee’s name on the books of the Company as the stockholder of record with respect to the Shares delivered to the Grantee.

(b) Notwithstanding anything herein to the contrary, no transfer of Shares shall become effective until the Company determines that such transfer, issuance, and delivery is in compliance with all applicable laws, regulations of government authority, and the requirements of any securities exchange on which Shares may be traded.

(c) The Compensation Committee may, as a condition to the issuance of Shares, require the Grantee to make covenants and representations and/or enter into agreements

with the Company to reflect the Grantee's rights and obligations as a stockholder of the Company and any limitations and restrictions on such Shares.

(d) The transfer of Shares pursuant to this Award Agreement shall be effectuated by an appropriate entry on the books of the Company, the issuance of certificates representing such shares (bearing such legends as the Compensation Committee deems necessary or desirable), the transfer of shares to a brokerage account in the name of the Grantee, and/or other appropriate means as determined by the Compensation Committee.

(e) Unless and until any Shares are issued in settlement of the Award on the Settlement Date, the Award shall not confer to the Grantee any rights or status as a stockholder of the Company. Unless otherwise determined by the Compensation Committee, the Grantee will have no rights to receive Dividend Equivalents in respect of the RSUs.

4. **Nontransferability.** Subject to any exceptions set forth in this Award Agreement or the Plan, during the Restricted Period and until such time as the RSUs are settled in accordance with Section 3, the RSUs or the rights relating thereto may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the RSUs or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the RSUs will be forfeited by the Grantee and all of the Grantee's rights to such units shall immediately terminate without any payment or consideration by the Company.

5. **Grantee Representations.** By accepting the Award, the Grantee represents and acknowledges the following:

(a) The Grantee has received a copy of the Plan, has reviewed the Plan and this Award Agreement in their entirety, and has had an opportunity to obtain the advice of independent legal counsel prior to accepting the Award.

(b) The Grantee has had the opportunity to consult with a tax advisor concerning the tax consequences of accepting the Award, and understands that the Company

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makes no representation regarding the tax treatment as to any aspect of the Award, including the grant, vesting, settlement, or conversion of the Award.

(c) The Grantee understands that neither the grant of this Award nor the Grantee's participation in the Plan confers any right to continue in the service of the Company or to receive any other award or amount of compensation, whether under the Plan or otherwise, and no payment of any award under the Plan will be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance, or other benefit plan of the Company or any Affiliate except as otherwise specifically provided in such other plan.

(d) The Grantee consents to the collection, use, and transfer, in electronic or other form, of the Grantee's personal data by the Company, any Affiliate, the Compensation Committee, and any third party retained to administer the Plan for the exclusive purpose of administering the Award and Grantee's participation in the Plan. The Grantee agrees to promptly notify the Company of any changes in the Grantee's name, address, or contact information during the entire period of Plan participation.

6. **Adjustments.** If there is a change in the outstanding Shares due to a stock dividend, split, or consolidation, or a recapitalization, corporate change, corporate transaction, or other similar event relating to the Company, the Compensation Committee may adjust the number of RSUs subject to the Award in accordance with Section 4.2 of the Plan.

7. **Tax Liability and Withholding.**

(a) The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan, the amount of any required withholding taxes in respect of the RSUs and to take all such other action as the Compensation Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Compensation Committee may permit the Grantee to satisfy any federal, state or local tax withholding obligation by any of the following means, or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold Shares from the Shares otherwise issuable or deliverable to the Grantee as a result of the vesting of the RSUs; *provided, however*, that no Shares shall be withheld with a value

exceeding the maximum amount of tax required to be withheld by law; and (iii) delivering to the Company previously owned and unencumbered Shares.

(b) Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding (“***Tax-Related Items***”), the ultimate liability for all Tax-Related Items is and remains the Grantee’s responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the RSUs or the subsequent sale of any shares; and (ii) does not commit to structure the RSUs to reduce or eliminate the Grantee’s liability for Tax-Related Items.

8. **Compliance with Law**. The issuance and transfer of Shares shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company’s Shares may be listed. No Shares shall be issued or transferred unless and until any

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then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

9. **Notices**. Any notice required to be delivered to the Company under this Award Agreement shall be in writing and addressed to the Company at the Company’s principal corporate offices. Any notice required to be delivered to the Grantee under this Award Agreement shall be in writing and addressed to the Grantee at the Grantee’s address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

10. **Governing Law**. This Award Agreement will be construed and interpreted in accordance with the laws of the State of Delaware without regard to conflict of law principles.

11. **Interpretation**. Any dispute regarding the interpretation of this Award Agreement shall be submitted by the Grantee or the Company to the Compensation Committee (excluding the Grantee if the Grantee serves on the Compensation Committee) for review. The resolution of such dispute by the Compensation Committee shall be final and binding on the Grantee and the Company.

12. **RSUs Subject to Plan**. This Award Agreement is subject to the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

13. **Successors and Assigns**. The Company may assign any of its rights under this Award Agreement. This Award Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Award Agreement will be binding upon the Grantee and the Grantee’s beneficiaries, executors, administrators and the person(s) to whom the RSUs may be transferred by will or the laws of descent or distribution.

14. **Severability**. The invalidity or unenforceability of any provision of the Plan or this Award Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Award Agreement, and each provision of the Plan and this Award Agreement shall be severable and enforceable to the extent permitted by law.

15. **Discretionary Nature of Plan**. The Plan is discretionary and may be amended, cancelled, or terminated by the Company at any time, in its discretion. The grant of the RSUs in this Award Agreement does not create any contractual right or other right to receive any RSUs or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee’s service to the Company.

16. **Amendment**. The Compensation Committee has the right to amend, alter, suspend, discontinue, or cancel the RSUs, prospectively or retroactively; *provided that* no such amendment shall adversely affect the Grantee’s material rights under this Award Agreement without the Grantee’s consent.

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17. **Section 409A.** This Award Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Award Agreement comply with Section 409A of the Code 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 Grantee on account of non-compliance with Section 409A of the Code.

18. **Counterparts.** This Award Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Award Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

19. **Acceptance.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Award Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the RSUs subject to all of the terms and conditions of the Plan and this Award Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the RSUs or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

[SIGNATURE PAGE FOLLOWS]

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

KORU MEDICAL SYSTEMS, INC.

By: _____
Name: _____
Title: _____

GRANTEE

Grantee's Name: _____

- Signature Page -

EXHIBIT 10.3

KORU MEDICAL SYSTEMS, INC.
2024 Omnibus Equity Incentive Plan

PERFORMANCE SHARE UNIT AWARD AGREEMENT

Pursuant to this Performance Share Unit Award Agreement (this “*Award Agreement*”), and subject to the terms and conditions herein and in the KORU Medical Systems, Inc. 2024 Omnibus Equity Incentive Plan (the “*Plan*”), KORU Medical Systems, Inc. (the “*Company*”) grants an Award of performance share units (“*PSUs*”), as set forth below.

Summary of Award Terms:

Name of Grantee: _____ (the “*Grantee*”)

Date of Grant: _____ (the “*Grant Date*”)

Target Number of Shares: _____ (the “*Target Shares*”)

Performance Period: _____ until the earlier of (i) _____ and (ii) the date of a Change in Control (“*Performance Period*”)

Vesting/Earn-Out: The PSUs shall vest only upon the achievement of the applicable Performance Goals for the above-referenced Performance Period. Depending on the Company’s actual achievements, the Grantee may earn between 0% and 150% of the Target Shares based on _____, multiplied by between 0.5 to 1.5 times of the earned Target Shares based on _____, all as further described on Exhibit A to this Award Agreement.

Performance Goals: The number of PSUs earned by the Grantee at the end of the Performance Period, if any, will be determined by the Compensation Committee, in its sole but reasonable discretion, based on the satisfaction of Performance Goals identified in Exhibit A to this Award Agreement.

Settlement Date: As soon as practicable following the end of the Performance Period, but no later than March 15th following the last day of the Performance Period (the “*Settlement Date*”).

Capitalized terms used in this Award Agreement, unless otherwise defined, shall have the meanings set forth in the Plan.

1. Grant of PSUs.

(a) Pursuant to Section 9 of the Plan, subject to the terms and conditions of this Award Agreement and the Plan, the Company hereby grants to the Grantee on the Grant Date an Award of PSUs up to the Target Shares. Each PSU represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in this Agreement and the Plan. The number of PSUs that the Grantee actually earns for the Performance Period (up to a maximum of the Target Shares) will be determined by the level of achievement of the Performance Goals in accordance with Exhibit A.

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(b) The Award, including the Compensation Committee’s determination of the satisfaction of Performance Goals, shall be subject to adjustment by the Compensation Committee (i) as provided in the Plan and (ii) in recognition of unusual or nonrecurring events affecting the Company or any Affiliate, unusual or nonrecurring events affecting the financial statements of the Company or any Affiliate, or changes in applicable laws, regulations or accounting principles, if the Compensation Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the Award or necessary to comply with applicable laws, rules, or regulations.

2. Vesting.

(a) The Award is subject to the vesting terms set forth in the Summary of Award Terms above, except as may otherwise be provided in this Award Agreement or in the

Plan. Any portion of the Award that does not vest for any reason shall automatically be cancelled and terminated and be of no further force and effect.

(b) If the Grantee has a Termination of Affiliation prior to the end of the Performance Period for any reason, then except as provided in an employment agreement between the Company and the Grantee then in effect, the Grantee shall forfeit, and shall have no further rights or interest with respect to, any of the PSUs granted hereby that remain unvested, with automatic and immediate effect (after giving effect to any applicable vesting acceleration provision) as of the date of the Grantee's Termination of Affiliation.

3. Settlement of Award.

(a) On or as soon as practicable after the Settlement Date, the Company will, in full satisfaction of the PSUs granted hereby, pay to the Grantee the amount owed, as determined by the Compensation Committee, in whole shares of Common Stock of the Company (the "**Shares**"), rounded down to the nearest whole Share.

(b) Notwithstanding anything herein to the contrary, no transfer of Shares shall become effective until the Company determines that such transfer, issuance, and delivery is in compliance with all applicable laws, regulations of government authority, and the requirements of any securities exchange on which Shares may be traded.

(c) The Compensation Committee may, as a condition to the issuance of Shares, require the Grantee to make covenants and representations and/or enter into agreements with the Company to reflect the Grantee's rights and obligations as a stockholder of the Company and any limitations and restrictions on such Shares.

(d) The transfer of Shares pursuant to this Award Agreement shall be effectuated by an appropriate entry on the books of the Company, the issuance of certificates representing such shares (bearing such legends as the Compensation Committee deems necessary or desirable), the transfer of shares to a brokerage account in the name of the Grantee, and/or other appropriate means as determined by the Compensation Committee.

(e) Unless and until any Shares are issued in settlement of the Award on the Settlement Date, the Award shall not confer to the Grantee any rights or status as a stockholder

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of the Company. Unless otherwise determined by the Compensation Committee, the Grantee shall not be entitled to any Dividend Equivalents declared with respect to Shares deliverable in connection with vested PSUs which have been earned, but not yet delivered to the Grantee.

4. Clawback. If the Company's financial statements are the subject of a restatement (i) due to material non-compliance with any financing reporting requirement under the federal securities laws, even if such restatement was not the result of any misconduct or error of the Grantee, (ii) in order to correct errors that were immaterial to previously issued financial statements but would result in a material misstatement if the errors were left uncorrected in future filings under the federal securities laws; or (iii) to correct errors that are recognized in the current period covered by the financial statements, then, to the extent permitted by governing law, the Company shall seek reimbursement of excess incentive compensation paid under the Award to the Grantee for the relevant year(s). In seeking such reimbursement, the Company shall take any and all actions it deems necessary or convenient in order to ensure the prompt reimbursement of all excess incentive compensation, taking into consideration the speed and cost of available options and the particular facts and circumstances of each such reimbursement. In addition, if the Company's financial statements are the subject of a restatement or correction of error due, in whole or in part, to a Grantee's misconduct, to the extent permitted by governing law, the Company may seek reimbursement of all incentive compensation paid under the Award to the Grantee for the relevant year(s). For purposes hereof, excess incentive compensation means the positive difference, if any, between (a) the Fair Market Value of the Shares issued to the Grantee and (b) the Fair Market Value of the Shares that would have been issued to the Grantee had the achievement of the Performance Goals been calculated based on the Company's financial statements as restated. In addition, the Company may seek reimbursement of any or all Shares issued pursuant to this Award Agreement in the event the Board or the Compensation Committee determines, in its reasonable judgment, that the Grantee has, or has been negligent in connection with the supervision of someone who has, (x) engaged in fraud, misrepresentation, theft, or embezzlement, (y) engaged in other misconduct (including harassment), or (z) been grossly negligent in connection with the performance of their duties, in each case resulting in Company reputational or financial harm. The foregoing shall be in addition to the terms and conditions of the Company's Clawback Policy as posted on its website.

5. **Nontransferability.** Subject to any exceptions set forth in this Award Agreement or the Plan, during the Restricted Period and until such time as the PSUs are settled in accordance with Section 3, the PSUs or the rights relating thereto may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the PSUs or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the PSUs will be forfeited by the Grantee and all of the Grantee's rights to such units shall immediately terminate without any payment or consideration by the Company.

6. **Grantee Representations.** By accepting the Award, the Grantee represents and acknowledges the following:

(a) The Grantee has received a copy of the Plan, has reviewed the Plan and this Award Agreement in their entirety, and has had an opportunity to obtain the advice of independent legal counsel prior to accepting the Award.

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(b) The Grantee has had the opportunity to consult with a tax advisor concerning the tax consequences of accepting the Award, and understands that the Company makes no representation regarding the tax treatment as to any aspect of the Award, including the grant, vesting, settlement, or conversion of the Award.

(c) The Grantee understands that neither the grant of this Award nor the Grantee's participation in the Plan confers any right to continue in the service of the Company or to receive any other award or amount of compensation, whether under the Plan or otherwise, and no payment of any award under the Plan will be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance, or other benefit plan of the Company or any Affiliate except as otherwise specifically provided in such other plan.

(d) The Grantee consents to the collection, use, and transfer, in electronic or other form, of the Grantee's personal data by the Company, any Affiliate, the Compensation Committee, and any third party retained to administer the Plan for the exclusive purpose of administering the Award and Grantee's participation in the Plan. The Grantee agrees to promptly notify the Company of any changes in the Grantee's name, address, or contact information during the entire period of Plan participation.

7. **Adjustments.** If there is a change in the outstanding Shares due to a stock dividend, split, or consolidation, or a recapitalization, corporate change, corporate transaction, or other similar event relating to the Company, the Compensation Committee may adjust the number of Target PSUs subject to the Award in accordance with Section 4.2 of the Plan.

8. **Tax Liability and Withholding.**

(a) The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan, the amount of any required withholding taxes in respect of the PSUs and to take all such other action as the Compensation Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Compensation Committee may permit the Grantee to satisfy any federal, state or local tax withholding obligation by any of the following means, or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold Shares from the Shares otherwise issuable or deliverable to the Grantee as a result of the vesting of the PSUs; *provided, however,* that no Shares shall be withheld with a value exceeding the maximum amount of tax required to be withheld by law; and (iii) delivering to the Company previously owned and unencumbered Shares.

(b) Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("***Tax-Related Items***"), the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the PSUs or the subsequent sale of any shares; and (ii) does not commit to structure the PSUs to reduce or eliminate the Grantee's liability for Tax-Related Items.

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9. **Compliance with Law.** The issuance and transfer of Shares shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's Shares may be listed. No Shares shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

10. **Notices.** Any notice required to be delivered to the Company under this Award Agreement shall be in writing and addressed to the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Award Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

11. **Governing Law.** This Award Agreement will be construed and interpreted in accordance with the laws of the State of Delaware without regard to conflict of law principles.

12. **Interpretation.** Any dispute regarding the interpretation of this Award Agreement shall be submitted by the Grantee or the Company to the Compensation Committee (excluding the Grantee if the Grantee serves on the Compensation Committee) for review. The resolution of such dispute by the Compensation Committee shall be final and binding on the Grantee and the Company.

13. **PSUs Subject to Plan.** This Award Agreement is subject to the Plan. The terms and provisions of the Plan, as it may be amended from time to time, are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

14. **Successors and Assigns.** The Company may assign any of its rights under this Award Agreement. This Award Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Award Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

15. **Severability.** The invalidity or unenforceability of any provision of the Plan or this Award Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Award Agreement, and each provision of the Plan and this Award Agreement shall be severable and enforceable to the extent permitted by law.

16. **Discretionary Nature of Plan.** The Plan is discretionary and may be amended, cancelled, or terminated by the Company at any time, in its discretion. The grant of the PSUs in this Award Agreement does not create any contractual right or other right to receive any PSUs or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee's service to the Company.

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17. **Amendment.** The Compensation Committee has the right to amend, alter, suspend, discontinue, or cancel the PSUs, prospectively or retroactively; *provided that* no such amendment shall adversely affect the Grantee's material rights under this Award Agreement without the Grantee's consent.

18. **Section 409A.** It is intended that this Award Agreement is exempt from Internal Revenue Code Section 409A and the interpretive guidance thereunder ("***Section 409A***"), and this Award Agreement shall be administered accordingly, and interpreted and construed on a basis consistent with such intent. To the extent that any provision of this Award Agreement would fail to comply with applicable requirements of Section 409A, the Company may, in its sole and absolute discretion and without requiring the Grantee's consent, make such modifications to this Award Agreement and/or payments to be made thereunder to the extent it determines necessary or advisable to comply with the requirements of Section 409A. Nothing in this Agreement shall be construed as a guarantee of any particular tax effect for the Award, and the Company does not guarantee that any compensation or benefits provided under this Award Agreement will satisfy the provisions of Section 409A. If (i) the Grantee's right to payment is subject to Section 409A, and (ii) the Grantee is a specified employee (within the meaning of Section 409A) as of the date of the Grantee's Termination of Affiliation, then, to the extent necessary to comply with Treasury Regulation sections 1.409A-3(i)(2), settlement of the Award shall be delayed until the earlier of

(A) the date which is six months after the Grantee's separation from service, or (B) the date of the Grantee's death.

19. Counterparts. This Award Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Award Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

20. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Award Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the PSUs subject to all of the terms and conditions of the Plan and this Award Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the PSUs or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

[SIGNATURE PAGE FOLLOWS]

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

KORU MEDICAL SYSTEMS, INC.

By: _____
Name: _____
Title: _____

GRANTEE

Grantee's Name: _____

- EX-A -

EXHIBIT 10.4

KORU MEDICAL SYSTEMS, INC.

2024 OMNIBUS EQUITY INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AWARD

This NONQUALIFIED STOCK OPTION AWARD (this “*Agreement*”), dated as of _____, _____ (the “*Date of Grant*”), is delivered by KORU Medical Systems, Inc., a Delaware corporation (the “*Company*”), to _____ (the “*Grantee*”).

The Company’s 2024 Omnibus Equity Incentive Plan (the “*Plan*”) provides for the grant of nonqualified stock options to purchase shares of common stock, par value \$0.01 per share, of the Company (“*Company Stock*”). The Compensation Committee of the Board of Directors of the Company (the “*Committee*”) has decided to make a nonqualified stock option grant to encourage the Grantee to contribute materially to the growth of the Company, thereby benefiting the Company’s stockholders, and aligning the economic interests of the Grantee with those of the stockholders. A copy of the Plan is attached to this Agreement. All capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the Plan.

NOW, THEREFORE, the parties to this Agreement, intending to be legally bound hereby, agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth in this Agreement and in the Plan, the Company hereby grants to the Grantee a nonqualified stock option (the “*Option*”) to purchase _____ shares of Company Stock (“*Shares*”) at an exercise price of \$ _____ per Share (the “*Strike Price*”).

2. Exercisability of Option. The Option shall become exercisable on the following dates (each, a “*Vesting Date*”): _____ Shares on _____ (the “*Vesting Commencement Date*”); and _____ Shares at the end of each successive one (1)-year period following the Vesting Commencement Date, provided the Employee is employed by the Company on the respective Vesting Date.

3. Option Term.

(a) The Option shall have a term of ten (10) years from the Date of Grant and shall terminate at the expiration of that period, unless it is terminated at an earlier date pursuant to the provisions of this Agreement or the Plan.

(b) If the Grantee’s employment with or service as a director of the Company (collectively, “*Service*”) terminates without cause (as determined by the Committee in its sole discretion) and for any reason other than death or disability, the then vested portion of the Option shall continue to be exercisable until the earlier of the 90th day after the date of the Grantee’s termination or the date the Option expires by its terms. The portion of the Option not vested as of the date of such termination of Service shall expire as of such date and shall not be exercisable.

(c) If the Grantee’s Service to the Company is terminated by the Company for cause (as determined by the Committee in its sole discretion), the Option shall expire on the

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date of such termination, and no portion shall be exercisable after the date of such termination.

(d) In the event of the Grantee’s termination of Service due to death or disability during Service to the Company, the vested portion of the Option shall continue to be exercisable until the earlier of (i) the date the Option expires by its terms and (ii) 12 months after the date of such termination.

(e) In the event of the Grantee’s death occurs after Service termination but during the 90 day period following such termination, the vested portion of the Option shall continue to be exercisable until the earlier of (i) the date the Option expires by its terms and (ii) the first anniversary of the Grantee’s death.

(f) Notwithstanding anything herein to the contrary, Grantee shall forfeit the Option in the event the Committee determines, in its reasonable judgment, that (A) the Company’s financial statements are the subject of a restatement due, in whole or in part, to Grantee’s

misconduct, to the extent permitted by governing law; or (B) Grantee has, or has been negligent in connection with the supervision of someone who has, (i) engaged in fraud, misrepresentation, theft or embezzlement, or (ii) engaged in other misconduct (including harassment), or been grossly negligent in connection with the performance of their duties, in each case resulting in Company reputational or financial harm. In the event the Option has been exercised at the time of such determination, the Company may demand that repayment be made from Company common stock, proceeds of the sale of Company common stock and/or the forfeiture of other outstanding awards held by Grantee, as determined in the sole discretion of the Committee.

4. Exercise Procedures.

(a) Subject to the provisions of Paragraphs 2 and 3 above, the Grantee may exercise part or all of the exercisable Option by giving the Company written notice to exercise in the manner provided in this Agreement, specifying the number of Shares as to which the Option is to be exercised and tendering payment for such Shares. The Grantee shall pay an amount equal to the Strike Price multiplied by the number of Shares as to which the Option is to be exercised (the "**Exercise Price**") (i) by certified or official bank check (or the equivalent thereof acceptable to the Company); or (ii) by delivery of shares of Common Stock acquired at least six months prior to the option exercise date and having a fair market value (as defined in the Plan and determined as of the exercise date) equal to all or part of the Exercise Price and a certified or official bank check (or the equivalent thereof acceptable to the Company) for any remaining portion of the Exercise Price; or (iii) by "net exercise", as a result of which the Grantee will receive (X) the number of Shares as to which the Option is to be exercised less (Y) such number of shares of Common Stock as is equal to (I) the aggregate Exercise Price for the portion of the Option being exercised divided by (II) the fair market value (as defined in the Plan) on the date of exercise.

(b) The Company's obligation to deliver Shares upon exercise of the Option shall be subject to all applicable laws, rules and regulations and also to such approvals by governmental agencies as may be deemed appropriate by the Committee, including such actions as Company counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. The Company may require that the Grantee (or other person having the right to exercise the Option) represent that the Grantee (or such other person) is

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purchasing Shares for his/her own account and not with a view to or for sale in connection with any distribution of the Shares, or such other representation as the Committee deems appropriate.

(c) All obligations of the Company under this Agreement shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable. Subject to Committee approval, the Grantee may elect to satisfy any tax withholding obligation of the Company with respect to the Option by having Shares withheld from delivery having a value equal to the amount of the tax withheld. The election must be in a form and manner prescribed by the Committee and shall be subject to the prior approval of the Committee.

5. Restrictions on Exercise. Except as the Committee may otherwise permit pursuant to the Plan, only the Grantee may exercise the Option during the Grantee's lifetime and, after the Grantee's death, the Option shall be exercisable (subject to the limitations specified in the Plan) solely by the legal representatives of the Grantee, or by the person who acquires the right to exercise the Option by will or by the laws of descent and distribution, to the extent that the Option is exercisable pursuant to this Agreement.

6. Grant Subject to Plan Provisions. This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and exercise of the Option are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the Shares, (c) changes in capitalization of the Company and (d) other requirements of applicable law. The Committee shall have the discretionary authority to interpret and construe the Option pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

7. Restrictions on Sale or Transfer of Shares.

(a) The Grantee agrees that he or she shall not sell, transfer, pledge, donate, assign, mortgage, hypothecate or otherwise encumber the Shares underlying the Option unless the Shares are registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or the

Company is given an opinion of counsel reasonably acceptable to the Company that such registration is not required under the Securities Act.

(b) As a condition to receive any Shares upon the exercise of the Option, the Grantee agrees to be bound by the Company's policies regarding the limitations on the transfer of such Shares, and understands that the Grantee will be prohibited from selling, transferring, pledging, donating, assigning, mortgaging, hypothecating or otherwise encumbering the Shares.

8. No Employment or Other Rights. The grant of the Option shall not confer upon the Grantee any right to be retained by or in the service of the Company and shall not interfere in any way with the right of the Company to terminate the Grantee's service at any time. The right of the Company to terminate at will the Grantee's service at any time for any reason is specifically reserved.

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9. No Stockholder Rights. Neither the Grantee, nor any person entitled to exercise the Option, shall have any of the rights and privileges of a stockholder with respect to the Shares subject to the Option, until certificates for Shares have been issued upon the exercise of the Option.

10. Assignment and Transfers. Except as the Committee may otherwise permit pursuant to the Plan, the rights and interests of the Grantee under this Agreement may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Grantee, by will or by the laws of descent and distribution. In the event of any attempt by the Grantee to alienate, assign, pledge, hypothecate, or otherwise dispose of the Option or any right hereunder, except as provided for in this Agreement, or in the event of the levy or any attachment, execution or similar process upon the rights or interests hereby conferred, the Company may terminate the Option by notice to the Grantee, and the Option and all rights hereunder shall thereupon become null and void. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Agreement may be assigned by the Company without the Grantee's consent.

11. Applicable Law. The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflicts of laws provisions thereof.

12. Notice. Any notice to the Company provided for in this instrument shall be addressed to the Company in care of the Chief Financial Officer at the headquarters of the Company, and any notice to the Grantee shall be addressed to such Grantee at the current address shown on the payroll of the Company, or to such other address as the Grantee may designate to the Company in writing. Any notice shall be delivered by hand, or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute this Agreement, and the Grantee has executed this Agreement, effective as of the Date of Grant.

KORU Medical Systems, Inc.

By: _____
Name:
Title:

I hereby accept the Option described in this Agreement, and I agree to be bound by the terms of the Plan and this Agreement. I hereby further agree that all of the decisions and determinations of the Committee shall be final and binding.

Grantee: _____

Name:

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