



GI Dynamics, Inc. – ASX Announcement

## **GI Dynamics Announces the Appointment of Medical Device Industry Veteran Scott Schorer as President & Chief Executive Officer**

### **LEXINGTON, Massachusetts & SYDNEY, Australia –23 March 2016 AEDT –**

The Board of Directors of GI Dynamics, Inc. (**ASX: GID**) (the **Company**), a medical device company that provides innovative treatments for type 2 diabetes and obesity, today announced the appointment of Scott Schorer as President and CEO, effective immediately. Mr. Schorer brings nearly 20 years of executive experience in the medical device industry, having founded and/or led numerous companies in the healthcare space.

After graduating from Dartmouth College with Bachelor of Arts and Bachelor of Engineering degrees where he was also captain of the men's crew, Mr. Schorer began his career as an infantry officer in the 82<sup>nd</sup> Airborne Division as a rifle and scout platoon leader. Following his military service, Mr. Schorer began his medical device career as a sales representative for a surgical distributor. He then co-founded and was CEO of CentriMed, leading to an acquisition by Global Healthcare Exchange ("GHX").

Mr. Schorer next founded and led IST: Innovative Spinal Technologies. He served as CEO for nine years during which time IST received CE Mark and FDA approvals for five products before the company was sold to Integra Spine. Mr. Schorer went on to lead the turnaround effort at Systagenix Wound Management, the former Advanced Wound Care division of Johnson & Johnson as President of the Americas.

More recently, Mr. Schorer served as a consultant to numerous boards and CEOs across a wide variety of companies in the medical device, biologics and related markets. He has led financing for over \$120 million in public and private equity financings. Mr. Schorer is also a co-inventor of 6 patents. His leadership skills and broad healthcare experience, including those in turnaround situations, make him well suited to lead GI Dynamics through its current challenging times.

"I know that the company has experienced issues recently, and I intend to develop a path forward that will help EndoBarrier<sup>®</sup> achieve its full potential as a potentially life-changing solution for patients with type 2 diabetes," said Mr. Schorer. "I have been impressed by the positive data generated through GI Dynamics' multiple clinical studies and thousands of patients receiving EndoBarrier Therapy, as well as the vocal advocacy of the clinicians who have implanted EndoBarrier."

[www.gidynamics.com](http://www.gidynamics.com)

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GI Dynamics, Inc., is a corporation incorporated in Delaware, USA, whose stockholders have limited liability. ARBN 151 239 388

“Scott has an impressive record in leading and growing medical device companies,” stated Jack Meyer, Chairman of the Board of Directors for GI Dynamics. “His leadership skills, broad healthcare experience, ability to quickly develop strategic focus, and rationalize resource allocation make him well-suited to lead GI Dynamics through its current challenging times. We are excited to have him join us as the leader of GI Dynamics.”

A copy of the employment agreement that GI Dynamics has entered into with Mr. Schorer is attached as Annexure A to this announcement.

#### About GI Dynamics

GI Dynamics, Inc. (ASX: GID) is the developer of EndoBarrier®, the first endoscopically delivered device therapy approved for the treatment of type 2 diabetes and obesity. EndoBarrier is approved and commercially available in multiple countries outside the U.S. EndoBarrier is not approved for sale in the U.S. and is limited by federal law to investigational use only in the United States. Founded in 2003, GI Dynamics is headquartered in Lexington, Massachusetts. For more information, please visit [www.gidynamics.com](http://www.gidynamics.com).

#### Forward-Looking Statements

This announcement contains forward-looking statements concerning: our development and commercialization plans; our potential revenues and revenue growth, costs, excess inventory, profitability and financial performance; our ability to obtain reimbursement for our products; our clinical trials, and associated regulatory submissions and approvals; the number and location of commercial centers offering the EndoBarrier; and our intellectual property position. These forward-looking statements are based on the current estimates and expectations of future events by the management of GI Dynamics, Inc. as of the date of this announcement and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those indicated in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: risks associated with the consequences of terminating the ENDO Trial and the possibility that future clinical trials will not be successful or confirm earlier results; risks associated with obtaining funding from third parties; risks relating to the timing and costs of clinical trials, the timing of regulatory submissions, the timing, receipt and maintenance of regulatory approvals, the timing and amount of other expenses, and the timing and extent of third-party reimbursement; risks associated with commercial product sales, including product performance; competition; risks related to market acceptance of products; intellectual property risks; risks related to excess inventory; risks related to assumptions regarding the size of the available market, benefits of our products, product pricing, timing of product launches, future financial results and other factors including those described in our filings with the U.S. Securities and Exchange Commission. Given these uncertainties, you should not place undue reliance on these forward-looking statements. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

#### Investor Enquiries:

United States:  
Robert Solomon, Vice President,  
Finance and Company Secretary  
+1 (781) 357-3246

Australia:  
David Allen or John Granger  
Hawkesbury Partners Pty Limited  
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[www.gidynamics.com](http://www.gidynamics.com)

#### Media Enquiries:

United States/Europe/Australia:  
Bill Berry, Berry & Company Public Relations LLC  
+1 (212) 253-8881

## ANNEXURE A



March 23, 2016

Scott Schorer

**Re: Offer Letter Agreement**

Dear Scott:

On behalf of GI Dynamics, Inc. (the “Company”) I am pleased to offer you employment with the Company on the terms and conditions set forth below.

1. Start Date; Term. Your employment will commence on March 23, 2016 and will continue until terminated by either party in accordance with Section 7 (such period of employment referred to herein as the “Term”).
2. Title and Duties. During the Term, you will serve as the Chief Executive Officer of the Company, reporting to the Board of Directors of the Company (the “Board”). You will devote your best efforts and full business time, skill and attention to the performance of your duties, subject to the direction of the Board. You will perform such executive, managerial, administrative and professional duties as are normally associated with those positions and customarily performed by those holding such offices at businesses similar to the Company. You will be expected to adhere to the written employment policies and practices of the Company that may be in effect from time to time, except that when the terms of this Offer Letter conflict with the Company’s written employment policies or practices, this Offer Letter will control. You will be expected to comply with the Company’s corporate governance policies and charters that may be in effect from time to time.
3. Base Compensation. You will be paid an annual base salary of four hundred thousand dollars (\$400,000) (the “Base Salary”), less applicable deductions and withholdings, to be paid each month in accordance with the Company’s payroll practices as may be in effect from time to time. Your total compensation will be reviewed by the Compensation Committee of the Board (the “Compensation Committee”) at least annually, and you will be entitled to such increases in Base Salary during your employment as will be determined by the Compensation Committee in its sole discretion, taking into account your performance and that of the Company, and other factors considered relevant by the Board.
4. Performance Bonus. Each calendar year, you will be eligible to earn an annual incentive bonus of up to thirty percent (30%) of your annual Base Salary (the “Performance Bonus”). Whether you receive such a Performance Bonus, and the amount of any such Performance Bonus, will be determined by recommendations from the Compensation Committee and approval from the Board, and will be based upon achievement of performance objectives to be provided to you by the Compensation Committee following initial recommendation of proposed objectives to you, discussion of such objectives with you, and consideration of your input regarding such objectives, provided that, in the event you remain employed with the

Company through the applicable payment date, you will receive a guaranteed Performance Bonus equal of 30% of your current Base Salary pro-rated for the amount of time employed during calendar year 2016. The amount, if any, of such earned Performance Bonus will be paid to you within forty five (45) days following the close of the calendar year to which it relates, and in no event later than March 15<sup>th</sup> of the calendar year immediately following the calendar year in which it was earned. You must be employed on the last day of the calendar year to which it relates in order to earn any Performance Bonus.

5. Benefits.

- (a) You will be eligible to participate in the Company's standard benefit programs made available to senior executives, subject to the terms and conditions of such plans. The Company may, from time to time, change these benefits in its discretion. Additional information regarding these benefits is available for your review upon request.
- (b) The Company will reimburse you for all normal, usual and necessary expenses incurred by you in furtherance of the business and affairs of the Company, including reasonable travel and entertainment, upon timely receipt by the Company of appropriate vouchers or other proof of your expenditures and in accordance with the Company's policies with respect thereto as in effect from time to time. You must submit any request for reimbursement no later than thirty (30) days following the date that such business expense is incurred. All reimbursements provided under this Offer Letter will be made or provided in accordance with the requirements of Section 409A of the Internal Revenue Code ("Code Section 409A") including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this Offer Letter); (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit.
- (c) You will, during each calendar year of your employment, be entitled to four (4) weeks of vacation, in addition to nationally recognized holidays.

6. Equity.

- (a) The Company will grant you an option (the "Option") to purchase 250,000 shares of the Company's common stock, at a per share exercise price equal to the Fair Market Value (as defined in the Company's 2011 Employee, Director and Consultant Equity Incentive Plan (the "2011 Plan")) of the Company's common stock on the date of grant. The Option will vest over a four (4) year period, with one quarter (1/4) of the shares subject to the Option vesting on the one (1) year anniversary of the date of grant, and the remaining shares vesting on a quarterly basis over the following three (3) years of continuous service, provided that you are providing services to the Company as an employee or consultant on such vesting dates (no vesting will occur following the termination of employment or consulting services). The Option will be, to the maximum extent permissible, treated as an "incentive stock option" within the

meaning of Section 422 of the Internal Revenue Code. The Option will be evidenced in writing by, and subject to the terms and conditions of, the 2011 Plan and the Company's standard form of stock option agreement, which agreement will expire ten (10) years from the date of grant except as otherwise provided in the stock option agreement or the Plan.

- (b) The Company will grant you a performance stock unit (the "PSU") in the Company equal to 250,000 shares of the Company's common stock. The PSU will provide for the issuance of (i) one hundred percent (100%) of the shares subject to the PSU upon receipt by the Company of pre-market approval by the U.S. Food and Drug Administration of the Company's EndoBarrier therapy (the "PMA Milestone") on or prior to June 30, 2019, (ii) seventy-five percent (75%) of the shares subject to the PSU upon achievement of the PMA Milestone after June 30, 2019 and on or prior to June 30, 2020, and (iii) fifty percent (50%) of the shares subject to the PSU upon achievement of the PMA Milestone after June 30, 2020 and on or prior to June 30, 2021, provided that you are providing services to the Company as an employee or consultant on such issuance date (no issuance will occur following the termination of employment or consulting services). If the PSU has not vested prior to June 30, 2021, then the PSU will lapse on that date. The PSU will be evidenced in writing by, and subject to the terms and conditions of, the 2011 Plan and the Company's standard form of restricted stock unit agreement, which agreement will expire ten (10) years from the date of grant except as otherwise provided in the restricted stock unit agreement or the Plan.
- (c) As described in the applicable stock option or restricted stock unit agreement(s) and subject to the terms and conditions thereof, if there is a Change of Control (as defined in each such agreement) involving the Company, then one hundred percent (100%) of all of your unvested options and performance stock units will vest and become immediately exercisable as of the consummation of the Change of Control. The parties acknowledge and agree that to the extent that this Section 6(c) conflicts with any term of an option agreement or grant document listed above (including but not limited to any term of such option agreement or grant document that permits or requires that a termination without "Cause" or as a result of a "Good Reason" occur following a Change of Control in order for unvested options to become vested and fully exercisable) then the terms of this Section 6(c) will govern.

7. Termination; Severance. Your employment will continue during the Term until terminated in accordance with this Section 7. You and the Company each will be entitled to terminate your employment for any reason at any time, subject to the provisions of this Section 7.

- (a) Termination for Cause; Resignation without Good Reason. If, at any time, the Company terminates your employment for Cause (as defined herein), or you resign without Good Reason (as defined herein), you will receive your Base Salary accrued through your last day of employment, any unused vacation (if applicable) accrued through your last day of employment, and any properly incurred business expenses through your last day of employment that remain unreimbursed. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits.

- (b) Termination without Cause; Resignation for Good Reason; Death or Disability. If your employment is terminated by the Company without Cause (as defined below) or by you for Good Reason (as defined below) or due to your death or Disability (as defined below) (collectively, such reasons for separation, an “Involuntary Termination”), then in addition to the payments and benefits described in Section 7(a) (which you will receive irrespective of the reason for termination), and subject to the conditions set forth in Section 7(c), you will be entitled to receive the following severance benefits (collectively, the “Severance Benefits”):
- (i) an amount equal to three (3) months of your then current Base Salary, less all applicable withholdings and deductions, paid over such three (3) month period on the schedule described below (the “Salary Continuation”), provided that if the Involuntary Termination occurs after December 31, 2016 then the length of Salary Continuation automatically will be increased to six (6) months; and further provided that if the Involuntary Termination occurs after December 31, 2017 then the length of Salary Continuation automatically will be increased to twelve (12) months; and
  - (ii) a pro-rata portion of your at-target Performance Bonus (30% of your then-current annual Base Salary) for the calendar year in which the termination occurs, adjusted based on the period worked by you during such calendar year prior to termination; and
  - (iii) if you timely elect continued coverage under COBRA for yourself and your covered dependents under the Company’s group health plans following the Involuntary Termination, then the Company will pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the three (3) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the “COBRA Payment Period”), provided that if the Involuntary Termination occurs after December 31, 2016 then the length of the period described in subsection (A) automatically will be increased to six (6) months; and further provided that if the Involuntary Termination occurs after December 31, 2017 then the length of the period described in subsection (A) automatically will be increased to twelve (12) months.

Notwithstanding the foregoing, if the Company determines, in its sole but good faith discretion, that the payment of the above-described COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the



COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the “Special Severance Payment”), for the remainder of the COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60<sup>th</sup>) day following your Separation from Service, the Company will make the first payment under this clause equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60<sup>th</sup>) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer’s group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause will cease.

- (c) Conditions to Receive Severance Benefits. The Severance Benefits are conditional upon (i) your continuing to comply with your obligations under your Nondisclosure, Nonsolicitation and Noncompete Agreement; (ii) your delivering to the Company of an effective separation agreement and general release of claims in favor of the Company in a mutually acceptable form within sixty (60) days following your termination date; and (iii) your compliance with all reasonable requests for transition assistance from the Company. The Salary Continuation will be paid in equal installments on the Company’s regular payroll schedule over the applicable period following your termination date, and will be subject to applicable tax withholdings, provided that no payments will be made prior to the sixtieth (60<sup>th</sup>) day following your separation from service. On the 60<sup>th</sup> day following your separation from service, the Company will pay you in a lump sum the Salary Continuation and other Severance Benefits that you would have received on or prior to such date under the original schedule but for the delay while waiting for the 60<sup>th</sup> day in compliance with Code Section 409A and the effectiveness of the release, with the balance of the Salary Continuation and other Severance Benefits being paid as originally scheduled.
- (d) Definition of Cause. For purposes of this Offer Letter, “Cause” will mean one or more of the following: (i) your willful failure or refusal to abide in all material respects by lawful directions received from the Board; (ii) your commission of any act of fraud, embezzlement or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) your unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; or (iv) your willful breach of any of your material obligations under any written agreement or written covenant with the Company. Cause will not exist under this Offer Letter unless the Company gives written notice to you describing with particularity the alleged act(s) at issue. The foregoing definition does not in any way limit the Company’s ability to terminate your employment at any time.
- (e) Definition of Good Reason. For purposes of this Offer Letter, “Good Reason” will mean your resignation from all positions you then hold with the Company based on an event described below, provided you give written notice of such event within ten



(10) days after the first occurrence of such event and that you assert that grounds for a resignation for Good Reason exist as a result of such event, and provided such event is not corrected within thirty (30) days after the Company (or any successor thereto) receives written notice from you of: (A) a material reduction in your base compensation or target annual bonus eligibility (unless you are treated proportionately similarly to all other employees); (B) a change in your position with the Company that materially reduces your title, level of authority, responsibilities and/or duties; (C) a requirement that you relocate more than fifty (50) miles from the Company's principal place of business; or (D) any material breach of this Offer Letter by the Company.

- (f) Definition of Disability. For purposes of this Offer Letter, “Disability” will mean your failure to perform your normal required services hereunder for a period of three (3) consecutive months during any calendar year by reason of your mental or physical disability, as determined by an independent physician reasonably satisfactory to you and the Company.
- 8. Non-Competition; Confidentiality. As a condition of employment hereunder, you will be required to sign and abide by the Company's standard Nondisclosure, Nonsolicitation and Noncompete Agreement. By signing this Offer Letter and accepting the consideration provided for herein, you expressly reaffirm your obligations under such Nondisclosure, Nonsolicitation and Noncompete Agreement.
- 9. At-Will Employment. Your employment with Company will be “at-will.” This means that either you or the Company may terminate your employment at any time, with or without Cause or Good Reason, and with or without advance notice. Notwithstanding the foregoing, you will be entitled to receive the Severance Benefits under this Agreement pursuant to the terms hereof.
- 10. Code Section 409A.
  - (a) It is intended that all of the severance benefits and other payments payable under this Offer Letter satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this letter will be construed to the greatest extent possible as consistent with those provisions.
  - (b) Any termination of your employment triggering payment of benefits under Section 7 must constitute a “separation from service” under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) before distribution of such benefits can commence. To the extent that the termination of your employment does not constitute a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by you to the Company at the time your employment terminates), any such payments under Section 7 that constitute deferred compensation under Code Section 409A will be delayed until after the date of a subsequent event constituting a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h). For purposes of clarification, this section will not cause

any forfeiture of benefits on your part, but will only act as a delay until such time as a “separation from service” occurs.

- (c) For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Offer Letter (whether severance payments, reimbursements or otherwise) will be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder will at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Offer Letter, if you are deemed by the Company at the time of your separation from service to be a “specified employee” for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon separation from service set forth herein and/or under any other agreement with the Company are deemed to be “deferred compensation,” then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Code Section 409A, such payments will not be provided to you prior to the earliest of (i) the expiration of the six-month period measured from the date of your separation from service with the Company, (ii) the date of your death, or (iii) such earlier date as permitted under Code Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph will be paid in a lump sum to you, and any remaining payments due will be paid as otherwise provided herein or in the applicable agreement. No interest will be due on any amounts so deferred.
  - (d) Notwithstanding any other provision herein to the contrary, in the event of any ambiguity in the terms of this Offer Letter, such term(s) will be interpreted and at all times administered in a manner that avoids the inclusion of compensation in income under Code Section 409A, or the payment of increased taxes, excise taxes or other penalties under Code Section 409A.
  - (e) The parties intend all payments and benefits hereunder to be in compliance with Code Section 409A; however, you acknowledge and agree that the Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Offer Letter, including but not limited to consequences related to Code Section 409A.
11. Arbitration. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the enforcement, breach, performance, or interpretation of this Offer Letter, your employment with the Company, or the termination of your employment, will be resolved, to the fullest extent permitted by law, by final, binding and confidential arbitration in Boston, Massachusetts by JAMS, Inc. (“JAMS”) or its successor, under JAMS’ then applicable rules and procedures. You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding. You will have the right to be represented by legal counsel at any arbitration proceeding. The arbitrator will: (a) have the authority to compel adequate

discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. Each party will bear its own attorneys' fees and litigation costs, except to the extent the underlying law upon which any claim is based provides for the award of attorneys' fees, in which case such fees will be recoverable as provided by law. The arbitrator will be authorized to award all relief that you or the Company would be entitled to seek in a court of law, including, but not limited to, allocating in the arbitrator's discretion, between the parties, all costs of the arbitration, including facility fees and the fees and expenses of the arbitrator and reasonable attorneys' fees, costs and expert witness fees of the parties, if permitted by applicable law. Nothing in this Offer Letter is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. The parties further agree that this Section 11 may be specifically enforced in court.

12. Indemnification. The Company acknowledges and agrees that you will be entitled to indemnification under the Company's standard form of indemnification agreement.
13. Notices. Any notice to be given hereunder will be in writing and delivered or sent by certified mail, postage prepaid, return receipt requested, addressed to the party concerned at the address indicated below or at such other address as such party may subsequently be designated by like notice:

If to the Company:  
GI Dynamics, Inc.  
25 Hartwell Avenue  
Lexington, MA 02421  
Attention: Chairman of the Board

With a copy to:  
Daniel Follansbee, Esq.  
Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C.  
One Financial Center  
Boston, MA 02111

If to you:  
Scott Schorer

14. Survivorship. The respective rights and obligations of the parties hereunder will survive any termination of this Offer Letter to the extent necessary to the intended preservation of such rights and obligations.
15. Miscellaneous. This Offer Letter and the other agreements specifically mentioned herein are the complete and exclusive statement of all of the terms and conditions of your employment with the Company, and supersede and replace any and all prior agreements or representations with regard to the subject matter hereof and thereof, whether written or oral. This Offer

Letter is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified, amended or extended except in a writing signed by you and a duly authorized member of the Board. This Offer Letter is intended to bind and inure to the benefit of and be enforceable by you and the Company, and our respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties or rights hereunder without the express written consent of the Company. Whenever possible, each provision of this Offer Letter will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Offer Letter is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Offer Letter will be reformed, construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein. This Offer Letter and the terms of your employment with the Company will be governed in all aspects by the laws of the Commonwealth of Massachusetts.

This offer is subject to satisfactory proof of your right to work in the United States and satisfactory completion of a Company-required background check. Please sign and date this Offer Letter, and the enclosed Nondisclosure, Nonsolicitation and Noncompete Agreement and return them to me by March 24, 2016, if you wish to accept employment at the Company under the terms described above.

[Signature Page Follows]

If the foregoing correctly sets forth our agreement and understanding, please indicate your acceptance of this offer by signing and returning to me a copy of this Offer Letter.

Very truly yours,

GI DYNAMICS, INC.

By: /s/ Daniel Moore  
Daniel Moore  
Vice Chairman

Accepted and Agreed:

Name: /s/ Scott Schorer  
SCOTT SCHORER

Date: March 23, 2016