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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 21, 2022

MEDAVAIL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-53298
(Commission File Number)

90-0772394
(I.R.S. Employer
Identification Number)

**6665 Millcreek Dr. Unit 1,
Mississauga ON Canada
L5N 5M4**
(Address of principal executive offices)

+1 (905) 812-0023
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

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

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	MDVL	The Nasdaq Stock Market LLC

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.

Appointment of Executive Vice President and General Manager

On February 22, 2022, MedAvail Holdings, Inc. (the "Company"), announced that Steven B. Hess, age 64, was appointed to serve as the Company's Executive Vice President and General Manager of SpotRx, effective as of February 21, 2022. Prior to joining the Company, from June 2021 to February 2022, Mr. Hess was the Chief Pharmacy Officer of MedMinder, a pharmaceutical technology company, where he increased patient and prescription volumes and implemented strategies to drive efficiencies. From May 2019 to May 2021, Mr. Hess was the Executive Vice President of Operations and Technology at Apotheco Pharmacy Group, an access platform offering specialized care in dermatology, where he led growing the enterprise with new pharmacies and streamlining the fulfillment process. From September 2017 until May 2019, Mr. Hess served as Senior Vice President of Procurement and Facilities at Diplomat Specialty Pharmacy, the nation's largest independent specialty pharmacy. From May 2016 until September 2017, Mr. Hess served as Vice President Specialty Pharmacy at Option Care, a leading home infusion services provider. Previously, Mr. Hess spent 10 years at OptumRx, formerly Catamaran which he held various roles including Vice President Operations and Technology and also Vice President Pharmacy Mail Operations, a full-service prescription drug benefit provider. Prior to that, Mr. Hess held positions at Evanston Northwestern Healthcare, and owned Health-Rite Pharmacy. Mr. Hess holds a Bachelor of Science in Pharmacy from the Medical University of South Carolina.

The Company entered into an Offer Letter and Change of Control and Severance Agreement with Mr. Hess which provides for, among other matters, (i) an initial base salary of \$335,000 per annum, (ii) a discretionary annual target bonus equal to fifty percent (50%) of the base salary with the ability to earn up to one hundred percent (100%) of the base salary based on performance, (iii) an initial stock option grant to purchase 131,000 shares of Company common stock under the MedAvail Holdings, Inc. 2021 Equity Incentive Plan (the "2021 Plan"), which will vest over four years, with twenty-five percent (25%) of the shares subject to the option vesting on the first anniversary of the vesting commencement date, (iv) an initial restricted stock unit award of 131,000 shares of Company common stock under the 2021 Plan, which will vest over three years on each yearly anniversary of the vesting commencement date, and (v) certain change of control and severance payments and benefits in the event of a change of control or involuntary termination of Mr. Hess' employment with the Company under certain circumstances. The foregoing summary of the Offer Letter and Change of Control and Severance Agreement does not purport to be complete and is qualified in its entirety by reference to the full texts of the Offer Letter that is attached hereto as Exhibit 10.1 and the Change of Control and Severance Agreement that is attached hereto as Exhibit 10.2, each of which is incorporated herein by reference.

There are no family relationships between Mr. Hess and any director or executive officer of the Company, and other than as described above, and no transactions involving Mr. Hess that would require disclosure under Item 404(a) of Regulation S-K.

A copy of the Company's press release announcing Mr. Hess' appointment is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	<u>Offer Letter between the Company and Steven Hess</u>
10.2	<u>Change of Control and Severance Agreement between the Company and Steven Hess</u>
99.1	<u>Press release dated February 22, 2022</u>

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.

MEDAVAIL HOLDINGS, INC.

Date: February 22, 2022

By: /s/ Ramona Seabaugh
Ramona Seabaugh
Chief Financial Officer

PRIVATE AND CONFIDENTIAL

Steven B. Hess

Dear Steven,

Re: Offer of Employment

We at MedAvail Technologies (US), Inc. (“**MedAvail**” or the “**Company**”) believe that we are able to provide you with exciting and challenging career opportunities as part of our team.

MedAvail is pleased to extend to you an offer of employment on the terms and conditions outlined below.

1. **Title.** You will be employed as Executive Vice President / General Manager, SpotRx. You will be reporting directly to the Chief Executive Officer of MedAvail.
2. **Commencement Date.** Your employment with us will begin on or about February 21, 2022 (your actual commencement date, the “**Commencement Date**”).
3. **Duties and Position.** You agree to devote your whole working time to the performance of your duties and to perform your duties and responsibilities, as assigned to you from time to time by the Company, faithfully and to the best of your ability. Your duties are subject to change to meet Company needs. You agree to act in the best interests of the Company at all times. While you are employed, you agree that you will not be employed by or obtain an ownership interest in any other entity or person who is a competitor of the Company, or where you may be placed in a position of conflict with the Company.
4. **Base Salary.** You will be paid an annual base salary of **\$335,000.00 USD** (gross) subject to required statutory and other deductions which are hereby authorized by you. Your salary will be paid on a bi-weekly basis. With your authorization, this payment will be made directly into a bank account designated by you.
5. **Unlimited PTO.** You will be entitled to receive unlimited Paid Time Off (PTO). Therefore, your ability to take paid time off is not a form of additional wages for services performed, but part of the Company’s promise to provide a flexible work schedule—including employees’ ability to decide when and how much time to take off. As there is no accrual of PTO, no amounts will be paid upon termination of your employment with the Company relating to unused PTO.
6. **Benefits.** You will be eligible to participate in our group health benefit plans the first day of the month immediately following the first day of employment. In accordance with their terms, the details of which will be available upon the commencement of your employment with the Company. The group benefit plans may be amended at the Company’s sole discretion from time to time, and so long as the modified terms apply generally to employees, you agree that any such modification will not constitute constructive dismissal.
7. **Short Term Incentive Plan.** The Company’s Short Term Incentive Plan (“**STIP**”) is a discretionary bonus plan designed to support the overall compensation structure as a component of total compensation. The Board of Directors of MedAvail Holdings, Inc. (the “**Board**”) or its Compensation Committee will ultimately determine the terms of the

STIP. Under the current STIP terms, you will be eligible for an annual target bonus equal to fifty (50) percent of your base salary with the ability to earn up to one hundred (100) percent of your base salary based on outsized performance. The Board or its Compensation Committee will determine the corporate objectives and approve your departmental and individual objectives for each calendar year. In general, fifty (50) percent of any STIP award is based on the achievement of the Company's corporate objectives and the remaining fifty (50) percent is based on achievement of individual objectives to be established by the Board or its Compensation Committee after discussion with you. The amount of any STIP bonus is determined at the discretion of the Board or its Compensation Committee and is not guaranteed to be paid in any given calendar year, or at all. The Board or its Compensation Committee will have sole discretion in determining whether any STIP award will be provided by way of cash or equity award granted pursuant to the MedAvail Holdings' equity compensation plan as in effect from time to time. **You must be an active employee working at MedAvail on the date STIP bonuses are paid and not have given notice of resignation for a future date, in order for you to be eligible for any such STIP that you would otherwise may become entitled to receive.**

8. **Equity Awards.** Promptly following the Commencement Date, the Company will recommend to the Board that you be provided with initial equity awards covering 262,000 shares of common stock of MedAvail Holdings, Inc. ("**Shares**"). The initial equity awards will be divided such that 131,000 Shares will be subject to an option to purchase (the "**Option**") and 131,000 shares will be subject to a restricted stock unit award that would be settled in Shares ("**RSU Award**"). The Option will have an exercise price per Share equal to the closing price of one Share on the date of grant. The Option and the RSU Award will be issued pursuant to the MedAvail Holdings, Inc. 2020 Equity Incentive Plan (the "**Plan**") and will be subject to the approval of the Board or its Compensation Committee. Subject to the Stock Option Agreement, Restricted Stock Unit Award Agreement and the detailed provisions of the Plan, your Option will vest over four (4) years from the vesting commencement date, with twenty five (25) percent of the Shares subject to the Option cliff vesting on the first anniversary of the vesting commencement date and the remaining Shares vesting at the rate of 1/48th per month thereafter, and your RSU Award will vest over three (3) years with a cliff vest every twelve (12) months following the vesting commencement date (provided that we expect the RSU Award vesting dates to occur during open trading windows when the Shares are not subject to insider trading restrictions). Vesting is subject to you continuing to be a Service Provider (as defined in the Plan) through each vesting date. You will be required to sign both the definitive Stock Option Agreement and Restricted Stock Unit Award Agreement documenting your Option and RSU Award in which you affirm that your rights with respect to both will be subject to the applicable terms in the Plan and your agreements. The Board or its Compensation Committee may from time to time alter the terms and conditions of the Plan on a go forward basis, without notice to you.
9. **Severance.** You will be eligible to enter into a Change in Control and Severance Agreement (the "**Severance Agreement**") applicable to you based on your position with the Company. The Severance Agreement will specify the severance payments and benefits you would be eligible to receive in connection with certain terminations of your employment with the Company. These protections will supersede all other severance payments and benefits you would become eligible for in the future, under any plan, program or policy that the Company may have in effect from time to time.
10. **Expenses.** You shall be entitled to be reimbursed for all reasonable expenses duly and properly incurred for the performance of your duties in accordance with Company policies in effect from time to time.

11. **Hours of Work.** In the execution of your duties, you will be expected to work not less than forty (40) hours per week, and in the evenings and on weekends where required. Your position is classified as exempt and does not qualify for overtime pay. You will be expected to travel throughout the US and to the Canadian headquarters of the Company from time to time.
12. **Policies.** You agree to abide by the rules, regulations, personnel practices, directives, programs and policies (the “**Policies**”) of the Company as issued and in effect at any time during your employment. On an annual basis, or otherwise as may be reasonably required by the Company, you shall be required to certify your commitment to comply with the Policies, which are subject to amendment by the Company at any time and from time to time.
13. **Conditions.** This offer and your continued employment is conditional upon the following:
 - (a) You shall provide documentation permitted on the Form I-9 establishing that you are legally authorized to work in the United States, and you agree to indemnify the Company and its subsidiaries from any claims, damages, costs or expenses caused by the breach of this representation
 - (b) You shall provide a copy of a valid US passport;
 - (c) You shall submit to a credit check and/or security search and/or reference check to be conducted at the Company’s expense. Your employment with the Company is conditional upon the Company being satisfied with the results of such searches, in its sole discretion;
 - (d) You shall submit (at the request of the Company) to a drug screen at the expense of and at a laboratory designated by the Company. This offer of employment is contingent upon the Company being satisfied with the results of your drug screen, in the Company’s sole discretion; and
 - (e) You confirm that you have no obligations to third parties that would prevent you from performing your duties and responsibilities set out herein.
14. **Confidentiality.** As a condition of your continued employment, you are also required to sign and comply with an At Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement in the Company’s standard form (the “**Confidentiality Agreement**”) which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company, and non-disclosure of Company proprietary information. In the event of any dispute or claim relating to or arising out of our employment relationship, you and the Company agree that
 - (i) any and all disputes between you and the Company shall be fully and finally resolved by binding arbitration, (ii) you are waiving any and all rights to a jury trial but all court remedies will be available in arbitration, (iii) all disputes shall be resolved by a neutral arbitrator who shall issue a written opinion, (iv) the arbitration shall provide for adequate discovery, and (v) the Company shall pay all the arbitration fees, except an amount equal to the filing fees you would have paid had you filed a complaint in a court of law. Please note that we must receive your signed Confidentiality Agreement before the Transition Date.
15. **Termination of Employment.** If you choose to accept this offer of employment, your employment with the Company will be at-will, which means that either you or the Company may terminate your employment at any time and for any reason with or without notice. This offer letter does not constitute a contract or guarantee of continued employment, and the Company retains the right to modify, amend, or cancel the benefits and payments summarized in this letter at any time and without prior notice.

Upon termination of employment, by the next regularly scheduled payday you will be paid your wages earned through your date of termination as well as payment for all accrued but unused vacation days.

You acknowledge that, if you decide to terminate your employment with the Company, you will give the Company a minimum of two (2) weeks' notice and during that period of notice, cooperate fully in the transitioning of your role.

16. **Independent Legal Advice.** You acknowledge that you have read and understood this Agreement and have been advised by us to seek independent legal advice and have been given a reasonable opportunity to seek and obtain such advice before signing the agreement.
17. **Severability.** If any provision contained in this Agreement (or part thereof) is determined to be unenforceable in whole or in part by a Court of competent jurisdiction, such invalid provision (or part thereof) shall be severed and the remaining terms will remain in full force and effect.
18. **Entire Agreement.** This Agreement constitutes the entire agreement between you and the Company. Any representations, oral or written, that are not expressly included in this Agreement are superseded and of no force or effect.
19. **Counterparts.** This Agreement may be executed simultaneously in counterparts (including by means of electronically transmitted reproductions of signature pages), each of which shall be deemed an original, but both of which together constitute one and the same instrument.
20. **Governing Law.** The law of the state of Illinois governs the interpretation of this Agreement without regard to any choice of law or conflict of laws rules, provisions or principles (whether of the State of Illinois or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Illinois.

We look forward to you joining MedAvail. If you choose to voluntarily accept this offer, please return an executed copy of this letter to us.

Yours truly,

MedAvail Technologies (US) Inc.

By: /s/ Mark Doerr
Title: Chief Executive Officer

ACCEPTANCE

I have had the opportunity to review this offer of employment, understand its terms, and accept the terms offered above. I confirm that there are no terms which have been promised to me other than those described above. I acknowledge that I am able to consult with legal counsel, at my own cost, and that I am voluntarily accepting this offer.

/s/ Steven B. Hess
Steven B. Hess

Date: February 11, 2022

MEDAVAIL TECHNOLOGIES (US) INC.

CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Change in Control and Severance Agreement (the “Agreement”) is made by and between MedAvail Technologies (US) Inc., a Delaware corporation (the “Company”), and Steven B. Hess (“Executive”), effective as of the Effective Date, as defined in Section 7 below.

This Agreement provides certain protections to Executive in connection with an involuntary termination of Executive’s employment with the Company Group under the circumstances described in this Agreement, including in connection with a change in control of the Company. Certain capitalized terms used in this Agreement are defined in Section 7 below.

The Company and Executive agree as follows:

1. Term of Agreement. This Agreement will have an initial term of 3 years commencing on the Effective Date (the “Initial Term”) and may be renewed for additional term(s) pursuant to a written agreement between the parties (each, an “Additional Term”). Notwithstanding the foregoing sentence, if a Change in Control occurs when there are fewer than 12 months remaining during the Initial Term or an Additional Term, as applicable, the term of this Agreement will extend automatically through the date that is 12 months following the date of the Change in Control. If Executive becomes entitled to benefits under Section 3(a) or Section 3(b) during the term of this Agreement, then the Agreement will not terminate until all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and will continue to be at-will, as defined under applicable law. No payments, benefits, or provisions under this Agreement will confer upon Executive any right to continue Executive’s employment with the Company Group, nor will they interfere with or limit in any way the right of the Company Group or Executive to terminate such relationship at any time, with or without cause, to the extent permitted by applicable laws.

3. Severance Benefits.

(a) Qualifying Termination. In the event of a Qualifying Termination, Executive will receive the following payments and benefits from the Company, subject to the requirements of this Agreement:

(i) Salary Severance. A single, lump sum, cash payment equal to 50% of Executive’s Salary.

(ii) COBRA Severance. Subject to Executive timely electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”) and further subject to Section 5(d), Executive will receive Company-paid group health, dental and vision coverage for Executive and any of Executive’s eligible dependents, as applicable (the “COBRA Severance”), following the Qualifying Termination until the earliest of: (A) six (6) months following the date of the Qualifying Termination, (B) the date

on which Executive and Executive's eligible dependents (as applicable) become covered under similar plans, or (C) the expiration of Executive's (and any of Executive's eligible dependents', as applicable) eligibility for continuation coverage under COBRA.

(iii) Bonus Severance. A single, lump sum, cash payment equal to 50% of Executive's Target Bonus.

(iv) Vesting Acceleration of Service-based Equity Awards.

(1) If the Qualifying Termination occurs outside the Change in Control Period, vesting of any Equity Awards that are outstanding and unvested as of the date of the Qualifying Termination as to the portion of the Equity Awards that were otherwise scheduled to vest during the six (6)-month period following the date of the Qualifying Termination.

(2) If the Qualifying Termination occurs during the Change in Control Period, vesting acceleration of 100% of any Equity Awards that are outstanding and unvested as of the date of the Qualifying CIC Termination. For the avoidance of doubt, if the Qualifying Termination occurs prior to the occurrence of a Change in Control, any then outstanding and unvested portion of Executive's Awards will remain outstanding (and unvested after taking into any acceleration that may occur as a result of clause (1)) until the earlier of (x) three (3) months following the Qualifying Termination, or (y) a Change in Control that occurs within three (3) months following the Qualifying Termination, solely so that any benefits due on as a result of a Change in Control can be provided if the termination of Executive's employment with the Company Group constitutes a Qualifying Termination (provided that in no event will Executive's stock option Awards or similar Awards remain outstanding beyond the Award's maximum term to expiration). If no Change in Control occurs within three (3) months following a Qualifying Termination, any unvested portion of Executive's Awards automatically and permanently will be forfeited on the date three (3) months following the date of the Qualifying Termination without having vested.

(b) Termination Other Than a Qualifying Termination. If the termination of Executive's employment does not constitute a Qualifying Termination, then Executive will not be entitled to receive any severance or other benefits in connection with such termination except for those, if any, as may then be established under the applicable Company Group member's then existing severance and benefits plans or programs.

(c) Non-duplication of Payment or Benefits. Notwithstanding any provision of this Agreement to the contrary, if Executive is entitled to any cash severance, continued health coverage benefits, vesting acceleration of any Awards, or other severance or separation benefits similar to those provided under this Agreement, by operation of applicable law or under a plan, policy, contract, or arrangement sponsored by or to which any Company Group member is a party other than this Agreement ("Other Benefits"), then the corresponding severance payments and benefits under this Agreement will be reduced by the amount of Other Benefits paid or provided to Executive.

(d) Death of Executive. In the event of Executive's death before all payments or benefits Executive is entitled to receive under this Agreement have been provided, the unpaid

amounts will be provided to Executive's designated beneficiary, if living, or otherwise to Executive's personal representative in accordance with the terms of this Agreement.

(e) Transfer Between Members of the Company Group. For purposes of this Agreement, if Executive is involuntarily transferred from one member of the Company Group to another, the transfer will not be a termination without Cause.

4. Accrued Compensation. On any termination of Executive's employment with the Company Group, Executive will be entitled to receive all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to Executive under any Company Group-provided plans, policies, and arrangements.

5. Conditions to Receipt of Severance.

(a) Separation Agreement and Release of Claims. Executive's receipt of any severance payments or benefits upon a Qualifying Termination under Section 3 is subject to Executive signing and not revoking the Company's then standard separation agreement and release of claims with the Company (the "Release"), which must become effective and irrevocable no later than the 60th day following the date of the Qualifying Termination (the "Release Deadline Date"). If the Release does not become effective and irrevocable by the Release Deadline Date, Executive will forfeit any right to severance payments or benefits under Section 3.

(b) Compliance with Post-Employment Covenants. Executive's receipt of severance is conditioned on Executive complying with any continuing obligations and covenants set forth in the At Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement in the Company's standard form (the "**Confidentiality Agreement**") or any other agreement between Executive and the Company.

(c) Return of Company Group Property. Executive's receipt of any severance payments or benefits upon Executive's Qualifying Termination under Section 3 is subject to Executive returning all documents and other property provided to Executive by any member of the Company Group (with the exception of a copy of the Company employee handbook and personnel documents specifically relating to Executive), developed or obtained by Executive in connection with his or her employment with the Company Group, or otherwise belonging to the Company Group.

(d) Payment Timing. Any lump sum cash severance payments under Section 3 relating to salary severance and any bonus severance will be provided to Executive on the first regularly scheduled payroll date of the applicable Company Group member following the date the Release becomes effective and irrevocable, subject to any delay required by Section 5(e) below. Any Equity Awards that are restricted stock units, performance shares, performance units, and/or similar full value awards ("Full Value Awards") that accelerate vesting under Section 3(b)(iv) will be settled, subject to any delay required by Section 5(e) below (or the terms of the Full Value Award agreement or other plan, policy, or arrangement of a Company Group member governing the settlement timing of the Full Value Award to the extent such terms specifically require any such delay in order to comply with the requirements of Section 409A, as

applicable), (i) on a date within 10 days following the date the Release becomes effective and irrevocable, or (ii) if later, in the event of a Qualifying CIC Termination that occurs prior to a Change in Control, on a date on or before the date of completion of the Change in Control.

(e) COBRA Severance Limitations. If the Company determines in its sole discretion that it cannot provide the COBRA Severance without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of such COBRA Severance, subject to any delay required by Section 5(e) below, the Company will provide to Executive a taxable monthly payment payable on the last day of a given month (except as provided by the immediately following sentence), in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the date of the Qualifying Termination (which amount will be based on the premium rates applicable for the first month of COBRA Severance for Executive and any eligible dependents of Executive) (each, a "COBRA Replacement Payment"), which COBRA Replacement Payments will be made regardless of whether Executive elects COBRA continuation coverage and will end on the earlier of (i) the date upon which Executive obtains other employment, or (ii) the date the Company has paid an amount totaling the number of COBRA Replacement Payments equal to the number of months in the applicable COBRA Severance period set forth in clause (A) of Section 3(a)(ii) or Section 3(b)(iii), as applicable. For the avoidance of doubt, the COBRA Replacement Payments may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to any applicable withholdings. Notwithstanding anything to the contrary under this Agreement, if the Company determines in its sole discretion at any time that it cannot provide the COBRA Replacement Payments without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), Executive will not receive the COBRA Replacement Payments or any further COBRA Severance.

(f) Section 409A. The Company intends that all payments and benefits provided under this Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities and ambiguous terms in this Agreement will be interpreted in accordance with this intent. No payments or benefits to be provided to Executive, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "Deferred Payments") will be paid or otherwise provided until Executive has a "separation from service" within the meaning of Section 409A. To the extent required to be exempt from or comply with Section 409A, references to the termination of Executive's employment or similar phrases used in this Agreement will mean Executive's "separation from service" within the meaning of Section 409A.

(i) Any payments or benefits paid or provided under this Agreement that satisfy the requirements of the "short-term deferral" rule under Treasury Regulations Section 1.409A-1(b)(4), or that qualify as payments made as a result of an involuntary separation from service under Treasury Regulations Section 1.409A-1(b)(9)(iii) that is within the limit set forth thereunder, will not constitute Deferred Payments for purposes of this Section 5(e).

(ii) Notwithstanding any provisions to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's separation from service (other than due to death), then any payments or benefits under this Agreement that constitute Deferred Payments payable within the first 6 months after

Executive's separation from service instead will be payable on the date 6 months and 1 day after Executive's separation from service; provided that in the event of Executive's death within such 6-month period, any payments delayed by this subsection (ii) will be paid to Executive in a lump sum as soon as administratively practicable after the date of Executive's death. To the extent that Executive is not a specified employee but Executive's Qualifying Termination occurs at a time during the year whereby the Release Deadline Date will occur in the year immediately following the year in which the Qualifying Termination occurs, then any payments or benefits under this Agreement that constitute Deferred Payments that otherwise would be payable prior to the Release Deadline Date instead will be paid on the first regularly scheduled payroll date of the applicable Company Group member following the Release Deadline Date.

(iii) The Company reserves the right to amend this Agreement as it considers necessary or advisable, in its sole discretion and without the consent of Executive or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). In no event will Executive have any discretion to choose Executive's taxable year in which any payments or benefits are provided under this Agreement. In no event will the Company or any parent, subsidiary or other affiliate of the Company have any responsibility, liability or obligation to reimburse, indemnify or hold harmless Executive for any taxes, penalties or interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

6. Limitation on Payments.

(a) Reduction of Severance Benefits. If any payment or benefit that Executive would receive from any member of the Company Group or any other party whether in connection with the provisions in this Agreement or otherwise (the "Payments") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Payments will be either delivered in full, or delivered as to such lesser extent that would result in no portion of the Payments being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in Executive's receipt, on an after-tax basis, of the greatest amount of Payments, notwithstanding that all or some of the Payments may be subject to the Excise Tax. If a reduction in Payments is made in accordance with the immediately preceding sentence, the reduction will occur, with respect to the Payments considered parachute payments within the meaning of Code Section 280G, in the following order: (A) reduction of cash payments in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the Excise Tax will be the first cash payment to be reduced); (B) cancellation of equity awards that were granted "contingent on a change in ownership or control" within the meaning of Section 280G of the Code in the reverse order of date of grant of the equity awards (that is, the most recently granted equity awards will be cancelled first); (C) reduction of the accelerated vesting of equity awards in the reverse order of date of grant of the equity awards (that is, the vesting of the most recently granted equity awards will be

cancelled first); and (D) reduction of employee benefits in reverse chronological order (that is, the benefit owed on the latest date following the occurrence of the event triggering the Excise Tax will be the first benefit to be reduced). In no event will Executive have any discretion with respect to the ordering of Payment reductions. Executive will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Agreement, and neither the Company nor any parent, subsidiary or other affiliate of the Company have any responsibility, liability or obligation to reimburse, indemnify or hold harmless Executive for any of those payments of personal tax liability.

(b) Determination of Excise Tax Liability. Unless the Company and Executive otherwise agree in writing, any determinations required under this Section 6 will be made in writing by a nationally recognized accounting or valuation firm (the “Firm”) selected by the Company, whose determinations will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 6, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm reasonably may request in order to make determinations under this Section 6. The Company will bear the costs and make all payments required to be made to the Firm for the Firm’s services that are rendered in connection with any calculations contemplated by this Section 6. The Company will have no liability to Executive for the determinations of the Firm.

7. Definitions. The following terms referred to in this Agreement will have the following meanings:

(a) “Award” means stock options and other equity awards covering shares of Company common stock granted to Executive.

(b) “Board” means the Company’s Board of Directors.

(c) “Cause” means any one or more of the following:

(i) any act or omission by Executive that constitutes malfeasance, dishonesty or fraud in the course of employment of Executive;

(ii) any material breach by Executive of the covenants provided for in this Agreement, including without limitation the covenants of Executive set forth in the Employment Agreement;

(iii) the repeated and demonstrated failure on the part of Executive to perform the duties and responsibilities of the position of Executive;

(iv) the failure of Executive to comply with reasonable instructions given by the Company;

(v) insubordination of Executive;

(vi) any other act or omission (or series thereof) which constitutes "just cause" for termination of the employment of Executive under the common law or employment standards legislation.

(d) "Change in Control" has the same meaning given to such term as set forth in the MedAvail Holdings, Inc. 2020 Equity Incentive Plan.

(e) "Change in Control Period" means the period beginning on the date three (3) months prior to a Change in Control and ending on (and inclusive of) the date that is the one (1)-year anniversary of the Change in Control.

(f) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) "Company Group" means the Company and its parent and subsidiary companies.

(h) "Director" means a member of the Board.

(i) "Disability" means total and permanent disability as defined in Code Section 22(e)(3).

(j) "Effective Date" means the day this Agreement has been executed by both the Company and Executive.

(k) "Employment Agreement" means Executive's employment letter with the Company dated February 9, 2022.

(l) "Equity Awards" means Awards that, as of the date of a Qualifying Termination, are held by Executive and subject to continued service-based vesting criteria, but not subject to the achievement of any performance-based or other similar vesting criteria.

(m) "Qualifying Termination" means a termination of Executive's employment with the Company Group by a Company Group member without Cause and other than due to Executive's death or Disability.

(n) "Salary." means Executive's annual base salary in effect immediately prior to Executive's Qualifying Termination or, if Executive's Qualifying Termination occurs during the Change in Control Period and the amount is greater, Executive's annual base salary in effect immediately prior to the Change in Control.

(o) "Section 409A" means Code Section 409A and the Treasury Regulations and guidance thereunder, and any applicable state law equivalent, as each may be promulgated, amended or modified from time to time.

(p) “Target Bonus” means Executive’s annual (or annualized, if applicable) target bonus in effect immediately prior to Executive’s Qualifying Termination or, if Executive’s Qualifying Termination occurs during the Change in Control Period and the amount is greater, Executive’s annual (or annualized, if applicable) target bonus in effect immediately prior to the Change in Control.

8. Successors. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors, and legal representatives of Executive upon Executive’s death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, “successor” means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of Executive’s right to compensation or other benefits will be null and void.

9. Notice.

(a) General. All notices and other communications required or permitted under this Agreement will be in writing and will be effectively given (i) upon actual delivery to the party to be notified, (ii) upon transmission by email, (iii) 24 hours after confirmed facsimile transmission, (iv) 1 business day after deposit with a recognized overnight courier, or (v) 3 business days after deposit with the U.S. Postal Service by first class certified or registered mail, return receipt requested, postage prepaid, addressed: (A) if to Executive, at the address Executive will have most recently furnished to the Company in writing, (B) if to the Company, at the following address:

MedAvail Technologies (US), Inc.
2196 East Camelback Road, Suite 200
Phoenix, Arizona 85016
Attention: Chief Executive Officer and Vice President, Human Resources

(b) Notice of Termination. Any termination of Executive’s employment by the Company for Cause will be communicated by a notice of termination of Executive’s employment to Executive in accordance with Section 9(a). The notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than 30 days after the later of (i) the giving of the notice or (ii) the end of any applicable cure period).

10. Resignation. The termination of Executive’s employment for any reason also will constitute, without any further required action by Executive, Executive’s voluntary resignation from all officer and/or director positions held at the Company or any of its subsidiaries or affiliates, and at the Board’s request, Executive will execute any documents reasonably necessary to reflect the resignations.

11. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any payment be reduced by any earnings that Executive may receive from any other source except as specified in Sections 3(d), 5(e) and 6.

(b) Waiver; Amendment. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by an authorized officer of the Company (other than Executive) and by Executive. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. Headings are provided herein for convenience only and will not serve as a basis for interpretation or construction of this Agreement.

(d) Entire Agreement. This Agreement, the Confidentiality Agreement, the Employment Agreement, the Company's 2011 Equity Incentive Plan and/or 2021 Equity Incentive Plan (as applicable), and the award agreements thereunder governing Executive's Awards constitute the entire agreement of the parties and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter of this Agreement.

(e) Governing Law. This Agreement will be governed by the laws of the State of Illinois but without regard to the conflict of law provision. To the extent that any lawsuit is permitted with respect to any provisions under this Agreement, Executive hereby expressly consents to the personal and exclusive jurisdiction and venue of the state and federal courts located in the State of Illinois for any lawsuit filed against Executive by any Company Group member.

(f) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason, such invalidity, illegality, or unenforceability will not affect the remaining parts of this Agreement, and this Agreement will be construed and enforced as if the invalid, illegal, or unenforceable provision had not been included.

(g) Withholding. The Company (and any parent, subsidiary or other affiliate of the Company, as applicable) will have the right and authority to deduct from any payments or benefits all applicable federal, state, local, and/or non-U.S. taxes or other required withholdings and payroll deductions ("Withholdings"). Prior to the payment of any amounts or provision of any benefits under this Agreement, the Company (and any parent, subsidiary or other affiliate of the Company, as applicable) is permitted to deduct or withhold, or require Executive to remit to the Company, an amount sufficient to satisfy any applicable Withholdings with respect to such payments and benefits. Neither the Company nor any parent, subsidiary or other affiliate of the Company will have any responsibility, liability or obligation to pay Executive's taxes arising from or relating to any payments or benefits under this Agreement.

(h) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature page follows.]

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer.

COMPANY **MEDAVAIL TECHNOLOGIES (US) INC.**

By: /s/ Mark Doerr

Title: Chief Executive Officer

Date: February 11, 2022

EXECUTIVE

Steven B. Hess

Date: February 11, 2022

MedAvail Strengthens Leadership Team

MISSISSAUGA, Ontario and PHOENIX, Ariz. – February 22, 2022 – MedAvail Holdings, Inc. (Nasdaq: MDVL) (“MedAvail”) a technology-enabled pharmacy company, today announced the appointment of industry leaders Steven Hess to Executive Vice President, General Manager, of SpotRx and Bob McClune to Senior Vice President of Data and Analytics.

“We are pleased to have Steven join our senior leadership team. Steven’s extensive pharmacy experience across retail and specialty will be integral in leading our strategies to drive profitable growth and optimize our SpotRx hub pharmacy and MedCenter enabled clinic operations. We also welcome Bob to MedAvail to lead our efforts in optimizing and accelerating data exchanges with our clinic partners,” said Mark Doerr, Chief Executive Officer of MedAvail. “These key additions will help further our commitment toward expanding our embedded pharmacy model for the benefit of our patient and clinic partners.”

Steven Hess joins with over 35 years of senior operational leadership experience in the pharmacy industry across retail, specialty, PBM and technology. Most recently, he served as Chief Pharmacy Officer of MedMinder, a pharmaceutical technology company, where he increased patient and prescription volumes and implemented strategies to drive efficiencies. Prior to MedMinder, Mr. Hess led operations and technology at Apotheco Pharmacy Group, growing the enterprise with new pharmacies and streamlining the fulfillment process. Previously, he held senior leadership roles in pharmacy operations and technology at Diplomat Specialty Pharmacy, Option Care, Catamaran, Health Business System, SXC and as Vice President of Pharmacy Operations and Procurement at United Health Group/Optum Rx. Mr. Hess holds a Bachelor of Science in Pharmacy from Medical University of South Carolina.

Bob McClune is an analyst by trade and has over 21 years of experience in data and advanced analytics paired with 18 years in pharmacy services, supporting operations and managed care in addition to leading finance, analytics and procurement. This experience includes nearly 14 years at Giant Eagle with increasing senior responsibilities within pharmacy, finance and supermarket. During his tenure at Giant Eagle, Mr. McClune most recently served as Vice President of overseeing the finance, analytics and systems function within merchandising. Previously, he held positions at The Nielsen Company, IQVIA and AstraZeneca Pharmaceuticals. Mr. McClune holds a Bachelor of Science from Pennsylvania State University.

About MedAvail

MedAvail Holdings, Inc. (NASDAQ: MDVL) is a technology-enabled pharmacy organization, providing turnkey in-clinic pharmacy services through its proprietary robotic dispensing platform, the MedAvail MedCenter, and home delivery operations, to Medicare clinics. MedAvail helps patients to optimize drug adherence, resulting in better health outcomes. Learn more at www.medavail.com.

About SpotRx

SpotRx places control of the pharmacy experience back in the hands of consumers. SpotRx is a telehealth platform that delivers remote pharmacist consultations through an on-site dispensing kiosk, supplemented with home delivery capability.

Contacts:**Investor Relations**

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Gilmartin Group

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SOURCE MedAvail Holdings, Inc.