

REFINITIV

# DELTA REPORT

## 10-Q

NEPH - NEPHROS INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 54

CHANGES	6
DELETIONS	46
ADDITIONS	2

August 9, 2023

Andrew Astor

[Address]

[Address]

Dear Andy,

Reference is made to that certain Employment Agreement between you and Nephros, Inc. (the "Company") dated August 23, 2020 (the "Employment Agreement"). This letter agreement is intended to serve as an amendment to the Employment Agreement by setting forth modified terms of your employment with the Company following your retirement and resignation as the Company's President and CEO and from the Company's board of directors, which became effective as of May 11, 2023. Accordingly, you and the Company agree as follows:

**1. Change in Status.** Following your retirement as President and CEO, you have agreed to remain employed as the Company's interim Chief Financial Officer ("CFO"). As CFO, you will be responsible for, among other matters, leading the financial and risk management operations of the Company, including tracking financial strategies and supporting the ongoing development and monitoring of control systems designed to preserve company assets and to report accurate financial results. Additionally, you will remain as the Company's principal financial officer and principal accounting officer. Further, you will assist the Company's President and CEO in his transition to such positions and provide such other assistance and services as he and/or the board may reasonably request. Your continued employment as CFO will be on an "at-will" basis, meaning that your employment may be terminated by either you or the Company at any time.

**2. Salary.** Your annualized base salary will initially be the same as your prior salary as President and CEO. However, you and the Company understand that as your progress further in your transition as CFO, you and the Company expect that the amount of time required to fulfill your CFO obligations will decline from full-time. Accordingly, you and the Company agree on a monthly basis to re-evaluate the amount of time required to fulfill your duties as CFO and your annualized base salary will be adjusted pro rata to reflect such reduced time commitment.

**3. 2023 Cash Bonus.** Even if you do not remain employed by the Company as of December 31, 2023, you will be eligible to receive your 2023 cash bonus, based upon achievement of the corporate goals and milestones previously approved by the Company's Board of Directors (the "Board"), as determined in the Board's discretion, which amount will be adjusted pro rata based on the period of your employment with the Company and the percentage of time dedicated to such employment during 2023; provided, that your eligibility for such bonus award shall be subject to your continued assistance in assisting in the transition to the Company's new President and CEO and its to-be-hired CFO.

**4. Option Awards.** In consideration of your assistance with the transition to the Company's new management team, the Company agrees to the following with respect to the currently outstanding stock option awards that have been granted to you pursuant to the Company's 2015 Equity Incentive Plan (the "2015 Plan" and such awards, the "Stock Options"):

- a. Subject to your continued employment or other services relationship with the Company, each Stock Option that has not yet vested in full will continue to vest in accordance with the vesting schedule described in the award agreement evidencing such Stock Option.
- b. Notwithstanding the terms of each agreement evidencing a Stock Option (each, a "Stock Option Agreement"), after your employment or service relationship with the Company ceases, your right to purchase one-half of the shares subject to such Stock Options that are vested as of the date of such termination of services shall continue to be exercisable until December 31, 2026, and the remaining one-half of vested shares shall continue to be exercisable in accordance with the terms of the applicable Stock Option Agreement; provided, however, that in the event you voluntarily terminate your employment or service relationship with the Company without the consent of the Company, then the post-termination exercise periods described in each Stock Option Agreement shall not be extended beyond the terms set forth therein.

This Paragraph 4 is intended to operate as an amendment to each of the applicable Stock Option Agreements.

**5. Prior Employment Agreement.** This shall confirm that Sections 1, 2.1, 2.4, 3.1 through 3.4 and 4 of the Employment Agreement are hereby deleted and without further force or effect, but all other provisions of the Employment Agreement shall continue in accordance with their terms, as modified by this letter agreement.

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Kindly acknowledge your agreement with the foregoing by countersigning this letter in the space provided below.

Sincerely,

Nephros, Inc.

*/s/ Robert Banks*

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Robert Banks

President and Chief Executive Officer

Acknowledged and agreed:

*/s/ Andrew Astor*

\_\_\_\_\_  
Andrew Astor

Exhibit 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
UNDER SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Robert Banks, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nephros, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 8, 2023** **May 9, 2024**

By: /s/ Robert Banks

Name: Robert Banks

Title: President, Chief Executive Officer (Principal Executive Officer)

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Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
UNDER SECTION 302 OF THE SARBANES-OXLEY ACT**

I, **Andrew Astor, Judy Krandel**, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nephros, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 8, 2023** **May 9, 2024**

By: /s/ Judy Krandel

Name: Judy Krandel

Title: Chief Financial Officer (Principal Financial and Accounting Officer)

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Exhibit 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Nephros, Inc. (the "Company") for the period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Robert Banks, President, Chief Executive Officer of the Company, certifies that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Robert Banks

Name: Robert Banks

Title: President, Chief Executive Officer (Principal Executive Officer)

Dated: **November 8, 2023** **May 9, 2024**

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Exhibit 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Nephros, Inc. (the "Company") for the period ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, **Andrew Astor**, **Judy Krandel**, Chief Financial Officer of the Company, certifies that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Judy Krandel

Name: Judy Krandel

Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Date: November 8, 2023 May 9, 2024

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