

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): June 7, 2017

FORTRESS BIOTECH, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-35366

(Commission File Number)

20-5157386

(IRS Employer
Identification No.)

2 Gansevoort Street, 9th Floor, New York, New York

(Address of Principal Executive Offices)

10014

(Zip Code)

Registrant's Telephone Number, Including Area Code: **(781) 652-4500**

(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:

- 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))

- Indicate by check mark whether the registrant is an emerging growth company 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; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) At the 2017 annual meeting of stockholders of Fortress Biotech, Inc. (the “Company”), Company stockholders approved an amendment to the Fortress Biotech, Inc. 2012 Employee Stock Purchase Plan (the “ESPP”) to, among other things, increase the number of shares of its common stock reserved for issuance thereunder by 200,000 shares. You can find a summary of the principal features of the ESPP in the definitive proxy statement for the Company’s 2017 annual meeting of stockholders, as filed with the U.S. Securities and Exchange Commission on April 26, 2017 (the “Proxy Statement”), under the heading “Proposal Two – Amendment to the Company’s Employee Stock Purchase Plan.”

At the meeting, Company stockholders also approved the Fortress Biotech, Inc. Amended and Restated Long Term Incentive Plan (the “LTIP”) for the Company’s Chairman, President and Chief Executive Officer, Lindsay A. Rosenwald, M.D., Executive Vice Chairman, Strategic Development, Michael S. Weiss, or any limited liability company or limited partnership owned and controlled by Dr. Rosenwald or Mr. Weiss, provided such entity has a bona fide service provider relationship with the Company (each an “LTIP Participant”). The LTIP consists of a program to grant equity interests in the Company and newly formed subsidiaries and a performance-based bonus program that is designed to result in performance-based compensation that is deductible without limit under Section 162(m) of the Internal Revenue Code of 1986, as amended. The LTIP also provides that the LTIP Committee, currently the Company’s Compensation Committee, may, solely with the consent of the LTIP Participant, cancel any unvested equity grants for common stock of the Company made to such LTIP Participant (whether inducement grants, grants made pursuant to the previous LTIP or the LTIP, or any other grants) and issue replacement awards for common stock of the Company in amounts no greater than the canceled award, and subject to such terms as the Company’s Compensation Committee may determine. You can find a summary of the principal features of the LTIP in the Proxy Statement, under the heading “Proposal Three – Amendment and Restatement of the Fortress Biotech, Inc. Long Term Incentive Plan.”

The above descriptions of the ESPP and LTIP are qualified in their entirety by reference to the full and complete text of the ESPP and LTIP filed as Exhibits 10.38 and 10.39 to this Current Report on Form 8-K and incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

The Company held its 2017 annual meeting of stockholders on June 7, 2017. At the meeting, stockholders elected the following seven members to the Company's Board of Directors to serve until the Company's next annual meeting of stockholders or until their successors have been elected and qualified, based on the following votes:

<u>Nominee</u>	<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
Lindsay A. Rosenwald, M.D.	28,266,452	101,189	7,930	15,487,699
Eric K. Rowinsky, M.D.	27,937,348	429,323	8,900	15,487,699
Jimmie Harvey, Jr., M.D.	28,270,304	96,337	8,930	15,487,699
Malcolm Hoenlein	28,245,715	121,835	8,021	15,487,699
Dov Klein	28,001,632	365,009	8,930	15,487,699
J. Jay Lobell	27,652,384	714,166	9,021	15,487,699
Michael S. Weiss	27,927,890	439,751	7,930	15,487,699

The Board also approved and recommended to the stockholders and the stockholders voted to reserve an additional 200,000 shares of common stock for issuance under the ESPP. The vote on the resolution was approved with 28,269,306 shares for, 73,487 shares against, 32,778 shares abstaining, and 15,487,699 broker non-votes.

The Board approved and recommended to the stockholders and the stockholders voted on the approval of the LTIP. The vote on the resolution was approved with 27,844,170 shares for, 448,340 shares against, 83,061 shares abstaining, and 15,487,699 broker non-votes.

At the meeting, stockholders also ratified the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017. The vote for such ratification was 43,714,367 shares for, 121,385 shares against, 27,518 shares abstaining, and no broker non-votes.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

10.38 Fortress Biotech, Inc. 2012 Employee Stock Purchase Plan, as amended.

10.39 Fortress Biotech, Inc. Amended and Restated Long Term Incentive Plan.

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.

FORTRESS BIOTECH, INC.

Date: June 12, 2017

/s/ Lindsay A. Rosenwald

Name: Lindsay A. Rosenwald

Title: Chairman, President and Chief Executive
Officer

**AMENDMENT TO THE
CORONADO BIOSCIENCES, INC.
2012 EMPLOYEE STOCK PURCHASE PLAN**

WHEREAS, the Board of Directors of Fortress Biotech, Inc. (the “*Company*”) deem it to be in the best interests of the Company to amend, and have approved at the next annual meeting of the stockholders of the Company, the amendment of the Coronado Biosciences, Inc. 2012 Employee Stock Purchase Plan (the “*ESPP*”) as set forth below, effective April 14, 2017;

NOW, THEREFORE, the ESPP shall be amended as follows.

1. To reflect the change in the Company’s name, all references in the ESPP to “Coronado Biosciences, Inc.” and “Coronado” are replaced with “Fortress Biotech, Inc.” and “Fortress” respectively.

2. Section 3 of the ESPP is deleted in its entirety and the following substituted in lieu thereof:

3. Share Reserve. The maximum number of shares which may be issued under the Plan shall be Four Hundred Thousand (400,000) shares of Fortress’s authorized but unissued common stock, \$0.001 par value (the “Shares”). In the event that any Purchase Right for any reason expires or is canceled or terminated, the Shares allocable to the unexercised portion of such Purchase Right may again be subjected to a Purchase Right.

3. Except as herein amended, the terms and provisions of the ESPP shall remain in full force and effect as originally adopted and approved, as amended to date.

IN WITNESS WHEREOF, the undersigned officer of the Company attests that the foregoing Amendment to the Fortress Biotech, Inc. 2012 Employee Stock Purchase Plan was adopted by the Company’s Board of Directors on April 14, 2017.

FORTRESS BIOTECH, INC.

By: /s/ Lindsay A. Rosenwald, M.D.

Lindsay A. Rosenwald, M.D.

President and Chief Executive Officer

Coronado Biosciences, Inc.

2012 EMPLOYEE STOCK PURCHASE PLAN

1. Purpose. The Coronado Biosciences, Inc. 2012 Employee Stock Purchase Plan (the “Plan”) is established to provide eligible employees of Coronado Biosciences, Inc., a Delaware corporation, and any successor corporation thereto (collectively, “Coronado”), and any current or future parent corporation or subsidiary corporations of Coronado as the Board of Directors of Coronado (the “Board”) shall from time to time designate (collectively referred to as the “Company” and individually referred to as a “Participating Company”), with an opportunity to acquire a proprietary interest in the Company by the purchase of common stock of Coronado. For purposes of the Plan, the terms “parent corporation” and “subsidiary corporation” shall have the meanings as defined in sections 424(e) and 424(f), respectively, of the Internal Revenue Code of 1986, as amended (the “Code”).

Coronado intends that the Plan shall qualify as an “employee stock purchase plan” under section 423 of the Code (including any amendments or replacements of such section), and the Plan shall be so construed. Any term not expressly defined in the Plan but defined for purposes of section 423 of the Code shall have the same definition herein.

An employee participating in the Plan (a “Participant”) may withdraw such Participant’s accumulated payroll deductions (if any) and terminate participation in the Plan or any Offering (as defined below) therein at any time during a Purchase Period (as defined below). Accordingly, each Participant is, in effect, granted an option pursuant to the Plan to purchase shares of common stock of Coronado (each a “Purchase Right”, and collectively, the “Purchase Rights”) which may or may not be exercised at the end of a Purchase Period.

2. Administration. The Plan shall be administered by the Board and/or by a duly appointed committee of the Board having such powers as shall be specified by the Board. Any subsequent references to the Board shall also mean the committee if a committee has been appointed. All questions of interpretation of the Plan or of any Purchase Right shall be determined by the Board and shall be final and binding upon all persons having an interest in the Plan and/or any Purchase Right. Subject to the provisions of the Plan, the Board shall determine all of the relevant terms and conditions of Purchase Rights granted pursuant to the Plan; provided, however, that all Participants granted Purchase Rights pursuant to the Plan shall have the same rights and privileges within the meaning of section 423(b)(5) of the Code. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

3. Share Reserve. The maximum number of shares which may be issued under the Plan shall be Two Hundred Thousand (200,000) shares of Coronado’s authorized but unissued common stock, \$.001 par value (the “Shares”). In the event that any Purchase Right for any reason expires or is canceled or terminated, the Shares allocable to the unexercised portion of such Purchase Right may again be subjected to a Purchase Right.

4. Eligibility. Any employee of a Participating Company is eligible to participate in the Plan except employees who:

(a) customarily work 20 hours or less per week for a Participating Company;

(b) customarily work not more than five months in any calendar year for a Participating Company; or

(c) as of the start of an Offering, own stock of Coronado (or any parent or subsidiary corporation of Coronado) and/or own or hold options to purchase or who, as a result of participation in the Plan, would own or hold options to purchase, stock of Coronado (or any parent or subsidiary corporation of Coronado), possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of Coronado (or any parent or subsidiary corporation of Coronado) within the meaning of section 423(b)(3) of the Code.

Notwithstanding anything herein contained to the contrary, any individual performing services for a Participating Company solely through a leasing agency or employment agency shall not be deemed an “employee” of such Participating Company.

5. Offering Dates.

(a) Offering Periods. Except as otherwise set forth below, the Plan shall be implemented by offerings (individually, an "Offering") of approximately six (6) months duration (an "Offering Period"). The "Initial Offering Date" is February 1, 2012. The initial Offering shall be of ten (10) months duration, shall commence on the Initial Offering Date and shall end on November 30, 2012 (the "Initial Offering Period"). Thereafter, Offering Periods shall commence on December 1 and end on May 31 and then commence on June 1 and end on the next November 30. Notwithstanding the foregoing, the Board may establish a different term for one or more Offerings and/or different commencing and/or ending dates for such Offerings. An employee who becomes eligible to participate in the Plan after an Offering Period has commenced shall not be eligible to participate in such Offering but may participate in any subsequent Offering provided such employee is still eligible to participate in the Plan as of the commencement of any such subsequent Offering. Eligible employees may not participate in more than one Offering at a time. The first day of an Offering Period shall be the "Offering Date" for such Offering Period. In the event the first and/or last day of an Offering Period as set forth above is not a Trading Day (as defined below), such first and/or last day shall be deemed to be the last Trading Day before such day, respectively. For purposes of this Plan, "Trading Day" shall mean a day on which national stock exchanges are open for trading.

(b) Purchase Periods. Except for the Initial Offering Period, each Offering Period shall consist of one (1) purchase period of approximately six (6) months duration (individually, a "Purchase Period"). The last day of each Purchase Period shall be the "Purchase Date" for such Purchase Period. The Purchase Period commencing on the Initial Offering Date of February 1, 2012 (the "First Purchase Period") shall end on November 30, 2012. Each subsequent Purchase Period after the First Purchase Period will commence with the beginning of the respective Offering Period and end at the end of such respective Offering Period. Notwithstanding the foregoing, the Board may establish a different term for one or more Purchase Periods and/or different commencing dates and/or Purchase Dates for such Purchase Periods, upon providing reasonable notice. In the event the first and/or last day of a Purchase Period as set forth above is not a Trading Day, such first and/or last day shall be deemed to be the last Trading Day before such day, respectively.

(c) Governmental Approval; Stockholder Approval. Notwithstanding any other provision of the Plan to the contrary, any Purchase Right granted pursuant to the Plan shall be subject to (i) obtaining all necessary governmental approvals and/or qualifications of the sale and/or issuance of the Purchase Rights and/or the Shares, and (ii) obtaining stockholder approval of the Plan as required pursuant to section 423(b)(2) of the Code. Notwithstanding the foregoing, such stockholder approval shall not be necessary in order to grant any Purchase Right granted in the Plan's Initial Offering Period; provided, however, that the exercise of any such Purchase Right shall be subject to obtaining such stockholder approval of the Plan. If such stockholder approval is not obtained before the end of the Initial Offering Period, this Plan shall be deemed null and void and all rights hereunder shall terminate and each Participant's accumulated payroll deductions shall be returned as soon as practicable after the termination, without the payment of any interest (unless the Board decides otherwise pursuant to paragraph 9(e) below), to the Participant, and the Participant's interest in the Offering and/or the Plan, as applicable, shall terminate.

6. Participation in the Plan. An eligible employee shall become a Participant on the Offering Date after satisfying the eligibility requirements and delivering to the Company's payroll office not later than three (3) full business days before such Offering Date (the "Subscription Date") a fully-completed subscription agreement (utilizing a form provided by the Company for such purpose) indicating the employee's election to participate in the Plan and authorizing initial payroll deductions for the applicable Offering of 1% to 10% of the Participant's Compensation. An eligible employee who does not deliver such a subscription agreement to the Company's payroll office on or before the Subscription Date shall not participate in the Plan for that Offering Period or for any subsequent Offering Period unless such employee subsequently enrolls in the Plan by filing such a subscription agreement with the Company by the Subscription Date for such subsequent Offering Period. The Company may, from time to time, change the Subscription Date as deemed advisable by the Company in its sole discretion for proper administration of the Plan, upon providing reasonable notice.

Each employee shall be required to comply with above participation requirements, as well as any other requirements set forth in this Plan, with respect to each Offering Period to be a Participant in such Offering Period.

7. Right to Purchase Shares. Except as set forth below, during an Offering Period each Participant in such Offering Period shall have a Purchase Right consisting of the right to purchase the lesser of:

(a) that number of whole Shares arrived at by dividing Twenty Five Thousand Dollars (\$25,000.00) by the fair market value of a Share on the Offering Date of such Offering Period; and

(b) 5,000 Shares (provided that with respect to the Initial Offering Period such 5,000 figure shall be 10,000).

The "fair market value" of Shares shall be determined in accordance with paragraph 8 below. Shares may only be purchased under the Plan through a Participant's payroll withholding pursuant to paragraph 9 below. In no event shall a Participant's Purchase Right permit such Participant to acquire more Shares in any calendar year than is permitted under paragraph 10(a) hereof.

Notwithstanding anything herein to the contrary, each Purchase Right shall expire in accordance with paragraph 9(j) hereof.

8. Purchase Price. The purchase price at which Shares may be acquired in a given Purchase Period pursuant to the exercise of all or any portion of a Purchase Right granted under the Plan (the "Offering Exercise Price") shall be set by the Board; provided, however, that the Offering Exercise Price shall not be less than eighty-five percent (85%) of the lesser of (i) the fair market value of the Shares on the Offering Date of the Offering Period of which the Purchase Period is a part, or (ii) the fair market value of the Shares on the Purchase Date for such Purchase Period. Unless otherwise provided by the Board prior to the commencement of an Offering Period, the Offering Exercise Price for each Purchase Period in that Offering Period shall be eighty-five percent (85%) of the lesser of (i) the fair market value of the Shares on the Offering Date of such Offering Period or (ii) the fair market value of the Shares on the given Purchase Date. For purposes of the plan, the "fair market value" of the Shares on the applicable dates shall be the closing sales price on The Nasdaq Global Market (or the average of the closing bid and asked prices if the Shares are so quoted instead) or as reported on such other national or regional securities exchange or market system if the Shares are traded on such other exchange or system instead, or as determined by the Board if the Shares are not so reported. If the relevant date does not fall on a day on which the Shares are quoted on The Nasdaq Global Market or such other national or regional securities exchange or market, the date on which the fair market value per Share shall be established shall be the last day on which the Shares were so quoted to such relevant date.

9. Payment of Purchase Price. Shares which are acquired pursuant to the exercise of all or any portion of a Purchase Right may be paid for only by means of payroll deductions from the Participant's Compensation during the Offering Period. For purposes of the Plan, a Participant's "Compensation" with respect to an Offering (i) shall include the Participant's base salary before deduction for any contributions to any plan maintained by a Participating Company and described in section 401(k) or section 125 of the Code, commissions, overtime and bonuses and (ii) shall not include annual awards, other incentive payments, shift premiums, long-term disability, worker's compensation or any other payments not specifically referenced in (i). Except as set forth below, the amount of Compensation to be withheld from a Participant's Compensation during each pay period shall be determined by the Participant's subscription agreement.

(a) Election to Decrease, Increase or Stop Withholding. During an Offering Period, a Participant may elect to decrease the amount to be withheld as many times as desired, or to stop withholding (by reducing the Participant's withholding election to 0%), from his or her Compensation by filing an amended subscription agreement with the Company's payroll office on or before the "Change Notice Date." The "Change Notice Date" shall initially be the seventh (7th) day prior to the end of the first pay period for which such election is to be effective; however, the Company may change such Change Notice Date from time to time, upon reasonable notice. A Participant may elect to increase the amount withheld from the Participant's Compensation not more than twice for purposes of any Purchase Period.

(b) Limitations on Payroll Withholding. The amount of payroll withholding with respect to the Plan for any Participant during any pay period shall be no less than one percent (1%) of the Participant's Compensation (except where the Participant has elected under Section 9(a) to decrease the amount of the Participant's withholding election to 0%) for such pay period, and, unless such 0% withholding is in effect, shall be in one percent (1%) increments not to exceed ten percent (10%) of the Participant's Compensation for such pay period. Notwithstanding the foregoing, the Board may change the limits on payroll withholding effective as of a future Offering Date, as determined by the Board, upon reasonable notice. Amounts withheld shall be reduced by any amounts contributed by the Participant and applied to the purchase of Company stock pursuant to any other employee stock purchase plan qualifying under section 423 of the Code.

(c) Payroll Withholding. Payroll deductions shall commence on the first payday following the Offering Date and shall continue to the end of the Offering Period unless sooner altered or terminated by the Participant or otherwise as provided in the Plan.

(d) Participant Accounts. An individual account shall be maintained under the Plan for each Participant. All payroll deductions from a Participant's Compensation shall be credited to such account and shall be deposited with the general funds of the Company. All payroll deductions received or held by the Company may be used by the Company for any corporate purpose.

(e) No Interest Paid. Interest shall not be paid on sums withheld from a Participant's Compensation, unless the Board elects to make such payments to all Participants on a non-discriminatory basis.

(f) Exercise of Purchase Right. On each Purchase Date of an Offering Period, each Participant who has not withdrawn from the Offering or whose participation in the Offering has not terminated on or before such Purchase Date shall automatically acquire pursuant to the exercise of the Participant's Purchase Right the number of whole Shares arrived at by dividing the total amount of the Participant's accumulated payroll deductions for the Purchase Period by the Offering Exercise Price; provided, however, in no event shall the number of Shares purchased by the Participant exceed the number of Shares subject to the Participant's Purchase Right or the limitations imposed by paragraph 10(a) hereof. No Shares shall be purchased on a Purchase Date on behalf of a Participant whose participation in the Offering or the Plan has terminated on or before such Purchase Date.

(g) Remaining Cash Balance. Any cash balance remaining in a Participant's account at the end of a Purchase Date shall be refunded to the Participant as soon as practicable after such Purchase Date. In the event the cash to be returned to a Participant pursuant to the preceding sentence is an amount less than the amount necessary to purchase a whole Share, the Company may establish procedures whereby such cash is maintained in the Participant's account and applied toward the purchase of Shares in the subsequent Offering Period.

(h) Tax Withholding. At the time a Purchase Right is exercised, in whole or in part, or at the time some or all of the Shares received pursuant to a Purchase Right are disposed of, the Participant shall make adequate provision for the foreign, federal and state tax withholding obligations of the Company, if any, which arise upon exercise of the Purchase Right and/or upon disposition of Shares, respectively. The Company may, but shall not be obligated to, withhold from the Participant's Compensation the amount necessary to meet such withholding obligations.

(i) Company Established Procedures. The Company may, from time to time, establish or change (i) a minimum required withholding amount for participation in an Offering, (ii) limitations on the frequency and/or number of changes in the amount withheld during an Offering, (iii) an exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, (iv) payroll withholding in excess of or less than the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of subscription agreements, (v) the date(s) and manner by which the fair market value of the Shares is determined for purposes of administration of the Plan and/or (vi) such other limitations or procedures as deemed advisable by the Company in the Company's sole discretion which are consistent with the Plan and in accordance with the requirements of section 423 of the Code.

(j) Expiration of Purchase Right. Any portion of a Participant's Purchase Right remaining unexercised after the end of the Offering Period to which such Purchase Right relates shall expire immediately upon the end of such Offering Period.

10. Limitations on Purchase of Shares; Rights as a Stockholder.

(a) Fair Market Value Limitation. Notwithstanding any other provision of the Plan, no Participant shall be entitled to purchase Shares under the Plan (and under all other employee stock purchase plans which are intended to meet the requirements of section 423 of the Code sponsored by the Company or a parent or subsidiary corporation of the Company) at a rate which exceeds \$25,000 in fair market value, which fair market value is determined for Shares purchased during a given Offering Period as of the Offering Date for such Offering Period (or such other limit as may be imposed by the Code), for each calendar year in which such Participant's Purchase Right with respect to such Offering Period remains outstanding under the Plan (and under all other employee stock purchase plans described in this sentence).

(b) Pro Rata Allocation. In the event the number of Shares which might be purchased by all Participants in the Plan exceeds the number of Shares available under the Plan (as set forth in paragraph 3), the Company shall make a pro rata allocation of the remaining Shares in as uniform a manner as shall be practicable and as the Company shall determine to be equitable.

(c) Rights as a Stockholder and Employee. A Participant shall have no rights as a stockholder by virtue of the Participant's participation in the Plan until the date of the issuance of a stock certificate(s) for the Shares being purchased pursuant to the exercise of the Participant's Purchase Right. No adjustment shall be made for cash dividends or distributions or other rights for which the record date is prior to the date such stock certificate(s) are issued. Nothing herein shall confer upon a Participant any right to continue in the employ of the Company, or any Participating Company or interfere in any way with any right of the Company, to terminate the Participant's employment at any time.

11. Withdrawal. (a) Withdrawal From an Offering. A Participant may withdraw from an Offering by signing and delivering to the Company's payroll office, a written notice of withdrawal on a form provided by the Company for such purpose (a "Withdrawal Notice"). Such withdrawal may be elected at any time up to three (3) full business days (or such other number of business days as deemed advisable by the Company in its sole discretion for proper administration of the Plan, upon reasonable notice) prior to the end of an Offering. Unless otherwise indicated, withdrawal from an Offering shall not result in such Participant's withdrawal from the Plan or any succeeding Offering therein. Subject to paragraph 11(c), by withdrawing from an Offering effective as of the close of a given Offering, a Participant may immediately commence participation in the next Offering commencing immediately thereafter by again satisfying the requirements of paragraphs 4 and 6 above. A Participant is prohibited from again participating in an Offering at any time upon withdrawal from such Offering. The Company may impose, from time to time, a requirement that the notice of withdrawal be on file with the Company's payroll office for a reasonable period prior to the effectiveness of the Participant's withdrawal from an Offering.

(b) Return of Payroll Deductions. Upon withdrawal from an Offering pursuant to paragraph 11(a), the withdrawn Participant's accumulated payroll deductions which have not been applied toward the purchase of Shares under the Plan shall be returned as soon as practicable after the withdrawal, without the payment of any interest (unless the Board decides otherwise pursuant to paragraph 9(e) above), to the Participant, and the Participant's interest in the Offering shall terminate. Such accumulated payroll deductions may not be applied to any other Offering under the Plan.

(c) Participation Following Withdrawal. An employee who is also an officer or director of the Company subject to section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (each a “Section 16 Affiliate”) and who is deemed to “cease participation” in the Plan within the meaning of Rule 16b-3 promulgated under the Exchange Act as amended from time to time or any successor rule or regulation (“Rule 16b-3”) as a consequence of his or her withdrawal from an Offering pursuant to paragraph 11(a) above shall not again participate in the Plan for at least six months after the date of such withdrawal (the “Withdrawal Date”). Unless otherwise construed to be an earlier date pursuant to any applicable law, the Withdrawal Date for purposes of this paragraph shall refer to the date that the related Withdrawal Notice is sent or provided to the Company as required by paragraph 11(a).

12. Termination of Employment. Termination of a Participant’s employment with the Company for any reason, including retirement, disability or death or the failure of a Participant to remain an employee eligible to participate in the Plan, shall terminate the Participant’s participation in the Plan immediately. In such event, the payroll deductions credited to the Participant’s account since the last Purchase Date shall, as soon as practicable, be returned to the Participant or, in the case of the Participant’s death, to the Participant’s legal representative, and all of the Participant’s right under the Plan shall terminate. Interest shall not be paid on sums returned to a Participant pursuant to this paragraph 12 unless the Board elects otherwise pursuant to paragraph 9(e) above. A Participant whose participation has been so terminated may again become eligible to participate in the Plan by again satisfying the requirements of paragraphs 4 and 6 above.

13. Transfer of Control. A “Transfer of Control” shall be deemed to have occurred in the event any of the following occurs with respect to Coronado.

(a) a merger or consolidation in which Coronado is not the surviving corporation;

(b) a merger or consolidation in which Coronado is the surviving corporation where the stockholders of Coronado before such merger or consolidation do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of Coronado;

(c) the sale, exchange, or transfer of all or substantially all of Coronado’s assets other than a sale, exchange, or transfer to one (1) or more subsidiary corporations (as defined in paragraph 1, above) of Coronado;

(d) the direct or indirect sale or exchange by the stockholders of Coronado of all or substantially all of the stock of Coronado where the stockholders of Coronado before such sale or exchange do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of Coronado after such sale or exchange; or

(e) the liquidation or dissolution of Coronado;

In the event of a Transfer of Control, the Board, in its sole discretion, may arrange with the surviving, continuing, successor, or purchasing corporation, as the case may be (the “Acquiring Corporation”), for the Acquiring Corporation to assume Coronado’s rights and obligations under the Plan. All Purchase Rights shall terminate effective as of the date of the Transfer of Control to the extent that the Purchase Right is neither exercised as of the date of the Transfer of Control nor assumed by the Acquiring Corporation. In the event of such termination, the payroll deductions credited to a Participant’s account since the last Purchase Date prior to such termination shall, as soon as practicable, be returned to the Participant. Interest shall not be paid on such sums returned to a Participant pursuant to this paragraph 13 unless the Board elects otherwise pursuant to paragraph 9(e) above.

14. Capital Changes. In the event of changes in the common stock of Coronado due to a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification, or like change in Coronado capitalization, or in the event of any merger (including a merger effected for the purpose of changing Coronado’s domicile), sale or other reorganization, appropriate adjustments shall be made by Coronado in the securities subject to purchase under a Purchase Right, the Plan’s share reserve, the number of Shares subject to a Purchase Right, and in the purchase price per Share.

15. Transferability. A Purchase Right may not be transferred in any manner otherwise than by will or the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant. Coronado, in its absolute discretion, may impose such restrictions on the transferability of the Shares purchasable upon the exercise of a Purchase Right as it deems appropriate, and any such restriction shall be set forth in the respective subscription agreement and may be referred to on the certificates evidencing such Shares.

16. Reports. Each Participant who exercised all or part of his or her Purchase Right for an Offering shall receive, as soon as practicable after the Purchase Date of such Purchase Period, a report of such Participant's account setting forth the total payroll deductions accumulated, the number of Shares purchased, the fair market value of such Shares, the date of purchase and the remaining cash balance to be refunded or retained in the Participant's account pursuant to paragraph 9(g) above, if any. In addition, each Participant shall be provided information concerning Coronado equivalent to that information generally made available to Coronado's common stockholders.

17. Plan Term. This Plan shall continue until terminated by the Board.

18. Restriction on Issuance of Shares. The issuance of Shares under the Plan shall be subject to compliance with all applicable requirements of foreign, federal or state law with respect to the Shares. A Purchase Right may not be exercised if the issuance of Shares upon such exercise would constitute a violation of any applicable foreign, federal or state securities laws or other law or regulations. In addition, no Purchase Right may be exercised unless (i) a registration statement under the Securities Act of 1933, as amended, shall at the time of exercise of the Purchase Right be in effect with respect to the Shares issuable upon exercise of the Purchase Right, or (ii) in the opinion of legal counsel to Coronado, the Shares issuable upon exercise of the Purchase Right may be issued in accordance with the terms of an applicable exemption from the registration requirements of said Act. As a condition to the exercise of a Purchase Right, Coronado may require a Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

19. Legends. The Company may at any time place legends or other identifying symbols referencing any applicable foreign, federal and/or state securities restrictions or any provision convenient in the administration of the Plan on some or all of the certificates representing Shares issued under the Plan. A Participant shall, at the request of Coronado, promptly present to Coronado any and all certificates representing Shares acquired pursuant to a Purchase Right in the possession of the Participant in order to carry out the provisions of this paragraph 19. Unless otherwise specified by Coronado, legends placed on such certificates may include but shall not be limited to the following:

"THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON THE PURCHASE OF SHARES UNDER THE EMPLOYEE STOCK PURCHASE PLAN AS DEFINED IN SECTION 423 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE TRANSFER AGENT FOR THE SHARES EVIDENCED HEREBY SHALL NOTIFY THE CORPORATION IMMEDIATELY OF ANY TRANSFER OF THE SHARES BY THE REGISTERED HOLDER HEREOF MADE ON OR BEFORE . THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE PLAN IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE) PRIOR TO THIS DATE."

20. Notification of Sale of Shares. Coronado may require a Participant to give Coronado prompt notice of any disposition of Shares acquired by exercise of a Purchase Right within two (2) years from the date of granting such Purchase Right or one year from the date of exercise of such Purchase Right. Coronado may require that until such time as a Participant disposes of Shares acquired upon exercise of a Purchase Right, the Participant shall hold all such Shares in the Participant's name (and not in the name of any nominee) until the lapse of the time periods with respect to such Purchase Right referred to in the preceding sentence. Coronado may direct that the certificates evidencing Shares acquired by exercise of a Purchase Right refer to such requirement to give prompt notice of disposition.

21. Amendment or Termination of the Plan. The Board may at any time amend or terminate the Plan, except that such termination shall not affect Purchase Rights previously granted under the Plan, nor may any amendment make any change in a Purchase Right previously granted under the Plan which would adversely affect the right of any Participant (except to the extent permitted by the Plan or as may be necessary to qualify the Plan as an employee stock purchase plan pursuant to section 423 of the Code or to obtain qualification or registration of the Shares under applicable foreign, federal or state securities laws). In addition, an amendment to the Plan must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if such amendment would change the number of Shares authorized for issuance under the Plan or would change the definition of the employees (or class of employees) eligible to participate in the Plan, including the corporations that may be designated by the Board as Participating Companies.

22. Section 409A. The Purchase Rights under the Plan are not intended to constitute “nonqualified deferred compensation” within the meaning of section 409A of the Code. However, if at any time the Board or other administrator determines that the Purchase Rights may be subject to section 409A of the Code, the Board or other administrator shall have the right, in its sole discretion, to amend the Plan and any outstanding Purchase Rights as it may determine is necessary or desirable either to (a) exempt the Purchase Rights from section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Purchase Rights, or (b) comply with the requirements of section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of any penalty taxes under such Section.

23. Additional Restrictions of Rule 16b-3. The terms and conditions of Purchase Rights granted hereunder to, and the purchase of Shares by, persons subject to Section 16 of the Exchange Act shall comply with the applicable provisions of Rule 16b-3. This Plan shall be deemed to contain, and such Purchase Rights shall contain, and the Shares issued upon exercise thereof shall be subject to, such additional conditions and restrictions as may be required by Rule 16b-3 to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

The foregoing Coronado Biosciences, Inc. 2012 Employee Stock Purchase Plan was duly adopted by the Board of Directors of the Company on the 19th day of December, 2011.

FORTRESS BIOTECH, INC.
AMENDED AND RESTATED LONG TERM INCENTIVE PLAN

1. PURPOSE

The purpose of this Amended and Restated Long Term Incentive Plan (“LTIP”) is to compensate employees, consultants, and other service providers of Fortress Biotech, Inc. (the “Company”) based on their responsibilities and for their contributions to the successful achievement of certain corporate goals and objectives and to share the success and risks of the Company based upon achievement of business goals. The LTIP consists of two compensation opportunities: first, a program to grant equity interests in the Company and in newly formed subsidiaries of the Company to the Participants (as hereafter defined), and second, a performance-based bonus program that is designed to result in performance-based compensation that is deductible without limit under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder (the “Code”) to the extent that the recipients of such compensation are employees subject to Section 162(m). The LTIP was initially effective as of July 16, 2015 (the “Effective Date”), the day after the Company’s stockholders duly approved the LTIP. The amendment and restatement of the LTIP is effective the day after the Company’s stockholders duly approve such amendment and restatement.

2. PARTICIPANTS

The eligible participants hereunder (each a “Participant” and collectively the “Participants”) are: (i) Lindsay A. Rosenwald, M.D., currently Chairman of the Company’s Board of Directors, President and Chief Executive Officer; (ii) Michael S. Weiss, currently Executive Vice Chairman, Strategic Development; and (iii) any limited liability company or limited partnership owned and controlled by either Dr. Rosenwald or Mr. Weiss, provided that such entity has a bona fide service provider relationship with the Company (such entities, the “Participating Entities”).

3. ADMINISTRATION

(a) The LTIP shall be administered by the LTIP Committee (the “Committee”), which shall initially be the Compensation Committee of the Company’s Board of Directors (the “Board”), which Compensation Committee currently consists entirely of outside directors within the meaning of Section 162(m) of the Code. In any event, the Committee shall consist of at least two outside directors of the Company who are also members of the Compensation Committee. The Committee shall have the sole discretion and authority to administer and interpret the LTIP in accordance with its terms and the goals, including, with respect to the performance-based bonus program, compliance with Section 162(m) of the Code.

(b) Subject to the express provisions and limitations set forth in the LTIP, the Committee shall be authorized and empowered to do all things necessary or desirable, in its sole discretion, in connection with the administration of the LTIP, including, without limitation, the following:

- (i) To prescribe, amend and rescind rules and regulations relating to the LTIP and to define terms not otherwise defined herein;
- (ii) To determine which Participants are eligible to be paid equity and performance-based bonuses hereunder and to which of such Participants, if any, equity and performance-based bonuses hereunder are actually paid;
- (iii) To verify the extent to which the Company has satisfied any performance goals or other conditions applicable to the payment of bonuses under the performance-based bonus program of the LTIP;
- (iv) To prescribe and amend the terms of any agreements or other documents under the LTIP (which need not be identical);
- (v) To determine whether, and the extent to which, adjustments are required pursuant to Section 5;

(vi) To interpret and construe the LTIP, any rules and regulations under the LTIP, and the terms and conditions of any incentive opportunities provided hereunder, and to make exceptions to any such provisions in good faith and for the benefit of the Company; and

(vii) To make all other determinations deemed necessary or advisable for the administration of the LTIP.

(c) All decisions, determinations and interpretations by the Committee regarding the LTIP shall be final and binding on all Participants and all other persons claiming any benefits under the LTIP. The Committee shall consider such factors as it deems relevant to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any director, officer or employee of the Company and such attorneys, consultants and accountants as it may select. A Participant or other person claiming any benefits under the LTIP may contest a decision or action by the Committee with respect to such person or an actual or potential bonus under the LTIP only on the grounds that such decision or action was arbitrary or capricious or was unlawful, and any review of such decision or action shall be limited to determining whether the Committee's decision or action was arbitrary or capricious or was unlawful.

EQUITY PROGRAM OF THE LTIP

4. EQUITY GRANTS TO PARTICIPANTS

(a) Upon the formation of a new subsidiary of the Company, the Company will cause the subsidiary to issue to each Participant a number of shares of common stock, or a warrant to purchase shares of common stock, of the subsidiary equal to five percent (5%) of the total outstanding shares of common stock of the subsidiary determined on a fully-diluted, as-converted into common stock basis as of the date of formation (the "Shares"); provided that the Participant must be employed by or otherwise providing services to the Company on such formation date in order to receive the grant of Shares, and provided further that when there are eligible Participating Entities, the 5% equity award will be allocated as determined by the Committee between the Participating Entity and the applicable individual Participant, such that, between a Participant and his respective Participating Entity, if any, the total amount awarded under this Section 4(a) shall not exceed five percent (5%) of the total outstanding shares of common stock of the subsidiary. Such Shares will be subject to the same restrictions on disposition as are applicable to other initial shareholders of the subsidiary and such other restrictions as may be applicable under federal or state securities laws.

(b) On January 1 of each calendar year following the Effective Date, the Company will grant to each Participant a number of restricted shares of common stock of the Company equal to one percent (1%) of the total outstanding shares of common stock of the Company determined on a fully-diluted, as-converted into common stock basis as of such date, multiplied by the percentage of achievement of the goals and objectives established for the Participant by the Committee (the "Restricted Shares"), provided that the Participant must be employed by, or otherwise providing services to, the Company on such date in order to receive the grant of Restricted Shares, and provided further that when there are eligible Participating Entities, the 1% equity award will be allocated as determined by the Committee between the Participating Entity and the applicable individual Participant, such that, between a Participant and his respective Participating Entity, if any, the total amount awarded under this Section 4(b) shall not exceed one percent (1%) of the total outstanding shares of common stock of the Company. Such goals and objectives shall be set by the Committee at the beginning of each year ending on December 31, and the determination of the achievement percentage of the goals and objectives shall be determined by the Committee as of the end of such period. Such Restricted Shares shall be subject to the Company's Repurchase Option (as defined below) until both of the following conditions are met: (i) there is an increase in the market capitalization of the Company of at least \$100,000,000 (measured from the Effective Date) at any time following the grant, and (ii) the Participant is either in the service of the Company as an employee, a Board member, or a consultant on the 10th anniversary of Effective Date, or the Participant has had an involuntary Separation from Service (as defined below) from the Company. However, the Company's Repurchase Option on such Restricted Shares shall lapse upon the occurrence of a Corporate Transaction (as defined in this Section) if the Participant is in service on the date of the Corporate Transaction. Such Restricted Shares shall be owned by the Participant without restriction when the Company's Repurchase Option lapses. If the Participant voluntarily separates from service within 10 years of the Effective

Date, or if the Company's Repurchase Options have not lapsed by the 10-year anniversary of the Effective Date, the Company will exercise its Repurchase Option as set forth below.

(c) In addition to the awards described in Sections 4(a) and 4(b), the Committee may, solely with the consent of the affected Participant, cancel any unvested equity grants for common stock of the Company made to a Participant (whether inducement grants, grants made pursuant to this LTIP, or any other grants) and issue replacement awards for common stock of the Company, in amounts no greater than the canceled award, and subject to such other terms, as the Committee may determine. Such replacement awards may be subject to a repurchase option in favor of the Company, which repurchase option may lapse upon such conditions as the Committee determines. Any replacement awards granted pursuant to this Section 4(c) will be evidenced by a written agreement between the Company and the applicable Participant.

(d) Certain Definitions. For purposes of this Section, "Separation from Service" means the Participant is no longer in service with the Company in any capacity (including without limitation service as an employee, Board member, or consultant) and has a "separation from service" within the meaning of Section 409A of the Code; and "Corporate Transaction" means any of the following transactions, provided, however, that the Committee shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

- (i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;
- (ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (iii) the complete liquidation or dissolution of the Company;
- (iv) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the shares of common stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger; or
- (v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities.

The Restricted Shares will be subject to the same restrictions on disposition as are applicable to other similarly-situated shareholders of the Company and such other restrictions as may be applicable under federal or state securities laws.

(e) Company's Repurchase Option. The voluntary Separation from Service by a Participant before a Corporate Transaction, or the passage of 10 years from the Effective Date without either the Participant meeting the two conditions for lapse of the Company's Repurchase Option or a Corporate Transaction is each a "Triggering Event." In the event of a Triggering Event, the Company shall have an option (the "Repurchase Option") for a period of 90 days to repurchase any of the unvested Restricted Shares at the price of \$0.001 per share. The Repurchase Option shall be exercised by the Company by written notice to the Participant, which notice shall specify the number of Restricted Shares and the time (not later than 30 days from the date of the Company's notice) and place for the closing of the repurchase of the Restricted Shares. Upon delivery of such notice and payment of the purchase price in accordance with the terms herewith, the Company shall become the legal and beneficial owner of the Restricted Shares being repurchased and all rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the Restricted Shares being repurchased by the Company. Said purchase price shall be paid, at the Company's option, (i) by delivery of

a check in the amount of the purchase price, (ii) by cancellation of any amount of the Participant's indebtedness to the Company equal to the purchase price for the Restricted Shares being repurchased, or (iii) by a combination of (i) and (ii) so that the combined payment and cancellation of indebtedness equals such purchase price. Whenever the Company shall have the right to repurchase Restricted Shares hereunder, the Board may designate and assign to one or more assignees the right to exercise all or part of the Company's repurchase rights under this Agreement to purchase all or a part of such Restricted Shares.

(f) Release of Shares From Repurchase Option/Accelerated Vesting. In the event the Repurchase Option is triggered pursuant to a Triggering Event and the Company (or its assigns) fails to exercise the Company's option for the repurchase of any or all of the Restricted Shares then, upon the expiration of the 90 day option period, any and all such Restricted Shares not repurchased by the Company shall be released from the Repurchase Option. In the event of any Separation from Service of the Participant that does not constitute a Triggering Event, all Restricted Shares shall be immediately released from the Repurchase Option.

(g) Restriction on Transfer: Ownership. Except for a transfer to a Related Party (as defined below), none of the Restricted Shares or any beneficial interest therein shall be transferred, pledged, hypothecated, encumbered or otherwise disposed of in any way. For purposes of this Agreement, "Related Party" shall mean a spouse, lineal ancestor or descendant, natural or adopted, and a spouse of a lineal ancestor or descendant, a trust for the sole benefit of such persons or any of them, a limited liability company (LLC) all of whose owners are such persons, or a limited partnership (LP) all of whose partners are such persons. All transferees of Restricted Shares or any interest therein (including Related Parties) will receive and hold such Restricted Shares or interest subject to the provisions of the LTIP, and shall agree in writing to take such Restricted Shares or interest therein subject to all the terms of the LTIP, including restrictions on further transfer. Any sale or transfer of the Company's shares shall be void unless the provisions of the LTIP are met.

(h) Stockholder Rights. A Participant, as beneficial owner of the Shares and Restricted Shares, shall have full voting and dividend rights with respect to the Shares and Restricted Shares granted under subsections (a) and (b) of this Section. Dividends, if any, declared and paid on the Restricted Shares before the Company's Repurchase Option on the Restricted Shares lapses (the "vesting period") shall be accrued by the Company during the vesting period and paid to the Participant only at the end of the vesting period. Any such accrued dividends shall be paid to the Participant no later than 30 days after the vesting period. If any Restricted Shares are repurchased pursuant to the Repurchase Option, then, on the date of such repurchase, the Participant shall no longer have any rights as a stockholder with respect to such repurchased shares or any interest therein, and the Participant shall not be entitled to receive any accrued dividends previously declared on such repurchased shares.

PERFORMANCE-BASED BONUS PROGRAM OF THE LTIP

5. AMOUNT AND TERMS OF PERFORMANCE-BASED BONUS

Performance-based bonus payments hereunder are made in cash. The amount and terms for payment of a performance-based bonus for each Participant will be established by the Committee at its discretion, subject to the limits and restrictions of this Section. The bonus hereunder shall be paid to a Participant only to the extent that performance goals established by the Committee for a performance period are met.

The business measures that may be used by the Committee to establish the performance goals are limited to one or more of the following, which may be applied with respect to the Company or any business unit and may be measured on absolute terms or relative to a peer-group or other market measure basis:

- business development activities;
- clinical development activities;
- corporate operating profit;
- business unit operating profit;
- revenue;
- net revenue;

- new business authorizations;
- backlog;
- customer cancellation rate;
- total shareholder return;
- stock price increase;
- return on equity;
- return on capital;
- earnings per share;
- gross profit;
- adjusted gross profit (profit before depreciation and amortization expense, as well as stock-based compensation expense);
- EBIT, or earnings before interest and taxes;
- EBITDA, or earnings before interest, taxes, depreciation and amortization;
- adjusted EBITDA, or earnings before net interest and other expense, taxes, and depreciation and amortization expense, adjusted to eliminate stock-based compensation expense and expense related to the impairment of goodwill;
- ongoing earnings;
- cash flow (including operating cash flow, free cash flow, discounted cash flow return on investment, and cash flow in excess of costs of capital);
- EVA, or economic value added;
- economic profit (net operating profit after tax, less a cost of capital charge);
- SVA, or shareholder value added;
- net income (minimum);
- net loss (maximum);
- operating income;
- pre-tax profit margin;
- performance against business plan;
- customer service;
- corporate governance quotient or rating;
- market share;
- employee satisfaction;
- safety;
- employee engagement;
- supplier diversity;
- workforce diversity;
- operating margins;
- credit rating;

- dividend payments;
- expenses;
- retained earnings;
- completion of licenses, partnerships, joint ventures, public or private spinouts, acquisitions, divestitures and corporate restructurings;
- new product and/or drug development;
- environmental efforts; and
- individual goals based on objective business criteria underlying the goals listed above and which pertain to individual effort as to achievement of those goals or to one or more business criteria in the areas of litigation, human resources, information services, production, inventory, support services, facility development, government relations, market share or management.

The term “performance period” shall mean the period for which the performance-based bonus is payable. The terms of the performance-based bonus opportunity for a Participant shall be established by the Committee within the earlier of: 90 days of the beginning of the performance period for which the bonus will be earned, the expiration of 25% of the performance period, or the date where the outcome of the qualification for the payment of the bonus opportunity is no longer substantially uncertain.

The performance-based bonus opportunity must be based on one or more of the foregoing business measures and the amount must be determined according to a formula that is objectively applied based on the extent to which the objectively determinable performance goals established by the Committee are met. However, in its sole discretion, the Committee may reduce, but may not increase, a Participant’s bonus calculated under the preceding formula. In determining the amount of any reduced bonus, the Committee reserves the right to apply subjective, discretionary criteria to determine a revised bonus amount. In any event the total of all bonuses payable to all Participants for a year may not exceed \$1,000,000.

6. PAYMENT OF PERFORMANCE-BASED BONUS

The payment of a performance-based bonus for a given performance period requires that the Participant be in the service of the Company (whether as employee, Board member, or consultant) on the last day of the performance period. The Committee may make exceptions to this requirement in the case of retirement, total and permanent disability, or death, as determined by the Committee in its sole discretion. Payment shall be made no later than 74 days after the end of the performance period for which the bonus is earned. However, no performance-based bonus shall be paid unless the Committee makes a certification in writing as required to satisfy the conditions for exemption under Section 162(m) of the Code.

MISCELLANEOUS PROVISIONS

7. AMENDMENT AND TERMINATION

The Committee reserves the right to amend or terminate this LTIP at any time with respect to future services of Participants. LTIP amendments may be adopted by the Board or the Committee, and will require stockholder approval only to the extent required to satisfy the conditions for exemption for performance-based bonuses under Section 162(m) of the Code or the rules of the securities exchange on which the Company’s common stock is listed. The LTIP shall continue in effect for a term of ten (10) years from the Effective Date unless sooner terminated.

8. TAX WITHHOLDING

The Company shall have the right to make all payments or distributions pursuant to the LTIP to Participants net of any applicable federal, state, local income, payroll, or other taxes that the Company determines are required to be paid or withheld. The Company shall have the right to withhold from wages or other amounts otherwise payable to the Participants, as applicable, such withholding taxes as may be required by law, or to otherwise require the Participants to pay such withholding taxes. If a Participant shall fail to

make such tax payments as are required, the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to such Participant or to take such other action as may be necessary to satisfy such withholding obligations.

9. SEVERABILITY

If any provision of the LTIP shall be held unlawful or otherwise invalid or unenforceable in whole or in part by a court of competent jurisdiction, such provision shall (a) be deemed limited to the extent that such court of competent jurisdiction deems it lawful, valid and/or enforceable and as so limited shall remain in full force and effect, and (b) not affect any other provision of the LTIP or part thereof, each of which shall remain in full force and effect. If the making of any payment or the provision of any other benefit provided for under the LTIP shall be held unlawful or otherwise invalid or unenforceable by a court of competent jurisdiction, such unlawfulness, invalidity or unenforceability shall not prevent any other payment or benefit from being made or provided under the LTIP, and if the making of any payment in full or the provision of any other benefit provided for under the LTIP in full would be unlawful or otherwise invalid or unenforceable, then such unlawfulness, invalidity or unenforceability shall not prevent such payment or benefit from being made or provided in part, to the extent that it would not be unlawful, invalid or unenforceable, and the maximum payment or benefit that would not be unlawful, invalid or unenforceable shall be made or provided under the LTIP.

10. NON-ASSIGNABILITY

Unless the Committee expressly states otherwise, no Participant may sell, assign, convey, gift, pledge or otherwise hypothecate or alienate any bonus opportunity or amounts determined by the Committee to be payable under the LTIP, until such amounts (if any) are actually paid.

11. NON-EXCLUSIVITY OF PLAN

Neither the adoption of the LTIP by the Board nor the submission of the LTIP to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as either may deem desirable going forward, including, without limitation, cash or equity-based compensation arrangements, either tied to performance or otherwise, and any such other arrangements as may be either generally applicable or applicable only in specific cases.

12. CONTINUED SERVICE

Neither this LTIP, the selection of a person eligible to be paid bonuses under this LTIP, the payment of any bonus to any Participant, nor any action by the Company or the Committee related to this LTIP, shall be held or construed to confer upon any person any right to be continued in the employ or other service of the Company. The termination of service of any Participant shall be governed by any valid written agreements between the Company and such Participant, and in the absence of such agreements, such termination shall be at will. This LTIP is not intended to limit the right of the Company to terminate the service of any Participant whenever in the sole discretion of the Company its interest may so require.

13. NO VESTED INTEREST OR RIGHT

At no time before the actual payout of a bonus to any Participant under the LTIP shall any Participant accrue any vested interest or right whatsoever under the LTIP, and the Company has no obligation to treat Participants identically under the LTIP.

14. GOVERNING LAW

The LTIP and any agreements and documents hereunder shall be interpreted and construed in accordance with the laws of the State of Delaware and applicable federal law. The Committee may provide that any dispute concerning the LTIP shall be presented and determined in such forum as the Committee may specify, including through binding arbitration.