
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

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

Date of Report (Date of earliest event reported): June 18, 2018

SPECTRUM PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35006
(Commission
File Number)

93-0979187
(IRS Employer
Identification No.)

11500 S. Eastern Ave., Ste. 240, Henderson, NV
(Address of Principal Executive Offices)

89052
(Zip Code)

Registrant's telephone number, including area code: (702) 835-6300

Not Applicable
(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; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Employment Agreement

On June 18, 2018, Keith McGahan, the Senior Vice President, Chief Legal Officer and Corporate Secretary of Spectrum Pharmaceuticals, Inc. (the “Company”) was designated as a Section 16 officer under the Securities Exchange Act of 1934. As a result, on the same date the Company entered into a new employment agreement (the “Employment Agreement”) with Mr. McGahan effective as of June 18, 2018. The Employment Agreement supersedes Mr. McGahan’s prior change of control severance agreement and has a term of five years.

Pursuant to the Employment Agreement, Mr. McGahan will be entitled to receive an annual base salary of \$470,000 as compensation for his services. Mr. McGahan will also be eligible to receive an annual cash bonus equal to 50% of his salary, based on the performance of the Company and Mr. McGahan’s performance relative to performance objectives or other metrics the board of directors of the Company (the “Board”) may deem appropriate.

In the event of a termination other than a termination following a Change of Control (as defined in the Employment Agreement), if Mr. McGahan is terminated by the Company for Cause (as defined in the Employment Agreement), or if Mr. McGahan terminates his employment without Good Reason (as defined in the Employment Agreement), he will be entitled to any unpaid base salary and benefits accrued through the date of termination.

In the event of a termination other than a termination following a Change of Control, if Mr. McGahan is terminated by the Company without Cause, or if he terminates his employment with Good Reason, he will be entitled to receive any unpaid base salary and benefits accrued through the date of termination, as well as a lump sum payment equal to two years of base salary and two times the previous year’s bonus, as well as 18 months of Company-paid continued coverage for him and his dependents under the Company’s existing health and benefit plans. Mr. McGahan will also immediately vest in all options, restricted stock and other equity incentive compensation, and will vest in his performance-based awards pro rata based on the target award for such performance-based awards and the number of days he was employed by the Company during the applicable performance period, irrespective of actual performance.

Within 12 months following a Change of Control, if Mr. McGahan is terminated by the Company without Cause, or if he terminates his employment with Good Reason, he will be entitled to receive any unpaid base salary and benefits accrued through the date of termination, as well as two years of base salary (to be paid monthly over a 24-month period following termination) and a lump sum payment equal to two times the previous year’s bonus, as well as 18 months of Company-paid continued coverage for him and his dependents under the Company’s existing health and benefit plans. Mr. McGahan will also vest in all options, restricted stock and other equity incentive compensation immediately upon consummation of the Change of Control, and will vest in his performance-based awards pro rata based on the target award for such performance-based awards and the number of days he was employed by the Company before the Change of Control during the applicable performance period, irrespective of actual performance.

All severance payments due to Mr. McGahan’s termination without Cause or with Good Reason are subject to the execution and delivery of a general waiver and release of claims within 90 days of the date of termination.

The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by the Employment Agreement, which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the period ending June 30, 2018.

In connection with the execution of the Employment Agreement, Mr. McGahan has been granted performance awards under the Company’s 2018 Long-Term Incentive Plan (the “Plan”), including: (i) options to purchase up to 110,000 shares of the Company’s common stock, par value \$0.001 per share (the “Common Stock”), with a per share exercise price equal to \$19.95, or the closing sales price of the Company’s Common Stock on June 15, 2018, and a three-year vesting period with one-

fourth of the options vesting on the date of grant and the remainder of the options vesting in three equal annual installments on the successive anniversaries of the date of grant thereafter; (ii) 45,000 shares of restricted stock, one-third of which will vest on each of June 18, 2019, 2020 and 2021; and (iii) 35,000 performance units, all of which shall vest upon the achievement of total stockholder return goals pursuant to the terms set forth in the agreement evidencing such performance units.

Adoption of 2018 Long-Term Incentive Plan

As described in Item 5.07 below, at the Company's 2018 annual meeting of stockholders (the "Annual Meeting") held on June 18, 2018 (the "Effective Date"), the Company's stockholders approved the adoption of the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the "2018 Plan"). The Board approved the 2018 Plan in April 2018, subject to the receipt of stockholder approval.

As described in the Company's Definitive Proxy Statement for the Annual Meeting on Schedule 14A, which the Company filed with the Securities and Exchange Commission on May 7, 2018 (the "Proxy Statement"), 9.5 million shares of the Company's Common Stock (subject to adjustment for certain changes in the Company's capitalization) are initially reserved for future awards under the 2018 Plan, plus any additional shares that are currently subject to awards under the Company's 2009 Incentive Award Plan (the "2009 Plan") but that are not issued or are returned because the awards are terminated, forfeited, canceled or expire unexercised. The shares available under the 2018 Plan may be used to provide equity incentives to eligible employees, directors and consultants.

The 2018 Plan is a successor to and continuation of the 2009 Plan. Upon the Effective Date, no additional awards will be granted under the 2009 Plan (although awards granted under the 2009 Plan prior to the Effective Date will remain outstanding in accordance with their terms and those of the 2009 Plan).

The descriptions of the 2018 Plan contained herein and in the Proxy Statement are qualified in their entirety by reference to the full text of the 2018 Plan, which is attached hereto as Exhibit 10.1 and incorporated by reference herein.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

As described in Item 5.07 below, at the Company's Annual Meeting, the stockholders approved an amendment and restatement of the Company's Certificate of Incorporation (the "Restated Certificate") to: (i) increase the number of authorized shares of our Common Stock from 175,000,000 to 300,000,000; (ii) increase the number of authorized shares of our capital stock from 180,000,000 to 305,000,000, with no effect on our 5,000,000 authorized shares of preferred stock; and (iii) eliminate our designated series of preferred stock that are no longer outstanding or issuable.

The Company filed the Restated Certificate with the Secretary of State of the State of Delaware and it became effective on June 18, 2018. The foregoing description of the Restated Certificate is qualified in its entirety by reference to the full text of the Restated Certificate, which is attached hereto as Exhibit 3.1 and is incorporated herein by reference.

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

The Company held the Annual Meeting on June 18, 2018 at the Courtyard Marriott Irvine Spectrum located at 7955 Irvine Center Drive, Irvine, California 92618. As of the close of business on April 20, 2018, the record date for the Annual Meeting, a total of 104,075,659 shares were outstanding and entitled to vote, of which a total of 93,054,627 shares were present in person or by proxy at the Annual Meeting constituting a quorum for the conduct of business thereat.

The following sets forth detailed information regarding the voting results at the Annual Meeting for each of the matters voted upon by the stockholders. These matters are described in more detail in the Company's Proxy Statement.

Proposal No. 1:

The Company's stockholders elected each of the eight nominees named below to serve on the Board for a one-year term expiring at the annual meeting of stockholders in 2019 and until their respective successors are duly elected and qualified, or until their earlier resignation or removal.

<u>Nominee</u>	<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
William L. Ashton	70,536,860	5,027,883	37,773	17,452,111
Raymond W. Cohen	52,025,230	23,470,986	106,300	17,452,111
Gilles R. Gagnon	70,258,037	5,278,480	65,999	17,452,111
Stuart M. Krassner	70,169,044	5,349,564	83,908	17,452,111
Anthony E. Maida	68,085,248	7,411,206	106,062	17,452,111
Joseph W. Turgeon	70,666,859	4,867,057	68,600	17,452,111
Dolatrai Vyas	51,999,199	23,528,254	75,063	17,452,111
Bernice R. Welles	70,507,968	5,059,735	34,813	17,452,111

Proposal No. 2:

The Company's stockholders approved by advisory vote the executive compensation detailed in the Proxy Statement.

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
51,672,853	23,749,154	180,509	17,452,111

Proposal No. 3:

The Company's stockholders approved the amendment and restatement of the Company's Certificate of Incorporation.

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
69,651,567	5,812,609	138,340	17,452,111

Proposal No. 4:

The Company's stockholders approved the Company's 2018 Long-Term Incentive Plan.

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
56,003,227	19,474,155	125,134	17,452,111

Proposal No. 5:

The Company's stockholders approved the ratification of Deloitte & Touche LLP as the independent registered public accounting firm for the year ending December 31, 2018.

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
92,579,227	415,914	59,486	0

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Restated Certificate of Incorporation of Spectrum Pharmaceuticals, Inc.
10.1	Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan.
10.2	Form of Stock Option Award under the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan.
10.3	Form of Restricted Stock Award under the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan.
10.4	Form of Canadian Restricted Stock Unit Award under the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan.
10.5	Form of Performance Unit Award under the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan.

SIGNATURE

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.

SPECTRUM PHARMACEUTICALS, INC.

Date: June 18, 2018

By: /s/ Kurt A. Gustafson

Kurt A. Gustafson

Executive Vice President and Chief Financial Officer

RESTATED
CERTIFICATE OF INCORPORATION
OF
SPECTRUM PHARMACEUTICALS, INC.

The present name of the Corporation is Spectrum Pharmaceuticals, Inc. The Corporation was incorporated under the name “NeoTherapeutics, Inc.” by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on May 7, 1997. This Restated Certificate of Incorporation of the Corporation, which restates and integrates and also further amends the provisions of the Corporation’s Certificate of Incorporation, as amended, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware. The Certificate of Incorporation of the Corporation, as amended, is hereby amended, integrated and restated to read in its entirety as follows:

ARTICLE 1

The name of this Corporation is Spectrum Pharmaceuticals, Inc.

ARTICLE 2

The registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle 19801. The name of the registered agent at such address is The Corporation Trust Company.

ARTICLE 3

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law, as amended from time to time.

ARTICLE 4

The aggregate number of shares of all classes of stock which the Corporation shall have authority to issue is 305,000,000 shares, consisting of (a) 300,000,000 shares of Common Stock, \$.001 par value per share (the “**Common Stock**”), and (b) 5,000,000 shares of Preferred Stock, \$.001 par value per share (the “**Preferred Stock**”).

The Board of Directors is authorized, subject to limitations prescribed by law, to provide for the issuance of the shares of Preferred Stock in one or more series, and by filing a certificate as required by the General Corporation Law of the State of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and relative, participating, optional or other special rights of the shares of each such series and any qualifications, limitations or restrictions thereof.

ARTICLE 5

A director of this Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision shall not eliminate or limit the liability of a director: (i) for any breach of his duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; (iii) under Section 174 of the Delaware General Corporation Law; or (iv) for any transaction from which the director derives an improper personal benefit. If the Delaware General Corporation Law is hereafter amended to authorize corporate action further limiting or eliminating the personal liability of directors, then the liability of the directors of the Corporation shall be limited or eliminated to the fullest extent permitted by the Delaware General Corporation Law, as so amended from time to time. Any repeal or modification of this Article 5 by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE 6

Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

ARTICLE 7

The Board of Directors of the Corporation shall have the power to make, alter, amend, change, add to or repeal the Bylaws of the Corporation.

ARTICLE 8

Any action which may be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice and without a vote, if and only if a consent or consents in writing, setting forth the action so taken, is signed by the holders of all of the outstanding shares of capital stock of the Corporation entitled to vote on that action.

IN WITNESS WHEREOF, Spectrum Pharmaceuticals, Inc. has caused this Restated Certificate of Incorporation to be executed by its duly authorized officer on this 18th day of June, 2018.

SPECTRUM PHARMACEUTICALS, INC.

By: /s/ Joseph W. Turgeon

Name: Joseph W. Turgeon

Title: President & Chief Executive Officer

Spectrum Pharmaceuticals, Inc.

2018 Long-Term Incentive Plan

Section 1. PURPOSE

The purposes of this Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the “*Plan*”) are to encourage selected Eligible Persons of the Company and its Affiliates to acquire a proprietary interest in the growth and performance of the Company, to generate an increased incentive to contribute to the Company’s future success and prosperity, thus enhancing the value of the Company for the benefit of its shareholders, and to enhance the ability of the Company and its Affiliates to attract and retain exceptionally qualified individuals on whom, in large measure, the sustained progress, growth and profitability of the Company depend.

SECTION 2. DEFINITIONS

As used in the Plan, the following terms have the meanings set forth below:

- (a) “*Affiliate*” shall mean (i) any entity that, directly or through one or more intermediaries, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, as determined by the Committee.
- (b) “*Applicable Law*” shall mean the legal requirements that apply to the Plan and Awards granted hereunder in any given circumstance as shall be in place from time to time under any statute, law, ordinance, regulation, rule, code, executive order, injunction, judgment, decree or order of any governmental authority, whether of the United States, any other country, and any provincial, state, or local subdivision, that relate to the administration of equity plans or equity awards, as well as any applicable stock exchange or automated quotation system rules or regulations.
- (c) “*Award*” shall mean any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Award, Dividend Equivalent, Other Stock-Based Award or cash Award granted under the Plan.
- (d) “*Award Agreement*” shall mean any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under the Plan.
- (e) “*Board*” shall mean the Board of Directors of the Company.
- (f) “*Cause*” shall have the same meaning as set forth in any unexpired employment agreement or independent contractor agreement between the Company and the Participant for purposes of providing severance on a termination without “Cause” or, in the absence of such agreement, as set forth in the Participant’s Award Agreement. If no alternative definition for “Cause” exists in such agreements, “Cause” means that any of the following situations gave rise to a Participant’s termination from Continuous Service: (i) the Participant committed, was convicted, or pled no contest or any similar plea to a misdemeanor involving material acts of dishonesty or breach of fiduciary duty or any felony (other than non-violent felonies that do not involve dishonesty or breach of fiduciary duty for which the Participant is not required to serve any jail time or be

confined to house arrest); (ii) the Participant willfully or grossly negligently failed to substantially perform his or her duties and responsibilities to the Company or deliberately violated a material Company policy; (iii) the Participant committed any act or acts of fraud, embezzlement, dishonesty, or other willful misconduct which results or could reasonably be expected to result in injury to the Company; (iv) without authorization, the Participant used or disclosed any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company or any other service recipient; or (v) Participant breached any of his or her material obligations under any written agreement with the Company. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment or other service relationship at any time, in the Company's sole discretion. Furthermore, a Participant's Continuous Service shall be deemed to have terminated for Cause within the meaning hereof if, at any time (whether before, on, or after termination of the Participant's Continuous Service), facts or circumstances are discovered that would have justified a termination for Cause in the Company's sole discretion.

(g) **"Change in Control"** shall mean:

- (i) The acquisition, directly or indirectly, in one transaction or a series of related transactions, by any person or group (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) of the beneficial ownership of securities of the Company possessing more than fifty percent (50%) of the total combined voting power of all outstanding securities of the Company;
- (ii) A merger or consolidation in which the Company is not the surviving entity, except for a transaction in which the holders of the outstanding voting securities of the Company immediately prior to such merger or consolidation hold as a result of holding Company securities prior to such transaction, in the aggregate, securities possessing more than fifty percent (50%) of the total combined voting power of all outstanding voting securities of the surviving entity (or the parent of the surviving entity) immediately after such merger or consolidation;
- (iii) A reverse merger in which the Company is the surviving entity but in which the holders of the outstanding voting securities of the Company immediately prior to such merger hold, in the aggregate, securities possessing less than fifty percent (50%) of the total combined voting power of all outstanding voting securities of the Company or of the acquiring entity immediately after such merger; or
- (iv) The sale, transfer or other disposition (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, except for a transaction in which the holders of the outstanding voting securities of the Company immediately prior to such transaction(s) receive as a distribution with respect to securities of the Company, in the aggregate, securities possessing more than fifty percent (50%) of the total combined voting power of all outstanding voting securities of the acquiring entity immediately after such transaction(s).

(h) **"Code"** shall mean the Internal Revenue Code of 1986, as amended from time to time and the rules and regulations issued thereunder.

(i) **"Committee"** shall mean a committee of the Board, acting in accordance with the provisions of Section 3, designated by the Board to administer the Plan and composed of not less than two non-Employee Directors. The initial Committee shall be the Compensation Committee of the Board.

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- (j) **“Company”** shall mean Spectrum Pharmaceuticals, Inc. and, to the extent determined appropriate by the Company in its sole discretion, any Affiliate or successor thereto.
- (k) **“Consultant”** shall mean any person (other than an Employee or Director), including an advisor, who is engaged by the Company or any Affiliate to render services and is compensated for such services.
- (l) **“Continuous Service”** means a Participant’s period of service in the absence of any interruption or termination (as defined in such individual’s employment or consulting agreement with the Company, if any, as the case may be), as an Employee, Director, or Consultant. The following sentences apply notwithstanding anything to the contrary in any Participant’s employment or consulting agreement with the Company, if any, as the case may be. Continuous Service shall not be considered interrupted in the case of: (i) sick leave; (ii) military leave; (iii) any other leave of absence approved by the Committee, **provided** that such leave is for a period of not more than 90 days, unless reemployment on the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to Company policy adopted from time to time; (iv) changes in status from Director to advisory director or emeritus status; or (v) transfers between locations of the Company or between the Company and its Affiliates. Changes in status between service as an Employee, Director, and a Consultant will not constitute an interruption of Continuous Service if the individual continues to perform bona fide services for the Company. The Committee shall have the discretion to determine whether and to what extent the vesting of any Awards shall be tolled during any paid or unpaid leave of absence; **provided**, however, that in the absence of such determination, vesting for all Awards shall be tolled during any such unpaid leave (but not for a leave paid at full normal compensation by the Company).
- (m) **“Director”** shall mean a member of the Board, or a member of the board of directors of an Affiliate.
- (n) **“Disability”** shall have the same meaning as set forth in any unexpired employment agreement or independent contractor agreement between the Company and the Participant or, in the absence of any such agreement, as set forth in the Participant’s Award Agreement. If no alternative definition for “Disability” exists in such contracts between the Participant and the Company, “Disability” means (i) for an Incentive Stock Option, that the Participant is disabled within the meaning of Section 22(e)(3) of the Code, and (ii) for other Awards, a physical or mental condition under which the Participant is receiving benefits under the Company’s long-term disability plan applicable to such Participant, and in the absence of such a plan, a Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.
- (o) **“Dividend Equivalent”** shall mean any right granted under Section 6(e) of the Plan.
- (p) **“Eligible Person”** shall mean (i) an Employee, Consultant, or Director, or (ii) a non-Employee, non-Consultant, or non-Director to whom an offer of a service relationship as an Employee, Consultant, or Director has been or is being extended.
- (q) **“Employee”** shall mean any person whom the Company or any Affiliate classifies as an employee (including an officer) for employment tax purposes or, if in a jurisdiction that does not have employment taxes, any person whom the Company or any Affiliate classifies as an employee (including an officer), in either case whether or not that classification is correct. The payment by the Company of director’s fees to a Director shall not be sufficient to constitute “employment” of such Director by the Company.

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- (r) **“Fair Market Value”** shall mean, with respect to any Shares or other securities, the closing price of a Share or other security on the date as of which the determination is being made or as otherwise determined in a manner specified by the Committee.
- (s) **“Grant Date”** shall mean the later of (i) the date designated as the “Grant Date” within an Award Agreement and (ii) the date on which the Committee determines the key terms of an Award, **provided** that as soon as reasonably practicable thereafter the Company both notifies the Eligible Person of the Award and issues an Award Agreement to the Eligible Person.
- (t) **“Incentive Stock Option”** shall mean an option granted under Section 6(a) of the Plan that is intended to meet the requirements of Section 422 of the Code, or any successor provision thereto.
- (u) **“Non-Qualified Stock Option”** shall mean an option granted under Section 6(a) of the Plan that is not intended to be an Incentive Stock Option.
- (v) **“Option”** shall mean an Incentive Stock Option or a Non-Qualified Stock Option.
- (w) **“Other Stock-Based Award”** shall mean any right granted under Section 6(f) of the Plan.
- (x) **“Participant”** shall mean an Eligible Person designated to be granted an Award under the Plan.
- (y) **“Performance Award”** shall mean any right granted under Section 6(d) of the Plan.
- (z) **“Performance Criteria”** shall mean any quantitative and/or qualitative measures, as determined by the Committee, which may be used to measure the level of performance of the Company or any individual Participant during a Performance Period, including any Qualifying Performance Criteria.
- (aa) **“Performance Period”** shall mean any period as determined by the Committee in its sole discretion.
- (bb) **“Person”** shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or government or political subdivision thereof.
- (cc) **“Qualifying Performance Criteria”** shall mean one or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or related company, and measured either annually, cumulatively over a period of years or over such other period as may be determined by the Committee, on an absolute basis or relative to a pre-established target, to a previous year’s results or to a designated comparison group, in each case as specified by the Committee in the Award: sales; operating income; pre-tax income; earnings before interest, taxes, depreciation and amortization; earnings per share of Shares on a fully-diluted basis; consolidated net income of the Company divided by the average consolidated common stockholders’ equity; cash and cash equivalents derived from either (i) net cash flow from operations, or (ii) net cash flow from operations, financings and investing activities; adjusted operating cash flow return on income; cost containment or reduction; the percentage change in the market price of the Shares over a stated period; return on assets; return on stockholders’ equity; return on capital; stockholder returns; gross or net margins; price per share of common stock; market share; new Company product introductions; obtaining regulatory approvals for new or existing products; individual business objectives; Company business objectives; product acquisitions; product development or clinical trial milestones; the successful progression or completion of clinical trials; or any other criteria or criterion selected by the Committee.

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- (dd) **“Restricted Stock”** shall mean any award of Shares granted under Section 6(c) of the Plan.
 - (ee) **“Restricted Stock Award”** shall mean either the issuance of Restricted Stock or the grant of Restricted Stock Units under the Plan.
 - (ff) **“Restricted Stock Unit”** shall mean any restricted stock unit granted under Section 6(c) of the Plan that is denominated in Shares.
 - (gg) **“Retirement”** shall mean that a Participant retires from the Company after attaining age 60 and 8 years of service with the Company and its Affiliates and satisfies any additional criteria as may be determined by the Committee.
 - (hh) **“Shares”** shall mean the common shares of the Company, and such other securities as may become the subject of Awards, or become subject to Awards, pursuant to an adjustment made under Section 4(b) of the Plan.
 - (ii) **“Stock Appreciation Right”** shall mean any right granted under Section 6(b) of the Plan.
 - (jj) **“10% Shareholder”** means a Person who, as of a relevant date, owns or is deemed to own (by reason of the attribution rules applicable under Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company.
 - (kk) **“2009 Plan”** shall mean the Company’s 2009 Incentive Award Plan, as amended.

SECTION 3. ADMINISTRATION

Except as otherwise provided herein, the Plan shall be administered by the Committee, which shall have the power to interpret the Plan and to adopt such rules and guidelines for implementing the terms of the Plan as it may deem appropriate, *provided* however, that the Board may act in lieu of the Committee on any matter. The Committee shall have the ability to modify the Plan provisions, to the extent necessary, or delegate such authority, to accommodate any changes in Applicable Law.

- (a) Subject to the terms of the Plan and Applicable Law, the Committee shall have full power and authority to: designate Participants; determine the type or types of Awards to be granted to each Participant under the Plan; determine the number of Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) Awards; determine the terms and conditions of any Award; determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, or other Awards, or terminated, forfeited, canceled or suspended, and the method or methods by which Awards may be settled, exercised, terminated, forfeited, canceled or suspended; determine whether, to what extent, and under what circumstances cash, Shares, other securities, other Awards, and other amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or of the Committee; interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; establish, amend, suspend, or waive such rules and guidelines; appoint such agents as it shall deem appropriate for the proper administration of the Plan; make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it deems desirable.
- (b) Actions of the Committee may be taken by: the Chair of the Committee; a subcommittee, designated by the Committee; the Committee but with one or more members abstaining or recusing himself or herself from acting

on the matter, so long as two (2) or more members remain to act on the matter. Such action, authorized by such a subcommittee or by the Committee on the abstention or recusal of such members, shall be the action of the Committee for purposes of the Plan; or one or more officers or managers of the Company or any Affiliate, or a committee of such officers or managers whose authority is subject to such terms and limitations set forth by the Committee, and only with respect to Eligible Persons who are not officers or directors of the Company for purposes of Section 16 of the Securities Exchange Act of 1934, as amended. This delegation shall include modifications necessary to accommodate changes in the laws or regulations of jurisdictions outside the U.S.

- (c) Without limiting the foregoing, the Committee shall have the discretion to interpret or construe ambiguous, unclear, or implied (but omitted) terms as it deems to be appropriate in its sole discretion and to make any findings of fact needed in the administration of this Plan or Award Agreements. The Committee's prior exercise of its discretionary authority shall not obligate it to exercise its authority in a like fashion thereafter. The Committee's interpretation and construction of any provision of this Plan, or of any Award or Award Agreement, and all determinations the Committee or the Company makes pursuant to this Plan shall be final, binding, and conclusive (subject only to the Committee's or the Company's inherent authority to change their determinations). The validity of any such interpretation, construction, decision or finding of fact shall not be given de novo review if challenged in court, by arbitration, or in any other forum, and shall be upheld unless clearly affected by fraud.
- (d) Any determination made by the Committee or the Company with respect to any provisions of this Plan may be made on an Award-by-Award basis. The Committee and the Company have no obligation to be uniform, consistent, or nondiscriminatory between classes of similarly-situated Eligible Persons, Participants, Awards or Award Agreements, except as required by Applicable Law.
- (e) CLAIMS LIMITATION PERIOD. Any Participant who believes he or she is being denied any benefit or right under this Plan or under any Award or Award Agreement may file a written claim with the Committee. Any claim must be delivered to the Committee within six (6) months of the specific event giving rise to the claim. Untimely claims will not be processed and shall be deemed denied. The Committee, or its designee, generally will notify the Participant of its decision in writing as soon as administratively practicable. Claims shall be deemed denied if the Committee does not respond in writing within 180 days of the date the written claim is delivered to the Committee. The Committee's decision is final and conclusive and binding on all Persons. No lawsuit or arbitration relating to this Plan may be filed or commenced before a written claim is filed with the Committee and is denied or deemed denied, and any lawsuit must be filed within one year of such denial or deemed denial or be forever barred.
- (f) NO LIABILITY; INDEMNIFICATION. Neither the Board nor any Committee member, nor any Person acting at the direction of the Board or the Committee, shall be liable for any act, omission, interpretation, construction, or determination made in good faith with respect to this Plan, any Award, or any Award Agreement. The Company shall pay or reimburse any Director, Employee, or Consultant who in good faith takes action on behalf of this Plan, for all expenses incurred with respect to this Plan, and to the full extent allowable under Applicable Law shall indemnify each and every one of them for any claims, liabilities, and costs (including reasonable attorney's fees) arising out of their good faith performance of duties on behalf of this Plan. The Company may, but shall not be required to, obtain liability insurance for this purpose.
- (g) EXPENSES. The Company shall bear the expenses of administering this Plan.

SECTION 4.**SHARES AVAILABLE FOR AWARDS AND NON-EMPLOYEE DIRECTOR COMPENSATION LIMITS**

- (a) **SHARES AVAILABLE.** Subject to adjustment as provided in this Section 4:
- (i) The total number of Shares that may be issued under the Plan pursuant to Awards may not exceed 9.5 million, all of which will be rolled over from the 2009 Plan, plus any Shares that become eligible for issuance under this Plan because of forfeited Awards under the 2009 Plan, as described below. This is the “**Share Reserve**.” Notwithstanding the foregoing, no more than 9.5 million Shares shall be available for delivery pursuant to the exercise of Incentive Stock Options.

Except as otherwise provided herein, any Award made under the 2009 Plan shall continue to be subject to the terms and conditions of the 2009 Plan and the applicable Award Agreement. Under this Plan, (i) every Share issued to a Participant pursuant to the exercise of an Option or Stock Appreciation Right shall reduce the Share Reserve by one Share and (ii) every Share issued to a Participant pursuant to an Award other than an Option or Stock Appreciation Right shall reduce the Share Reserve by 1.5 Shares. If any Shares issued to a Participant under the Plan are subject to an Award that is terminated, forfeited or canceled (e.g., unvested Restricted Stock Awards), the Share Reserve shall be increased by 1.5 Shares. If any awards granted under the 2009 Plan (“**Prior Awards**”) are terminated, forfeited, canceled or expire unexercised, in whole or in part, new Awards may be issued under this Plan, rather than the 2009 Plan, with respect to the Shares covered by such Prior Awards. In the event that withholding tax liabilities arising from an Award under this Plan or the 2009 Plan other than an Option or Stock Appreciation Right are satisfied by the withholding of Shares by the Company, then the Shares so withheld shall be available for Awards under the Plan and the Share Reserve shall be increased by the same number of Shares as the Share Reserve was decreased on account of such Shares, if any.

- (ii) **ACCOUNTING FOR AWARDS.** For purposes of this Section 4, unless the Committee determines otherwise:
- (A) if an Award (other than a Dividend Equivalent) is denominated in Shares, the number of Shares covered by such Award, or to which such Award relates, shall be counted on the date of grant of such Award against the aggregate number of Shares available for granting Awards under the Plan;
- (B) Dividend Equivalents denominated in Shares and Awards not denominated, but potentially payable, in Shares shall be counted against the aggregate number of Shares available for granting Awards under the Plan in such amount and at such time as the Dividend Equivalents and such Awards are settled in Shares, *provided*, however, that Awards that operate in tandem with (whether granted simultaneously with or at a different time from), or that are substituted for, other Awards or awards granted under the 2009 Plan may only be counted once against the aggregate number of Shares available, and the Committee shall adopt procedures, as it deems appropriate, in order to avoid double counting. Any Shares that are delivered by the Company, and any Awards that are granted by, or become obligations of, the Company through the assumption by the Company or an Affiliate of, or in substitution for, outstanding awards previously granted by an acquired company, shall not be counted against the Shares available for granting Awards under this Plan;

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- (C) notwithstanding anything herein to the contrary, any Shares subject to Awards under this Plan or the 2009 Plan that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such Shares, are settled in cash in lieu of Shares, or are exchanged with the Committee's permission, prior to the issuance of Shares, for Awards not involving Shares, shall be available for grant under this Plan. Shares subject to an Award under this Plan or the 2009 Plan may not be made available for issuance under the Plan if such Shares are: (x) Shares that were subject to an Option or a Share-settled Stock Appreciation Right and were not issued on the net settlement or net exercise of such Option or Stock Appreciation Right, (y) Shares delivered to or withheld by the Company to pay the exercise price or the withholding taxes under Options or Stock Appreciation Rights, or (z) Shares repurchased on the open market with the proceeds of an Option exercise; and
 - (D) Shares subject to Awards that qualify as inducement grants under Nasdaq Listing Rule 5635 or its successor shall not be counted against the Shares available for granting Awards under this Plan nor shall they be counted for purposes of applying the limits set forth in Section 4(a).
- (iii) SOURCES OF SHARES DELIVERABLE UNDER AWARDS. The Shares to be issued, transferred, and/or sold under the Plan shall be made available from authorized and unissued Shares or from the Company's treasury shares.
- (b) ADJUSTMENTS.
- (i) In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Shares, or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event constitutes an equity restructuring transaction, as that term is defined in Accounting Standards Codification Topic 718 (or any successor thereto) or otherwise affects the Shares, then the Committee may adjust the following in a manner that is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan:
 - (A) the number and type of Shares or other securities which thereafter may be made the subject of Awards including the limit specified in Section 4(a)(i);
 - (B) the number and type of Shares or other securities subject to outstanding Awards;
 - (C) the grant, purchase, or exercise price with respect to any Award, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award; and
 - (D) other value determinations applicable to outstanding Awards.

provided, however, in each case, that with respect to Awards of Incentive Stock Options no such adjustment shall be authorized to the extent that such authority would cause the Plan to violate Section 422(b)(1) of the Code or any successor provision thereto; and *provided further*, however, that the number of Shares subject to any Award denominated in Shares shall always be a whole number.

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- (ii) **ADJUSTMENTS OF AWARDS ON CERTAIN ACQUISITIONS.** In the event that a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines has shares available under a pre-existing plan approved by its shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other formula used in such transaction to determine the consideration payable to the holders of common stock of such acquired company) may be used for similar Awards under the Plan and shall not reduce the Shares authorized for issuance or transfer under the Plan; *provided* that Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Directors prior to such acquisition or combination.
 - (iii) **ADJUSTMENTS OF AWARDS ON THE OCCURRENCE OF CERTAIN UNUSUAL OR NONRECURRING EVENTS.** The Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or of changes in Applicable Law or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits to be made available under the Plan.
- (c) **NON-EMPLOYEE DIRECTOR LIMITS.** Notwithstanding anything to the contrary herein, no non-Employee Director shall receive in excess of \$600,000 of compensation in any calendar year, determined by adding (i) all cash compensation to such non-Employee Director and (ii) the Fair Market Value of all Awards granted to such non-Employee Director in such calendar year, based on the Fair Market Value of such Awards on the Grant Date (as determined in a manner consistent with that used for non-Employee Director compensation for proxy statement disclosure purposes in the year in which the Award occurs); *provided*, however, the Board may make exceptions to this limit for individual non-Employee Directors in extraordinary circumstances, so long as this paragraph would not be violated if the \$600,000 figure were instead \$750,000, as the Board may determine in its sole discretion, *provided* that the non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving non-Employee Directors.

SECTION 5. ELIGIBILITY

Any Eligible Person is eligible to be designated a Participant. The Committee shall determine which Eligible Persons may receive Awards. If the Committee does not determine that an Eligible Person is to receive a specific Award, he or she shall not be entitled to any such Award. Each Award shall be evidenced by an Award Agreement that: sets forth the Grant Date and all other terms and conditions of the Award; is signed on behalf of the Company; and (unless waived by the Committee) is signed by the Eligible Person in acceptance of the Award. The grant of an Award shall not obligate the Company or any Affiliate to continue the employment or service of any Eligible Person, or to provide any future Awards or other remuneration at any time thereafter.

SECTION 6. AWARDS

- (a) **OPTIONS.** The Committee is authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan, as the Committee shall determine:
 - (i) **EXERCISE PRICE.** The purchase price per Share purchasable under an Option shall be determined by the Committee; *provided*, however, and except as provided in Section 4(b), that such purchase price shall not

be less than (A) 100% of the Fair Market Value of a Share on the date of grant of such Option or (B) if the Person to whom an Incentive Stock Option is granted is a 10% Shareholder on the date of grant, the exercise price shall be not less than 110% of the Fair Market Value on the date the Incentive Stock Option is granted. However, an Incentive Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Incentive Stock Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424 of the Code or if the Award is designated as a "Section 409A Award" and has either a fixed exercise date or a fixed delivery date.

- (ii) **OPTION TERM.** The term of each Option shall not exceed ten (10) years from the date of grant; *provided*, however, that with respect to Incentive Stock Options issued to 10% Shareholders, the term of each such Option shall not exceed five (5) years from the date it is granted.
- (iii) **TIME AND METHOD OF EXERCISE.** The Committee shall establish in the applicable Award Agreement the time or times at which an Option may be exercised in whole or in part, and the method or methods by which, and the form or forms, including, without limitation, cash, Shares, or other Awards, or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price, in which, payment of the exercise price with respect thereto may be made or deemed to have been made. The Company shall not be required to deliver Shares pursuant to the exercise of an Option and the Option will be deemed unexercised until the Company has received sufficient funds or value to cover the full exercise price due and all applicable withholding obligations. The Committee may in its sole discretion set forth in an Award Agreement that a Participant may exercise an unvested Option, in which case the Shares then issued shall be restricted Shares having the same vesting restrictions as the unvested Option.
- (iv) **TERMINATION OF CONTINUOUS SERVICE.** The Committee may set forth in the applicable Award Agreement, or a severance agreement, employment agreement, service agreement or severance plan, the terms and conditions by which an Option is exercisable, if at all, after the date of a Participant's termination of Continuous Service. The Committee may waive or modify these provisions at any time. To the extent that a Participant is not entitled to exercise an Option on the date of a Participant's termination of Continuous Service, or if the Participant (or other Person entitled to exercise the Option) does not exercise the Option within the time and as specified in the Award Agreement or below (as applicable), the Option shall terminate. Notwithstanding the foregoing, if the Company has a contingent contractual obligation to provide for accelerated vesting or extended exercisability after termination of a Participant's Continuous Service, such Options shall not terminate at the time they otherwise would terminate but instead shall remain outstanding, but unexercisable, until the maximum contractual time for determining whether such contingency will occur, and terminate at such time if the contingency has not then occurred; *provided* that no such extension shall cause an Option to be exercisable after the 10-year anniversary of its Grant Date or the date such Option otherwise would have terminated had the Participant remained in Continuous Service.

Subject to the preceding paragraph and Section 6(a)(vi) and to the extent an Award Agreement, or a severance agreement, employment agreement, service agreement or severance plan, does not otherwise specify the terms and conditions on which an Option shall terminate when a Participant terminates Continuous Service, the following provisions apply:

Reason for Terminating Continuous Service

Option Termination Date

(I) By the Company for Cause, or what would have been Cause if the Company had known all of the relevant facts, or due to Participant's material breach of his or her unexpired employment agreement or independent contractor agreement with the Company.

All Options, whether or not vested, shall immediately expire effective on the date of termination of the Participant's Continuous Service, or when Cause first existed if earlier.

(II) Retirement of the Participant.

All unvested Options shall immediately expire effective on the date of termination of the Participant's Continuous Service. All vested and unexercised Options shall expire six (6) months after the date of termination of the Participant's Continuous Service.

(III) Disability or Death of the Participant during Continuous Service (in either case unless Reason I applies).

All unvested Options shall immediately expire effective as of the date of termination of the Participant's Continuous Service, and all vested and unexercised Options shall expire 12 months after such termination.

(IV) Any other reason.

All unvested Options shall immediately expire effective on the date of termination of the Participant's Continuous Service. All vested Options, to the extent unexercised, shall expire effective 90 days after the date of termination of the Participant's Continuous Service.

- (v) **BLACKOUT PERIODS.** If there is a blackout period (whether under the Company's insider trading policy, Applicable Law, or a Committee-imposed blackout period) that prohibits buying or selling Shares during any part of the ten (10) day period before an Option expires (as described above), the Option exercise period shall be extended until ten (10) days beyond the end of the blackout period. Notwithstanding anything to the contrary in this Plan or any Award Agreement, no Option can be exercised beyond the later of the date its original term expires as set forth in the Award Agreement, the date on which the Option otherwise would become unexercisable, or the ten-year anniversary of its Grant Date.
- (vi) **COMPANY CANCELLATION RIGHT.** Subject to Applicable Law, if the Fair Market Value for Shares subject to any Option is more than 50% below their exercise price for more than 90 consecutive business days, the Committee unilaterally may declare the Option terminated, effective on the date the Committee provides written notice to the Option holder. The Committee may take such action with respect to any or all Options granted under the Plan and with respect to any individual Option holder or class(es) of Option holders.
- (vii) **NON-EXEMPT EMPLOYEES.** An Option granted to an Employee who is non-exempt for purposes of the Fair Labor Standards Act of 1938, as amended, will not be first exercisable for any Shares until at least six (6) months after the Grant Date of the Option (although the Award may vest prior to such date). Notwithstanding the foregoing, consistent with the provisions of the Worker Economic Opportunity Act, the vested portion of any Options may be exercised earlier than six (6) months after

the Grant Date: (A) if the non-exempt Employee dies or suffers a Disability; (B) in connection with a corporate transaction in which the Option is not assumed, continued, or substituted; (C) on a Change in Control; or (D) on the Participant's retirement (as may be defined in the Participant's Award Agreement or other agreement with the Company, or, if no such definition, in accordance with the Company's then current employment policies and guidelines). The foregoing provision is intended to operate so that any income derived by a non-exempt Employee in connection with the exercise or vesting of an Option will be exempt from his or her regular rate of pay.

- (viii) INCENTIVE STOCK OPTIONS. By law, only Employees are eligible to receive Incentive Stock Options. The terms of any Incentive Stock Option granted under the Plan shall be designed to comply in all respects with the provisions of Section 422 of the Code, or any successor provision thereto, and any regulations promulgated thereunder. Notwithstanding anything in this Section 6(a) to the contrary, Options designated as Incentive Stock Options shall not be eligible for treatment under the Code as Incentive Stock Options (and will be deemed to be Non-Qualified Stock Options) to the extent that either (A) the aggregate Fair Market Value of Shares (determined as of the time of grant) with respect to which such Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any subsidiary) exceeds \$100,000, taking Options into account in the order in which they were granted, or (B) such Options otherwise remain exercisable but are not exercised within three (C) months of termination of Continuous Service (or such other period of time provided in Section 422 of the Code).
 - (ix) NO RELOAD OPTIONS. No Option shall include terms entitling the Participant to a grant of Options or Stock Appreciation Rights on exercise of the Option.
- (b) STOCK APPRECIATION RIGHTS. The Committee is hereby authorized to grant Stock Appreciation Rights to Participants. Subject to the terms of the Plan and any applicable Award Agreement, a Stock Appreciation Right granted under the Plan shall confer on the holder thereof a right to receive, on exercise thereof, the excess of (i) the Fair Market Value of one Share on the date of exercise over (ii) the grant price of the right as specified by the Committee.
- (i) GRANT PRICE. The grant price shall be determined by the Committee, *provided*, however, and except as provided in Section 4(b), that such price shall not be less than 100% of the Fair Market Value of one Share on the date of grant of the Stock Appreciation Right, except that if a Stock Appreciation Right is at any time granted in tandem with an Option, the grant price of the Stock Appreciation Right shall not be less than the exercise price of such Option.
 - (ii) TERM. The term of each Stock Appreciation Right shall not exceed ten (10) years from the date of grant.
 - (iii) OTHER RULES. The rules of Sections 6(a)(iii) – 6(a)(ix) shall apply to Stock Appreciation Rights as if the Award were an Option.
- (c) RESTRICTED STOCK AND RESTRICTED STOCK UNITS.
- (i) ISSUANCE. The Committee is hereby authorized to grant Awards of Restricted Stock and Restricted Stock Units to Participants.

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- (ii) **RESTRICTIONS.** Shares of Restricted Stock and Restricted Stock Units shall be subject to such restrictions as the Committee may establish in the applicable Award Agreement (including, without limitation, any limitation on the right to vote a Share of Restricted Stock or the right to receive any dividend or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate. Unrestricted Shares, evidenced in such manner as the Committee shall deem appropriate, shall be delivered to the holder of Restricted Stock promptly after such restrictions have lapsed. Subject to Applicable Law, the Committee may make Awards of Restricted Stock and Restricted Stock Units with or without the requirement for payment of cash or other consideration.
 - (iii) **REGISTRATION.** Any Restricted Stock or Restricted Stock Units granted under the Plan may be evidenced in such manner as the Committee may deem appropriate, including, without limitation, book-entry registration or issuance of a stock certificate or certificates. In the event any stock certificate is issued in respect of Shares of Restricted Stock granted under the Plan, such certificate shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.
 - (iv) **FORFEITURE.** On termination of Continuous Service during the applicable restriction period, except as otherwise determined by the Committee, all Shares of Restricted Stock and all Restricted Stock Units still, in either case, subject to restriction shall be forfeited and, to the extent applicable, reacquired by the Company. However, if the Participant paid cash or other consideration for Restricted Stock that is so forfeited, the Company shall return to the Participant the lower of the Fair Market Value of the Shares on the date of forfeiture or their original purchase price, to the extent set forth in an Award Agreement or required by Applicable Law.
- (d) **PERFORMANCE AWARDS.** The Committee is hereby authorized to grant Performance Awards to Participants. Performance Awards include arrangements under which the grant, issuance, retention, vesting and/or transferability of any Award are subject to Performance Criteria and such additional conditions or terms as the Committee may designate. Subject to the terms of the Plan and any applicable Award Agreement, a Performance Award granted under the Plan:
- (i) may be denominated or payable in cash, Shares (including, without limitation, Restricted Stock), other securities, or other Awards; and
 - (ii) shall confer on the holder thereof rights valued as determined by the Committee and payable to, or exercisable by, the holder of the Performance Award, in whole or in part, on the achievement of such performance goals during such Performance Periods as the Committee shall establish.
 - (iii) **AMENDING PERFORMANCE CONDITIONS.** After a Performance Award has been granted, the Committee may, if it determines appropriate, amend any Performance Criteria, at its sole and absolute discretion.
 - (iv) **SATISFACTION OF PERFORMANCE GOALS.** If, as a result of the applicable Performance Criteria being met, a Performance Award becomes vested and/or exercisable in respect of some, but not all of the number of Shares underlying such Award, which did not become vested and exercisable by the end of the Performance Period, such Performance Award shall thereupon lapse and cease to be exercisable in respect of the balance of the Shares which did not vest and/or become exercisable by the end of the Performance Period.

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- (e) **DIVIDEND EQUIVALENTS.** The Committee is hereby authorized to grant to Participants Awards (other than Options and Stock Appreciation Rights) under which the holders thereof shall be entitled to receive payments equivalent to dividends or interest with respect to a number of Shares determined by the Committee, and the Committee may provide that such amounts (if any) shall be deemed to have been reinvested in additional Shares or otherwise reinvested. Subject to the terms of the Plan and any applicable Award Agreement, such Awards may have such terms and conditions as the Committee shall determine.
- (f) **OTHER STOCK-BASED AWARDS.** The Committee is authorized to grant to Participants such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation, securities convertible into Shares), as are deemed by the Committee to be consistent with the purposes of the Plan, *provided*, however, that such grants must comply with Applicable Law. Subject to the terms of the Plan and any applicable Award Agreement, the Committee shall determine the terms and conditions of such Awards. Shares or other securities delivered pursuant to a purchase right granted under this Section 6(f) shall be purchased for such consideration, as the Committee shall determine, the value of which consideration, as established by the Committee, and except as provided in Section 4(b), shall not be less than the Fair Market Value of such Shares or other securities as of the date such purchase right is granted.
- (g) **GENERAL.**
- (i) **NO CASH CONSIDERATION FOR AWARDS.** Awards shall be granted for no cash consideration or for such cash consideration as may be required by Applicable Law or determined by the Committee; however, Participants may be required to pay any amount the Committee determines in connection with Awards not inconsistent with the terms of this Plan.
- (ii) **AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER.** Awards may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution for any other Award or any award granted under any other plan of the Company or any Affiliate.
- (iii) **FORMS OF PAYMENT UNDER AWARDS.** Subject to the terms of the Plan and of any applicable Award Agreement, payments or transfers to be made by the Company or an Affiliate on the grant, exercise, or payment of an Award may be made in such form or forms as the Committee shall determine, including, without limitation, cash, Shares, rights in or to Shares issuable under the Award or other Awards, other securities, or other Awards, or any combination thereof, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents in respect of installment or deferred payments.
- (iv) **LIMITS ON TRANSFER OF AWARDS.** Except as provided by the Committee, no Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution *provided*, however, that, if so determined by the Committee, a Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of the Participant with respect to any

Award on the death of the Participant. Each Award, and each right under any Award, shall be exercisable, during the Participant's lifetime, only by the Participant or, if permissible under Applicable Law, by the Participant's guardian or legal representative. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate.

- (v) **CONDITIONS AND RESTRICTIONS ON SECURITIES SUBJECT TO AWARDS.** The Committee may provide that the Shares issued on exercise of an Option or Stock Appreciation Right or otherwise subject to or issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Committee in its discretion may specify prior to the exercise of such Option or Stock Appreciation Right or the grant, vesting or settlement of such Award, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any re-sales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to Applicable Law, (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Company equity compensation arrangements, (C) restrictions as to the use of a specified brokerage firm for such re-sales or other transfers and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations. The Committee shall include in any Award Agreement any claw back or forfeiture provisions required by Applicable Law. The Committee also may include in any Award Agreement provisions providing for forfeiture of the Award or requiring the Participant to return the Shares underlying the Award to the Company in the event the Participant engages in specified behavior that is adverse to the Company's interests, including after termination of his or her service relationship with the Company, such as for competing with the Company, soliciting its Employees, or breaching a written agreement with the Company.
- (vi) **SHARE CERTIFICATES.** All Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange on which such Shares or other securities are then listed, and any applicable federal, state, or local securities laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

SECTION 7. AMENDMENT AND TERMINATION

The Plan shall terminate on the 10-year anniversary of its approval by the Board, but no such termination shall affect any outstanding grants under the Plan. Except to the extent prohibited by Applicable Law and unless otherwise expressly provided in an Award Agreement or in the Plan:

- (a) **AMENDMENTS TO THE PLAN.** The Board may amend, alter, suspend, discontinue, or terminate the Plan, in whole or in part; *provided*, however, that without the prior approval of the Company's shareholders, no material amendment shall be made if shareholder approval is required by Applicable Law; and *provided, further*, that, notwithstanding any other provision of the Plan or any Award Agreement, no such amendment,

alteration, suspension, discontinuation, or termination shall be made without the approval of the shareholders of the Company that would:

- (i) increase the total number of Shares available for Awards under the Plan, except as provided in Section 4 hereof;
 - (ii) materially expand the class of Eligible Persons under the Plan, materially increase the benefits accruing to Participants under the Plan, materially extend the term of the Plan with respect to Share-based Awards, or expand the types of Share-based Awards available for issuance under the Plan; or
 - (iii) except as provided in Section 4(b), permit Options, Stock Appreciation Rights, or other Stock-Based Awards encompassing rights to purchase Shares to be repriced, replaced, or regranted through cancellation, or by lowering the exercise price of a previously granted Option or the grant price of a previously granted Stock Appreciation Right, or the purchase price of a previously granted Other Stock-Based Award.
- (b) **AMENDMENTS TO AWARDS.** The Committee may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue, or terminate, any Awards theretofore granted, prospectively or retroactively. No such amendment or alteration shall be made which would impair the rights of any Participant, without such Participant's consent, under any Award theretofore granted, *provided* that no such consent shall be required with respect to any amendment or alteration if the Committee determines in its sole discretion that such amendment or alteration either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy or conform to Applicable Law or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

SECTION 8. GENERAL PROVISIONS

- (a) **NO RIGHTS TO AWARDS.** No Eligible Person, Participant or other Person shall have any claim to be granted any Award under the Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Eligible Persons, Participants, or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to each recipient.
- (b) **WITHHOLDING.** The Company or any Affiliate shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under the Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under the Plan and to take such other action as may be necessary in the opinion of the Company or Affiliate to satisfy statutory withholding obligations for the payment of such taxes. Notwithstanding any provision of this Plan or an Award Agreement to the contrary, Participants are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with Awards, and neither the Company, nor any Affiliate, nor any of their employees, directors, or agents, shall have any duty or obligation to mitigate, minimize, indemnify, or to otherwise hold any Participant harmless from any or all of such tax consequences. The Company's obligation to deliver Shares (or to pay cash or other consideration) to Participants pursuant to Awards is at all times subject to such Participant's prior or coincident satisfaction of all withholding taxes.

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- (c) **NO LIMIT ON OTHER COMPENSATION ARRANGEMENTS.** Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
 - (d) **NO RIGHT TO EMPLOYMENT.** The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company or any Affiliate. Further, the Company or an Affiliate may at any time dismiss a Participant from employment, free from any liability, or any claim under the Plan, unless otherwise expressly provided in the Plan or in any Award Agreement.
 - (e) **GOVERNING LAW.** The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable Federal law without regard to conflict of law.
 - (f) **SEVERABILITY.** If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to Applicable Law, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.
 - (g) **NO TRUST OR FUND CREATED.** Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.
 - (h) **NO FRACTIONAL SHARES.** No fractional Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.
 - (i) **HEADINGS.** Headings are given to the Sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.
 - (j) **COMPLIANCE WITH THE CODE.** Except to the extent specifically provided otherwise by the Committee, Awards under the Plan are intended to satisfy the requirements of Section 409A of the Code so as to avoid the imposition of any additional taxes or penalties under Section 409A of the Code. If the Committee determines that an Award, Award Agreement, payment, distribution, deferral election, transaction or any other action or arrangement contemplated by the provisions of the Plan would, if undertaken, cause a Participant to become subject to any additional taxes or other penalties under Section 409A of the Code, or adverse tax consequences under another Code provision, then unless the Committee specifically provides otherwise, such Award, Award Agreement, payment, distribution, deferral election, transaction or other action or arrangement shall not be given effect to the extent it causes such result and the related provisions of the Plan and/or Award Agreement will be deemed modified, or, if necessary, suspended in order to comply with the requirements of Section 409A of the Code or another Code provision to the extent determined appropriate by the Committee, in each case

without the consent of or notice to the Participant. Notwithstanding the foregoing or any provision of the Plan or an Award Agreement to the contrary, Participants shall be solely responsible for the satisfaction of any taxes or interest or other consequence, that may arise pursuant to Awards (including taxes arising under Code Section 409A), and neither the Company nor the Committee nor anyone other than the Participant, his or her estate or beneficiaries, shall have any obligation whatsoever to pay such taxes or interest or to otherwise indemnify or hold any Participant harmless from any or all of such taxes.

- (k) NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION. Although the Company may endeavor to (i) qualify an Award for favorable U.S. or foreign tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan.
- (l) AWARDS TO NON-U.S. EMPLOYEES. The Committee shall have the power and authority to determine which Affiliates shall be covered by this Plan and which employees outside the U.S. shall be eligible to participate in the Plan. The Committee may adopt, amend or rescind rules, procedures or sub-plans relating to the operation and administration of the Plan to accommodate the specific requirements of local laws, procedures, and practices. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules, procedures and sub-plans with provisions that limit or modify rights on death, Disability or Retirement or on termination of Continuous Service; available methods of exercise or settlement of an Award; payment of income, social insurance contributions and payroll taxes; and the withholding procedures and handling of any stock certificates or other indicia of ownership which vary with local requirements. The Committee may also adopt rules, procedures or sub-plans applicable to particular Affiliates or locations.
- (m) DATA PRIVACY. As a condition of receipt of any Award, each Participant explicitly and unambiguously consents to the collection, use, and transfer, in electronic or other form, of personal data as described in this section by and among, as applicable, the Company and its Affiliates for the exclusive purpose of implementing, administering, and managing this Plan and Awards and the Participant's participation in this Plan. In furtherance of such implementation, administration, and management, the Company and its Affiliates may hold certain personal information about a Participant with respect to one or more Awards under the Plan, including, but not limited to, the Participant's name, home address, telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), information regarding any securities of the Company or any of its Affiliates, and details of all Awards (the "*Data*"). In addition to transferring the Data amongst themselves as necessary for the purpose of implementation, administration, and management of this Plan and Awards and the Participant's participation in this Plan, the Company and its Affiliates each may transfer the Data to any third parties assisting the Company in the implementation, administration, and management of this Plan and Awards and the Participant's participation in this Plan. Recipients of the Data may be located in the Participant's country or elsewhere, and the Participant's country and any given recipient's country may have different data privacy laws and protections. By accepting an Award, each Participant authorizes such recipients to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the purposes of assisting the Company in the implementation, administration, and management of this Plan and Awards and the Participant's participation in this Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or the Participant may elect to deposit any Shares. A Participant may, at any time, view the Data held by the Company with respect to such Participant,

request additional information about the storage and processing of the Data with respect to such Participant, recommend any necessary corrections to the Data with respect to the Participant, or refuse or withdraw the consents herein in writing, in any case without cost, by contacting such Participant's local human resources representative. The Company may cancel the Participant's eligibility to participate in this Plan, and in the Committee's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws the consents described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Participants may contact their local human resources representative.

- (n) **NO DUTY TO NOTIFY.** The Company shall have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising an Award. Furthermore, the Company shall have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised.
- (o) **COMPLIANCE WITH LAWS.** The granting of Awards and the issuance of Shares under the Plan shall be subject to all Applicable Law. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:
 - (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
 - (ii) completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained. Notwithstanding anything to the contrary herein or in any Award Agreement, the Committee shall have the absolute discretion to impose a "blackout" period on the exercise of any Option or Stock Appreciation Right, as well as the settlement of any Award, with respect to any or all Participants to the extent the Committee determines that doing so is desirable or required to comply with applicable securities laws.

SECTION 9. EFFECTIVE DATE OF THE PLAN

The Plan shall be effective as of the date of its approval by the shareholders of the Company.

**SPECTRUM PHARMACEUTICALS, INC.
TERM SHEET FOR 2018 LONG-TERM INCENTIVE PLAN
STOCK OPTION AWARD**

Spectrum Pharmaceuticals, Inc. hereby grants to the Participant named below a stock option (the "Option") to purchase any part or all of the number of Shares that are covered by this Option, as specified below, at the exercise price specified below and on the terms and subject to the conditions set forth in this Term Sheet, the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the "Plan") and the Plan's Standard Terms and Conditions (the "Standard Terms and Conditions"), each as amended from time to time (the Term Sheet and the Standard Terms and Conditions, as in effect at the time of the execution of the Term Sheet, together constituting the "Award Agreement" between Participant and the Company). This Option is granted pursuant to the Plan and is subject to and qualified in its entirety by the Award Agreement. If the Award Agreement conflicts with the Plan, the Plan will control. Capitalized terms not explicitly defined herein are defined in the Plan.

Name of Participant:

Grant Date:

Type of Option:

- Incentive Stock Option
- Non-Qualified Stock Option

Number of Shares covered by Option:

Exercise Price Per Share:

\$

Vesting Commencement Date:

- Same as Grant Date
- Date: _____

Vesting Schedule:

Expiration Date:

- The ten-year anniversary of the Grant Date
- The five-year anniversary of the Grant Date (select if Participant is a 10% Shareholder receiving an Incentive Stock Option)

If this Option is intended to qualify as an Incentive Stock Option but fails in whole or in part to so qualify, then this Option shall constitute a Non-Qualified Stock Option to the extent of that failure. By accepting this Term Sheet, Participant acknowledges that he or she has received and read, and agrees that this Option shall be subject to, and Participant shall comply with, the terms of the Award Agreement and the Plan.

IN WITNESS WHEREOF, the Company has caused this Option to be executed by its duly authorized officer.

SPECTRUM PHARMACEUTICALS, INC.

Name
Title

[Participant/Spouse Signature page follows on the reverse side of this Term Sheet]

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing Option and agrees to the terms and conditions of the Award Agreement and the Plan. The undersigned hereby acknowledges receipt of the attached Standard Terms and Conditions and that a copy of the Plan is available on the Company's intranet.

PARTICIPANT

Signature

By his or her signature below, the spouse of Participant, if Participant is legally married as of the date of his or her execution of this Term Sheet, acknowledges that he or she has read this Term Sheet, the Standard Terms and Conditions and the Plan and is familiar with the terms and provisions thereof, and agrees to be bound by all the terms and conditions of this Term Sheet, the Standard Terms and Conditions and the Plan.

Name of Spouse

Signature of Spouse

OR

By his or her signature below, Participant represents that he or she is not legally married as of the date of execution of this Term Sheet.

PARTICIPANT

Signature

SPECTRUM PHARMACEUTICALS, INC.
STANDARD TERMS AND CONDITIONS FOR
STOCK OPTIONS

These Standard Terms and Conditions apply to any Options granted under the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the “Plan”) that are evidenced by a Term Sheet or an action of the Committee that specifically refers to these Standard Terms and Conditions (the Term Sheet and the Standard Terms and Conditions, as in effect at the time of the execution of the Term Sheet, together constituting the “Award Agreement” between Participant and the Company). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

1. TERMS OF OPTION

The Company has granted to the Participant named in the Term Sheet provided to Participant herewith an Option to purchase up to the number of Shares set forth in the Term Sheet, at the exercise price per Share set forth in the Term Sheet, and upon the other terms and subject to the conditions set forth in the Award Agreement and the Plan.

2. EXERCISE OF OPTION

The Option shall continue to vest, in accordance with the Vesting Schedule set forth on the Term Sheet, so long as Participant remains in Continuous Service with the Company. Participant may exercise any vested portion of the Option at any time prior to the Expiration Date of the Option, except as otherwise provided in the Plan.

To exercise the Option (or any part thereof), Participant shall provide notice to the Company specifying the number of Shares Participant wishes to purchase and how Participant’s Shares should be registered (in Participant’s name only or in Participant’s and Participant’s spouse’s names as community property or as joint tenants with right of survivorship).

The exercise price (the “Exercise Price”) of the Option is set forth in the Term Sheet. The Company shall not be obligated to issue any shares of Common Stock until Participant has paid the total Exercise Price for that number of shares of Common Stock. The Exercise Price may be paid by one or more of the following means if permitted by the Committee in its sole discretion: (i) by cash or check payable to the Company; (ii) by delivery to the Company of already-owned Shares having a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Shares as to which the Option is being exercised; (iii) by a “net exercise” arrangement whereby Participant surrenders to the Company Shares otherwise receivable upon exercise of the Option (*e.g.*, the Company will reduce the number of Shares issued upon exercise of the Option by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate Exercise Price) *provided* that the Option is a Non-Qualified Stock Option; (iv) by a cashless exercise program that the Committee may approve, from time to time in its discretion, pursuant to which a Participant may elect to concurrently provide irrevocable instructions (A) to Participant’s broker or dealer to effect the immediate sale of the purchased Shares and remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the Exercise Price of the Option plus all applicable withholding taxes, and (B) to the Company to deliver the certificates for the purchased Shares directly to the broker or dealer in order to complete the sale; or (v) in any other form of legal consideration.

Fractional Shares will not be issued. Shares will be issued as soon as practical after exercise. Notwithstanding the above, the Company shall not be obligated to deliver any Shares during any period when the Company determines that the exercisability of the Option or the delivery of Shares hereunder would violate Applicable Law.

3. EXPIRATION OF OPTION

The Option shall expire and cease to be exercisable on the Expiration Date set forth in the Term Sheet.

4. RESTRICTIONS ON REALES OF OPTION SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by Participant or other subsequent transfers by Participant of any Shares issued as a result of the exercise of the Option, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and other optionholders, (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers or (d) restrictions under Applicable Law.

5. INCOME TAXES

Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of an Option exercise or disposition of Shares issued as a result of an Option exercise. The Company shall not be required to issue Shares or to recognize the disposition of such Shares until such obligations are satisfied.

6. TRANSFERABILITY OF OPTION

Except as required by Applicable Law, the Option shall not be assignable, alienable, saleable, or transferable by Participant except by will or by the laws of descent and distribution *provided*, however, that Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant with respect to the Option on the death of Participant. The Option shall be exercisable, during Participant's lifetime, only by Participant or, if permissible under Applicable Law, by Participant's guardian or legal representative. The Option may not be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

Notwithstanding the foregoing, if the Option does not qualify as an incentive stock option under Section 422 of the Code, then Participant may transfer some or all of his or her Non-qualified Stock Options to one or more "family members," which is not a "prohibited transfer for value," provided that (i) the Participant (or such Participant's estate or representative) shall remain obligated to satisfy all income or other tax withholding obligations associated with the exercise of such Non-qualified Stock Option; (ii) the Participant shall notify the Company in writing that such transfer has occurred and disclose to the Company the name and address of the "family member" or "family members" and their relationship to Participant, and (iii) such transfer shall be effected pursuant to transfer documents in a form approved by the Committee. For purposes of the foregoing, the terms "family members" and "prohibited transfer for value" have the meaning ascribed to them in the General Instructions to form S-8 (or any successor form) promulgated under the Securities Act of 1933, as amended.

7. CHANGE IN CONTROL

On a Change in Control, any then outstanding and unvested portion of the Option shall automatically vest in full effective as of immediately prior to the consummation of the Change in Control. If the vesting of the Option so accelerates, the Committee, in its sole discretion, may provide, in connection with the Change in Control transaction, for the purchase, exchange, or cancellation of the Option for an amount of cash or other property having a value equal to the difference (or "spread") between: (A) the value of the cash or other property that Participant would have received pursuant to the Change in Control transaction in exchange for the Shares issuable on exercise of the Option had the Option been exercised immediately prior to the Change in Control, and (B) the Exercise Price, less applicable withholding.

8. REPRESENTATIONS AND WARRANTIES

Participant acknowledges that the Company may issue the Shares upon the exercise of the Option without registering such Shares under the Securities Act, on the basis of certain exemptions from such registration requirement if the Company is not then publicly traded. Accordingly, Participant agrees that his or her exercise of the Option may be expressly conditioned upon his or her delivery to the Company of an investment certificate including such representations and undertakings as the Company may reasonably require in order to assure the availability of such exemptions, including a representation that Participant is acquiring the Shares for investment and not with a present intention of

selling or otherwise disposing thereof and an agreement by Participant that the certificates evidencing the Shares may bear a legend indicating such non-registration under the Securities Act and the resulting restrictions on transfer. Participant acknowledges that, because the Shares received upon exercise of an Option may be unregistered, Participant may be required to hold the Shares indefinitely unless they are subsequently registered for resale under the Securities Act or an exemption from such registration is available.

Participant acknowledges that Applicable Law may require the placement of certain restrictive legends upon the Shares issued upon exercise of the Option, and Participant hereby consents to the placing of any such legends upon certificates evidencing the Shares as the Company may deem necessary or advisable.

Participant acknowledges that he or she shall be solely responsible for the satisfaction of any taxes or interest or other consequence, that may arise pursuant to the Option (including taxes arising under Code Section 409A of the Code), and neither the Company nor the Committee nor anyone other than Participant, or his or her estate or beneficiaries, shall have any obligation whatsoever to pay such taxes or interest or to otherwise indemnify or hold Participant harmless from any or all of such taxes.

9. THE PLAN AND OTHER AGREEMENTS

In addition to the Award Agreement, the Option shall be subject to the terms of the Plan, which are incorporated into the Award Agreement by this reference. A copy of the Plan, and the accompanying prospectus, is available at the Company's intranet site.

The Award Agreement and the Plan constitute the entire understanding between Participant and the Company regarding the Option. Any prior agreements, commitments or negotiations concerning the Option are superseded.

10. LIMITATION OF INTEREST IN SHARES SUBJECT TO OPTION

Neither Participant (individually or as a member of a group) nor any beneficiary or other person claiming under or through Participant shall have any right, title, interest, or privilege in or to any Shares allocated or reserved for the purpose of the Plan or subject to the Award Agreement except as to such Shares, if any, as shall have been issued to such person upon exercise of the Option.

11. NO EMPLOYMENT RIGHT

Nothing in the Plan, in the Award Agreement or any other instrument executed pursuant to the Plan shall confer upon Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate Participant's Continuous Service at any time for any reason.

12. GENERAL

In the event that any provision of the Award Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of the Award Agreement shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

Section headings are inserted solely for convenience of reference, and shall not constitute a part of the Award Agreement, nor shall they affect its meaning, construction or effect.

Except as otherwise provided in the Award Agreement or in the Plan, every covenant, term, and provision of the Award Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

The Award Agreement may be modified or amended at any time, in accordance with the Plan and provided that Participant must consent in writing to any modification that would impair his or her rights under the Award Agreement *provided* that no such consent shall be required with respect to any modification if the Committee determines in its sole discretion that such modification either (i) is

required or advisable in order for the Company, the Plan or the Option to satisfy or conform to Applicable Law or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Option.

13. “MARKET STAND-OFF” CONDITIONS

Participant agrees that, if requested by the Company, Participant will not sell or otherwise transfer or dispose of any Shares held by Participant without the prior written consent of the Company during such period of time.

14. INTERPRETATION

This Option is granted pursuant to the terms of the Plan, and shall in all respects be interpreted in accordance therewith. The Committee shall have the power to interpret the Plan and the Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan and the Award Agreement as are consistent therewith and to interpret or revoke any such rules. Any action, decision, interpretation or determination by the Committee shall be final, binding and conclusive on the Company and Participant. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, the Award Agreement, or the Option.

15. NOTICES

Any notice, demand or request required or permitted to be given under the Award Agreement shall be in writing and shall be deemed given when delivered personally or three (3) days after being deposited in the United States mail, as certified or registered mail, with postage prepaid, and addressed, if to the Company, at its principal place of business, Attention: Legal Department, and if to Participant, at his or her most recent address as shown in the employment or stock records of the Company.

16. GOVERNING LAW

The validity, construction, interpretation, and effect of this Option shall be governed by and determined in accordance with the laws of the State of Delaware, regardless of the law that might be applied under principles of conflicts of laws.

17. COUNTERSIGNATURE

The Term Sheet may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one instrument, and is incorporated herein.

**SPECTRUM PHARMACEUTICALS, INC.
TERM SHEET FOR 2018 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK AWARD**

Spectrum Pharmaceuticals, Inc. hereby awards to the Participant named below (the "Award") the number of Shares of Restricted Stock that are covered by this Award as specified below on the terms and subject to the conditions set forth in this Term Sheet, the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the "Plan") and the Plan's Standard Terms and Conditions (the "Standard Terms and Conditions"), each as amended from time to time (the Term Sheet and the Standard Terms and Conditions, as in effect at the time of the execution of the Term Sheet, together constituting the "Award Agreement" between the Participant and the Company). This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Award Agreement. If the Award Agreement conflicts with the Plan, the Plan will control. Capitalized terms not explicitly defined herein are defined in the Plan.

Name of Participant:

Grant Date:

Number of Shares of Restricted Stock:

Purchase Price per Share (if applicable):

Vesting Commencement Date:

Same as Grant Date

Date: _____

Vesting Schedule:

By accepting this Term Sheet, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of the Award Agreement and the Plan.

Participant acknowledges that Participant has been advised to consult his or her personal tax advisor as to the specific tax consequences of this Award and whether an election under Section 83(b) the Internal Revenue Code of 1986, as amended, with respect to this Award would be in Participant's best interests in light of Participant's personal tax situation.

IN WITNESS WHEREOF, the Company has caused this Restricted Stock Award to be executed by its duly authorized officer.

SPECTRUM PHARMACEUTICALS, INC.

Name
Title

[Participant/Spouse Signature page follows on the reverse side of this Term Sheet]

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing Restricted Stock Award and agrees to the terms and conditions of the Award Agreement and the Plan. The undersigned hereby acknowledges receipt of the attached Standard Terms and Conditions and that a copy of the Plan is available on the Company's intranet.

PARTICIPANT

Signature

By his or her signature below, the spouse of the Participant, if Participant is legally married as of the date of his or her execution of this Term Sheet, acknowledges that he or she has read this Term Sheet, the Standard Terms and Conditions and the Plan and is familiar with the terms and provisions thereof, and agrees to be bound by all the terms and conditions of this Term Sheet, the Standard Terms and Conditions and the Plan.

Name of Spouse

Signature of Spouse

OR

By his or her signature below, Participant represents that he or she is not legally married as of the date of execution of this Term Sheet.

PARTICIPANT

Signature

SPECTRUM PHARMACEUTICALS, INC.
STANDARD TERMS AND CONDITIONS FOR
RESTRICTED STOCK AWARDS

These Standard Terms and Conditions apply to any Restricted Stock awarded under the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the "Plan"), which are identified as "Restricted Stock" and are evidenced by a Term Sheet or an action of the Committee that specifically refers to these Standard Terms and Conditions (the Term Sheet and the Standard Terms and Conditions, as in effect at the time of the execution of the Term Sheet, together constituting the "Award Agreement" between Participant and the Company). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

1. TERMS OF RESTRICTED STOCK AWARD

The Company has granted to the Participant named in the Term Sheet provided to Participant herewith the number of Shares of Restricted Stock set forth in the Term Sheet, at the purchase price per Share (if applicable) set forth in the Term Sheet, and upon the other terms and subject to the conditions set forth in the Award Agreement and the Plan.

2. VESTING OF RESTRICTED STOCK

No Shares will be released from the Forfeiture Restriction (as defined in Section 3) before Participant completes the requirements that are necessary for Participant to vest in the Shares of Restricted Stock as set forth in the Term Sheet. The Restricted Stock shall continue to vest, in accordance with the Vesting Schedule set forth in the Term Sheet, so long as Participant remains in Continuous Service with the Company. The Secretary of the Company, or such other escrow holder as the Committee may appoint, may retain physical custody of the certificates, if any, representing the Shares of Restricted Stock (and any dividends or other distributions paid on such Shares) until all of the restrictions imposed pursuant to this Award Agreement lapse or have been removed. As soon as practicable after the date on which the Shares of Restricted Stock vest, in whole or in part, the Company will release to Participant one unrestricted Share in exchange for each Share of Restricted Stock or, if the Shares are held in uncertificated form, then the Company shall remove the notations on any such Shares. Participant (or the beneficiary or personal representative of Participant in the event of Participant's death or incapacity, as the case may be) shall deliver to the Company any representations or other documents or assurances as the Company or its representatives deem necessary or advisable in connection with any such delivery. Notwithstanding the above, the Company shall not be obligated to deliver any Shares during any period when the Company determines that the delivery of Shares hereunder would violate Applicable Law.

3. RECONVEYANCE UPON TERMINATION OF SERVICE

In the event that Participant's Continuous Service terminates for any reason, any part of the Award that is unvested as of such termination date shall remain unvested (the "Unvested Shares") and shall be immediately forfeited without any further action by the Company or the Participant (the "Forfeiture Restriction"). Upon the occurrence of such forfeiture, the Company shall become the legal and beneficial owner of the Unvested Shares 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 number of Unvested Shares being forfeited by Participant. In the event any of the Unvested Shares are forfeited under this Section 3, all shares of stock, capital stock or other securities or property received by or distributed to the Participant with respect to the Unvested Shares being forfeited shall also be forfeited.

4. ESCROW

Participant, by acceptance of this Award, appoints the Company and each of its authorized representatives as Participant's attorney(s)-in-fact to effect any transfer of forfeited Unvested Shares (and any dividends or other distributions paid on such Shares) to the Company as may be required pursuant to the Plan or this Agreement, and to execute such representations or other documents or assurances as the Company or such representatives deem necessary or advisable in connection with any such transfer. The Company, or its designee, shall not be liable for any acts or omissions with respect to holding the Shares in escrow and while acting in good faith.

5. RIGHTS AS A STOCKHOLDER

Except as otherwise provided herein, upon issuance of the Shares of Restricted Stock by the Company, Participant shall have all the rights of a stockholder with respect to said Shares of Restricted Stock, subject to the restrictions herein, including the right to vote the Shares of Restricted Stock and to receive all dividends or other distributions paid or made with respect to the Shares of Restricted Stock; *provided, however*, that any and all cash dividends paid on such Shares of Restricted Stock and any and all Shares, capital stock or other securities or property received by or distributed to the Participant with respect to the Shares of Restricted Stock as a result of any stock dividend, stock split, reverse stock split, recapitalization, combination, merger, sale, reclassification, or similar change in the capital structure of the Company shall also be subject to forfeiture in accordance with Section 3 and the restrictions on transfer in Section 8 until such Shares of Restricted Stock are no longer Unvested Shares.

Certificates or equivalent electronic form evidencing Shares of Restricted Stock shall remain in the possession of the Company until such Shares of Restricted Stock have vested in accordance with the terms of the Term Sheet, and shall be released to the Participant in book-entry or equivalent electronic form upon vesting in accordance with Section 2 of these Standard Terms and Conditions.

6. RESTRICTIONS ON REALES OF AWARD SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by Participant or other subsequent transfers by Participant of any Shares of Restricted Stock or Shares released as a result of the vesting of Restricted Stock awarded pursuant to the Award Agreement, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by the Participant and other stockholders, (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers or (d) restrictions under Applicable Law.

7. INCOME TAXES

Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of the acquisition of the Shares of Restricted Stock. Participant shall consider the advisability of all tax elections in connection with the purchase of the Shares of Restricted Stock, including the making of an election under Section 83(b) of the Code. Participant acknowledges that it is Participant's sole responsibility and not the Company's to timely file the election under Section 83(b) of the Code, and the Company and its representatives shall have no obligation or authority to make this filing on Participant's behalf. In the event Participant determines to make a Section 83(b) election, Participant agrees to provide a copy of the election to the Company within 10 days of making such election.

Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the vesting of Restricted Stock or disposition of Shares released as a result of the vesting of Restricted Stock. The Company shall not be required to release Shares or to recognize the disposition of Shares until such obligations are satisfied.

8. TRANSFERABILITY OF RESTRICTED STOCK

Except as required by Applicable Law, Restricted Stock shall not be assignable, alienable, saleable, or transferable by Participant except by will or by the laws of descent and distribution *provided*, however, that Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant with respect to the Restricted Stock on the death of Participant. Restricted Stock may not be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

Notwithstanding the foregoing, Participant may transfer some or all of the Restricted Stock to one or more "family members," which is not a "prohibited transfer for value," provided that (i) the Participant (or such Participant's estate or representative) shall remain obligated to satisfy all income or other tax withholding obligations associated with the Restricted Stock; (ii) the Participant shall notify the

Company in writing that such transfer has occurred and disclose to the Company the name and address of the “family member” or “family members” and their relationship to Participant, and (iii) such transfer shall be effected pursuant to transfer documents in a form approved by the Committee. For purposes of the foregoing, the terms “family members” and “prohibited transfer for value” have the meaning ascribed to them in the General Instructions to form S-8 (or any successor form) promulgated under the Securities Act of 1933, as amended.

9. RESTRICTIVE LEGENDS AND STOP-TRANSFER ORDER

Share certificate(s) evidencing any Unvested Shares (if any) shall be endorsed with the following legend and any other legend (s) that may be required by Applicable Law:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE COMPANY AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF THE PLAN AND THE AWARD AGREEMENT GOVERNING SUCH SHARES, ALL OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY.

Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

The Company shall not be required (1) to transfer on its books any Shares of Restricted Stock that have been sold or otherwise transferred in violation of any of the provisions of the Plan or the Award Agreement, or (2) to treat as owner of such Shares of Restricted Stock or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

10. CHANGE IN CONTROL

On a Change in Control, any then outstanding and unvested Shares of Restricted Stock shall immediately vest in full and all Forfeiture Restrictions with respect to such vested Shares of Restricted Stock shall automatically terminate immediately prior to the consummation of the Change in Control.

11. REPRESENTATIONS AND WARRANTIES

Participant acknowledges that the Company may release the Shares upon the vesting of Restricted Stock without registering such Shares under the Securities Act, on the basis of certain exemptions from such registration requirement if the Company is not then publicly traded. Accordingly, Participant agrees that release of Shares upon vesting of Restricted Stock may be expressly conditioned upon Participant’s delivery to the Company of an investment certificate including such representations and undertakings as the Company may reasonably require in order to assure the availability of such exemptions, including a representation that Participant is acquiring the Shares for investment and not with a present intention of selling or otherwise disposing thereof and an agreement by Participant that the certificates evidencing the Shares may bear a legend indicating such non-registration under the Securities Act and the resulting restrictions on transfer. Participant acknowledges that, because the Shares received upon the vesting of Restricted Stock may be unregistered, Participant may be required to hold the Shares indefinitely unless they are subsequently registered for resale under the Securities Act or an exemption from such registration is available.

Participant acknowledges that Applicable Law may require the placement of certain restrictive legends upon the Shares released upon vesting of Restricted Stock, and Participant hereby consents to the placing of any such legends upon certificates evidencing the Shares as the Company may deem necessary or advisable.

Participant acknowledges that he or she shall be solely responsible for the satisfaction of any taxes or interest or other consequence that may arise pursuant to Restricted Stock (including taxes arising under Code Section 409A of the Code), and neither the Company nor the Committee nor anyone other than Participant, or his or her estate or beneficiaries, shall have any obligation whatsoever to pay such taxes or interest or to otherwise indemnify or hold Participant harmless from any or all of such taxes.

12. THE PLAN AND OTHER AGREEMENTS

In addition to the Award Agreement, the Award shall be subject to the terms of the Plan, which are incorporated into the Award Agreement by this reference. A copy of the Plan, and the accompanying prospectus is available at the Company's intranet site.

The Award Agreement and the Plan constitute the entire understanding between Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

13. NO EMPLOYMENT RIGHT

Nothing in the Plan, in the Award Agreement or any other instrument executed pursuant to the Plan shall confer upon Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate Participant's Continuous Service at any time for any reason.

14. GENERAL

In the event that any provision of the Award Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of the Award Agreement shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

Section headings are inserted solely for convenience of reference, and shall not constitute a part of the Award Agreement, nor shall they affect its meaning, construction or effect.

Except as otherwise provided in the Award Agreement or in the Plan, every covenant, term, and provision of the Award Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

The Award Agreement may be modified or amended at any time, in accordance with the Plan and provided that Participant must consent in writing to any modification that would impair his or her rights under the Award Agreement *provided* that no such consent shall be required with respect to any modification if the Committee determines in its sole discretion that such modification either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy or conform to Applicable Law or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

15. "MARKET STAND-OFF" CONDITIONS

Participant agrees that, if requested by the Company, Participant will not sell or otherwise transfer or dispose of any Shares held by Participant without the prior written consent of the Company during such period of time.

16. INTERPRETATION

This Award is granted pursuant to the terms of the Plan, and shall in all respects be interpreted in accordance therewith. The Committee shall have the power to interpret the Plan and the Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan and the Award Agreement as are consistent therewith and to interpret or revoke any such rules. Any action, decision, interpretation or determination by the Committee shall be final, binding and conclusive on the Company and Participant. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, the Award Agreement, or the Award.

17. NOTICES

Any notice, demand or request required or permitted to be given under the Award Agreement shall be in writing and shall be deemed given when delivered personally or three (3) days after being deposited in the United States mail, as certified or registered mail, with postage prepaid, and addressed, if to the Company, at its principal place of business, Attention: Legal Department, and if to Participant, at his or her most recent address as shown in the employment or stock records of the Company.

18. GOVERNING LAW

The validity, construction, interpretation, and effect of this Award shall be governed by and determined in accordance with the laws of the State of Delaware, regardless of the law that might be applied under principles of conflicts of laws.

19. COUNTERSIGNATURE

The Term Sheet may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one instrument, and is incorporated herein.

**SPECTRUM PHARMACEUTICALS, INC.
TERM SHEET FOR 2018 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD FOR CANADIAN RESIDENT EMPLOYEES AND DIRECTORS**

Spectrum Pharmaceuticals, Inc. hereby awards to the Participant named below (the "Award") Restricted Stock Units to purchase the number of Shares that are covered by this Award as specified below on the terms and subject to the conditions set forth in this Term Sheet, the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the "Plan") and the Plan's Standard Terms and Conditions (the "Standard Terms and Conditions"), each as amended from time to time (the Term Sheet and the Standard Terms and Conditions, as in effect at the time of the execution of the Term Sheet, together constituting the "Award Agreement" between the Participant and the Company). This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Award Agreement. If the Award Agreement conflicts with the Plan, the Plan will control. Capitalized terms not explicitly defined herein are defined in the Plan.

Name of Participant:

Grant Date:

Number of Restricted Stock Units:

Purchase Price per Share (if applicable):

Vesting Commencement Date:

Same as Grant Date

Date: _____

Vesting Schedule:

By accepting this Term Sheet, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of the Award Agreement and the Plan.

IN WITNESS WHEREOF, the Company has caused this Restricted Stock Unit Award to be executed by its duly authorized officer.

SPECTRUM PHARMACEUTICALS, INC.

Name
Title

[Participant/Spouse Signature page follows on the reverse side of this Term Sheet]

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing Restricted Stock Unit Award and agrees to the terms and conditions of the Award Agreement and the Plan. The undersigned hereby acknowledges receipt of the attached Standard Terms and Conditions and that a copy of the Plan is available on the Company's intranet.

PARTICIPANT

Signature

By his or her signature below, the spouse of the Participant, if Participant is legally married as of the date of his or her execution of this Term Sheet, acknowledges that he or she has read this Term Sheet, the Standard Terms and Conditions and the Plan and is familiar with the terms and provisions thereof, and agrees to be bound by all the terms and conditions of this Term Sheet, the Standard Terms and Conditions and the Plan.

Name of Spouse

Signature of Spouse

OR

By his or her signature below, Participant represents that he or she is not legally married as of the date of execution of this Term Sheet.

PARTICIPANT

Signature

**SPECTRUM PHARMACEUTICALS, INC.
STANDARD TERMS AND CONDITIONS FOR
RESTRICTED STOCK UNIT AWARDS**

These Standard Terms and Conditions apply to any Restricted Stock Units awarded under the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the "Plan"), which are identified as Restricted Stock Units and are evidenced by a Term Sheet or an action of the Committee that specifically refers to these Standard Terms and Conditions (the Term Sheet and the Standard Terms and Conditions, as in effect at the time of the execution of the Term Sheet, together constituting the "Award Agreement" between Participant and the Company). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

1. TERMS OF RESTRICTED STOCK UNIT AWARD

The Company has granted to the Participant named in the Term Sheet provided to Participant herewith the number of Restricted Stock Units set forth in the Term Sheet, at the purchase price per Share (if applicable) set forth in the Term Sheet, and upon the other terms and subject to the conditions set forth in the Award Agreement and the Plan.

2. VESTING OF RESTRICTED STOCK UNITS

No Shares will be issued to Participant before Participant completes the requirements that are necessary for Participant to vest in the Shares underlying the Restricted Stock Units. The Restricted Stock Units shall continue to vest, in accordance with the Vesting Schedule set forth in the Term Sheet, so long as Participant remains in Continuous Service with the Company. As soon as practicable after the date on which the Restricted Stock Units vest, in whole or in part, the Company will issue to Participant one Share for each vested Restricted Stock Unit. Notwithstanding the above, the Company shall not be obligated to deliver any Shares during any period when the Company determines that the delivery of Shares hereunder would violate Applicable Law.

3. RIGHTS AS A STOCKHOLDER

Participant shall have no rights of a stockholder with respect to Shares underlying the Award until such Shares actually are issued to Participant, if ever.

4. RESTRICTIONS ON REALES OF AWARD SHARES

The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by Participant or other subsequent transfers by Participant of any Shares issued as a result of the vesting of Restricted Stock Units, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by the Participant and other stockholders, (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers or (d) restrictions under Applicable Law, including the securities laws, regulations and rules, and the blanket rulings, policies and written interpretations of and multilateral or national instruments adopted by the securities regulators in each of the provinces and territories of Canada (the "Canadian Securities Laws").

5. INCOME TAXES

Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of the acquisition of the Shares underlying the Award. Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the delivery of Shares upon vesting of Restricted Stock Units or disposition of Shares issued as a result of the vesting of Restricted Stock Units. The Company shall not be required to issue Shares or to recognize the disposition of Shares until such obligations are satisfied.

6. TRANSFERABILITY OF RESTRICTED STOCK UNITS

Except as required by Applicable Law, Restricted Stock Units shall not be assignable, alienable, saleable, or transferable by Participant except by will or by the laws of descent and distribution *provided*, however, that Participant may, in the manner established by the Committee, designate a

beneficiary or beneficiaries to exercise the rights of Participant with respect to the Restricted Stock Units on the death of Participant. Restricted Stock Units may not be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

7. CHANGE IN CONTROL

On a Change in Control, any then outstanding and unvested Restricted Stock Units shall vest in full immediately prior to the consummation of the Change in Control.

8. REPRESENTATIONS AND WARRANTIES

Participant is resident in a province or territory of Canada and is an employee, executive officer, director or consultant of the Company or of a related entity of the Company (as such terms are defined under applicable Canadian Securities Laws).

Participation in the Plan by Participant (including the acceptance of securities by the Participant pursuant to this Award Agreement) is voluntary, and such participation has not been induced by expectation of engagement, appointment, employment or continued engagement, appointment or employment.

Participant acknowledges that, notwithstanding anything to the contrary in the Plan or this Award Agreement, the issuance to the Participant of any securities under the Plan or upon exercise of any Award is subject to the availability under Canadian Securities Laws of prospectus and registration exemptions that are acceptable to the Company in its discretion. Where required by applicable Canadian Securities Laws, Participant will execute, deliver, file and otherwise assist the Company in filing any reports, undertakings and other documents required under applicable Canadian Securities Laws in connection with the distribution of the securities referred to herein.

Participant acknowledges that the Company is not presently, and does not intend to become, a "reporting issuer" (as such term is defined under applicable Canadian Securities Laws) in any province or territory of Canada and, as a result, any resale of the Shares within or outside Canada must be made in accordance with applicable Canadian Securities Laws, which (in addition to all other applicable legal and/or contractual restrictions) may require resales to be made in accordance with Canadian prospectus requirements or exemptions from Canadian prospectus requirements.

In addition, Participant acknowledges that the Company may issue the Shares upon the vesting of the Restricted Stock Units without registering such Shares under the Securities Act, on the basis of certain exemptions from such registration requirement if the Company is not then publicly traded. Accordingly, Participant agrees that delivery of Shares upon vesting of the Restricted Stock Units may be expressly conditioned upon Participant's delivery to the Company of an investment certificate including such representations and undertakings as the Company may reasonably require in order to assure the availability of such exemptions, including a representation that Participant is acquiring the Shares for investment and not with a present intention of selling or otherwise disposing thereof and an agreement by Participant that the certificates evidencing the Shares may bear a legend indicating such non-registration under the Securities Act and the resulting restrictions on transfer. Participant acknowledges that, because the Shares received upon the vesting of the Restricted Stock Units may be unregistered, Participant may be required to hold the Shares indefinitely unless they are subsequently registered for resale under the Securities Act or an exemption from such registration is available.

Participant acknowledges that Applicable Law may require the placement of certain restrictive legends upon the Shares issued upon vesting of the Restricted Stock Units, and Participant hereby consents to the placing of any such legends upon certificates evidencing the Shares as the Company may deem necessary or advisable.

Participant acknowledges that he or she shall be solely responsible for the satisfaction of any taxes or interest or other consequence, that may arise pursuant to the Restricted Stock Units, and neither the Company nor the Committee nor anyone other than Participant, or his or her estate or beneficiaries, shall have any obligation whatsoever to pay such taxes or interest or to otherwise indemnify or hold Participant harmless from any or all of such taxes.

9. THE PLAN AND OTHER AGREEMENTS

In addition to the Award Agreement, the Award shall be subject to the terms of the Plan, which are incorporated into the Award Agreement by this reference. A copy of the Plan, and the accompanying prospectus, is available at the Company's intranet site.

The Award Agreement and the Plan constitute the entire understanding between Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

10. NO EMPLOYMENT RIGHT

Nothing in the Plan, in the Award Agreement or any other instrument executed pursuant to the Plan shall confer upon Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate Participant's Continuous Service at any time for any reason.

11. GENERAL

In the event that any provision of the Award Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder of the Award Agreement shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision.

Section headings are inserted solely for convenience of reference, and shall not constitute a part of the Award Agreement, nor shall they affect its meaning, construction or effect.

Except as otherwise provided in the Award Agreement or in the Plan, every covenant, term, and provision of the Award Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

The Award Agreement may be modified or amended at any time, in accordance with the Plan and provided that Participant must consent in writing to any modification that would impair his or her rights under the Award Agreement *provided* that no such consent shall be required with respect to any modification if the Committee determines in its sole discretion that such modification either (i) is required or advisable in order for the Company, the Plan or the Award to satisfy or conform to Applicable Law or to meet the requirements of any accounting standard, or (ii) is not reasonably likely to significantly diminish the benefits provided under such Award.

12. "MARKET STAND-OFF" CONDITIONS

Participant agrees that, if requested by the Company, Participant will not sell or otherwise transfer or dispose of any Shares held by Participant without the prior written consent of the Company during such period of time.

13. INTERPRETATION

This Award is granted pursuant to the terms of the Plan, and shall in all respects be interpreted in accordance therewith. The Committee shall have the power to interpret the Plan and the Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan and the Award Agreement as are consistent therewith and to interpret or revoke any such rules. Any action, decision, interpretation or determination by the Committee shall be final, binding and conclusive on the Company and Participant. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, the Award Agreement, or the Award.

14. NOTICES

Any notice, demand or request required or permitted to be given under the Award Agreement shall be in writing and shall be deemed given when delivered personally or three (3) days after being deposited in the United States mail, as certified or registered mail, with postage prepaid, and addressed, if to the Company, at its principal place of business, Attention: Legal Department, and if to Participant, at his or her most recent address as shown in the employment or stock records of the Company.

15. GOVERNING LAW

The validity, construction, interpretation, and effect of this Award shall be governed by and determined in accordance with the laws of the State of Delaware, regardless of the law that might be applied under principles of conflicts of laws.

16. ENGLISH LANGUAGE

The parties hereby confirm that Participant has expressly requested that the Plan, the Award Agreement and all documents, agreements or notices directly or indirectly evidencing or relating in any way to the distribution of the securities referred to herein be drawn up in the English language only. *Les parties reconnaissent que le Participant a expressément exigé que le régime, le présent contrat d'octroi ainsi que tous les documents, conventions ou avis faisant foi ou se rapportant de quelque manière que ce soit, directement ou indirectement, à la distribution des valeurs mobilières mentionnées aux présentes soient rédigés en langue anglaise seulement.*

17. COUNTERSIGNATURE

The Term Sheet may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one instrument, and is incorporated herein.

**SPECTRUM PHARMACEUTICALS, INC.
TERM SHEET FOR 2018 LONG-TERM INCENTIVE PLAN
PERFORMANCE UNIT AWARD**

Spectrum Pharmaceuticals, Inc. hereby awards to the Participant named below a performance-based restricted stock unit award (the "Performance Units") to purchase the number of Shares that are covered by this Award as specified below on the terms and subject to the conditions set forth in this Term Sheet, the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the "Plan") and the Plan's Standard Terms and Conditions (the "Standard Terms and Conditions"), each as amended from time to time (the Term Sheet and the Standard Terms and Conditions, as in effect at the time of the execution of the Term Sheet, together constituting the "Award Agreement" between the Participant and the Company). This Award is granted pursuant to the Plan and is subject to and qualified in its entirety by the Award Agreement. If the Award Agreement conflicts with the Plan, the Plan will control. Capitalized terms not explicitly defined herein are defined in the Plan.

Name of Participant:

Grant Date:

Target Number of Performance Units:

Maximum Number of Performance Units Subject to Grant:

Performance Period:

Performance Goals:

Except as otherwise set forth in the Standard Terms and Conditions, the Participant is eligible to receive Shares based upon the Company's attainment, during the Performance Period, of the Performance Goals set forth in Section 2.2 of the Standard Terms and Conditions.

Termination:

Except as otherwise set forth in the Standard Terms and Conditions, the Participant shall forfeit all Performance Units upon the Participant's termination of service prior to the Valuation Date.

By accepting this Term Sheet, Participant acknowledges that he or she has received and read, and agrees that this Award shall be subject to, the terms of the Award Agreement and the Plan.

IN WITNESS WHEREOF, the Company has caused this Performance Unit Award to be executed by its duly authorized officer.

SPECTRUM PHARMACEUTICALS, INC.

Name
Title

[Participant/Spouse Signature page follows on the reverse side of this Term Sheet]

PARTICIPANT'S ACCEPTANCE

The undersigned hereby accepts the foregoing Performance Unit Award and agrees to the terms and conditions of the Award Agreement and the Plan. The undersigned hereby acknowledges receipt of the attached Standard Terms and Conditions and that a copy of the Plan is available on the Company's intranet.

PARTICIPANT

Signature

By his or her signature below, the spouse of the Participant, if Participant is legally married as of the date of his or her execution of this Term Sheet, acknowledges that he or she has read this Term Sheet, the Standard Terms and Conditions and the Plan and is familiar with the terms and provisions thereof, and agrees to be bound by all the terms and conditions of this Term Sheet, the Standard Terms and Conditions and the Plan.

Name of Spouse

Signature of Spouse

OR

By his or her signature below, Participant represents that he or she is not legally married as of the date of execution of this Term Sheet.

PARTICIPANT

Signature

**SPECTRUM PHARMACEUTICALS, INC.
STANDARD TERMS AND CONDITIONS FOR
PERFORMANCE UNIT AWARDS**

These Standard Terms and Conditions apply to any Performance Units awarded under the Spectrum Pharmaceuticals, Inc. 2018 Long-Term Incentive Plan (the “Plan”), which are identified as Performance Units and are evidenced by a Term Sheet or an action of the Committee that specifically refers to these Standard Terms and Conditions (the Term Sheet and the Standard Terms and Conditions, as in effect at the time of the execution of the Term Sheet, together constituting the “Award Agreement” between Participant and the Company). Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

**ARTICLE 1.
GENERAL**

1.1 **Defined Terms.** Wherever the following terms are used in this Agreement they shall have the meanings specified below, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

(a) “**Commencement Date**” shall mean [•].

(b) “**End Date**” shall mean [•].

(c) “**Maximum TSR**” shall mean, with respect to the Performance Period, Total Shareholder Return of the Company equal to or in excess of the [•]th percentile (as determined in accordance with standard statistical methodology) of the range of total shareholder returns during the Performance Period of the constituent companies included in the Peer Group, calculated in a manner consistent with TSR calculation methodology under this Agreement.

(d) “**Minimum TSR**” shall mean, with respect to the Performance Period, Total Shareholder Return of the Company equal to the [•]th percentile (as determined in accordance with standard statistical methodology) of the range of total shareholder returns during the Performance Period of the constituent companies included in the Peer Group, calculated in a manner consistent with TSR calculation methodology under this Agreement.

(e) “**Peer Group**” shall mean the Company’s peer group set forth on Exhibit A; *provided, however*, that if a constituent company in the Peer Group ceases to be actively traded, due, for example, to merger or bankruptcy or the Administrator otherwise reasonably determines that it is no longer suitable for the purposes of this Agreement, then the Administrator in its reasonable discretion may (i) remove such constituent company from the Peer Group, and (ii) select a comparable company to be added to the Peer Group for purposes of making the total shareholder return comparison required by Section 2.2 hereof meaningful and consistent across the relevant measurement period.

(f) “**Performance Goals**” shall mean the total shareholder return goals described in Section 2.2(b) hereof (including the Minimum TSR, Target TSR and Maximum TSR), which shall be measured with respect to the Performance Period.

(g) “**Performance Period**” shall mean the period beginning on the Commencement Date and ending on the Valuation Date.

(h) “**Share Value**” shall mean, as of a particular date, the average of the closing trading prices of a Share on the principal exchange on which Shares are then traded for each trading day during the twenty (20) consecutive trading days preceding the applicable date; *provided, however*, that in the event that a Change in Control occurs prior to the End Date, Share Value shall mean the price per Share paid by the acquiror in the Change in Control transaction.

(i) “**Target TSR**” shall mean, with respect to the Performance Period, Total Shareholder Return of the Company equal to the [•]th percentile (as determined in accordance with standard statistical methodology) of the range of total shareholder returns during the Performance Period of the constituent companies included in the Peer Group, calculated in a manner consistent with TSR calculation methodology under this Agreement.

(j) “**Total Shareholder Return**” or “**TSR**” shall mean the Company’s compound annual total shareholder return for the Performance Period, calculated based on the Share Value as of the Commencement Date as the beginning stock price and the Share Value as of the Valuation Date as the ending stock price, plus dividends during the applicable period (for the avoidance of doubt, included dividends will be based on the record date of all dividends paid on Common Stock). Additionally, appropriate adjustments to the Total Shareholder Return shall be made to take into account all stock dividends, stock splits, reverse stock splits and the other events set forth in Section 4(b) of the Plan hereof that occur prior to the Valuation Date.

(k) “**Valuation Date**” shall mean the earlier to occur of (i) the End Date or (ii) the date on which a Change in Control occurs.

1.2 The Plan and Other Agreements. In addition to the Award Agreement, the Award shall be subject to the terms of the Plan, which are incorporated into the Award Agreement by this reference. A copy of the Plan, and the accompanying prospectus, is available at the Company’s intranet site. The Award Agreement and the Plan constitute the entire understanding between Participant and the Company regarding the Award. Any prior agreements, commitments or negotiations concerning the Award are superseded.

ARTICLE 2.

PERFORMANCE UNITS

2.1 Grant of Performance Units. The Company has granted to the Participant in the Term Sheet provided to Participant an award of Performance Units as set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Award Agreement.

2.2 Vesting of Performance Units.

(a) The vesting of the Participant’s Performance Units and the issuance of Shares with respect thereto is contingent on the attainment of the Performance Goals. No Shares will be issued to Participant before Participant completes the requirements that are necessary for Participant to vest in the Shares underlying the Performance Units. Accordingly, the Participant shall not become entitled to Shares underlying the Performance Units subject to this Agreement unless and until the Administrator determines whether and to what extent the Performance Goals have been attained and the Performance Units have vested. As soon as administratively practicable after the date on which the Administrator determines the Performance Units have vested, and subject to the provisions of the Plan and this Agreement, the Company will issue to Participant one Share for each Performance Unit that vests in accordance with the Performance Goals attained (as determined by the Administrator in its sole discretion) as set forth in Sections 2.2(b) and 2.3 hereof. Notwithstanding the above, the Company shall not be obligated to deliver any Shares during any period when the Company determines that the delivery of Shares hereunder would violate Applicable Law.

(b) Subject to the Participant's Continuous Service and further subject to Sections 2.3 – 2.4 hereof, the number of Performance Units that vest shall be determined as of the Valuation Date, based on the Company's Total Shareholder Return, as follows:

(i) If, as of the Valuation Date, the Company's TSR with respect to the Performance Period is less than the Minimum TSR, then no Performance Units shall vest and the Performance Units shall thereupon be forfeited.

(ii) If, as of the Valuation Date, the Company's TSR with respect to the Performance Period is equal to the Minimum TSR, then 25% of the Target Number of Performance Units set forth on the Grant Notice shall vest.

(iii) If, as of the Valuation Date, the Company's TSR with respect to the Performance Period is equal to the Target TSR, then 100% of the Target Number of Performance Units set forth on the Grant Notice shall vest.

(iv) If, as of the Valuation Date, the Company's TSR with respect to the Performance Period is equal to or greater than the Maximum TSR, then 200% of the Target Number of Performance Units set forth on the Grant Notice shall vest.

(v) If the Company's Total Shareholder Return is between the Minimum TSR and the Target TSR or between the Target TSR and the Maximum TSR, then the number of Performance Units that shall vest in accordance with this Section 2.2(b) shall be determined by means of linear interpolation.

2.3 Performance Unit Award Change in Control. Notwithstanding any contrary provision of this Agreement, in the event that a Change in Control occurs at any time prior to the End Date and the Participant remains continuously employed as of immediately prior to such Change in Control, the number of Performance Units that vest and become payable hereunder shall be determined, pursuant to Section 2.2 hereof, based on the Company's achievement of the Performance Goals as of the date on which the Change in Control occurs.

2.4 Forfeiture.

(a) *Termination of Service*. Upon the termination of Participant's Continuous Service during the Performance Period for any reason, all of the Performance Units shall thereupon automatically be forfeited by the Participant as of the date of termination and the Participant's rights in any such Performance Units and such portion of the Award, shall thereupon lapse and expire.

(b) *Failure to Achieve Performance Goals*. Any outstanding Performance Units that do not vest in accordance with this Agreement due to the failure by the Company to achieve the Performance Goals shall automatically be forfeited by the Participant as of the Valuation Date, and the Participant's rights in any such Performance Units and such portion of the Award shall thereupon lapse and expire.

2.5 Rights as Stockholder. Participant shall have no rights of a stockholder with respect to Shares underlying the Award until such Shares actually are issued to Participant, if ever.

ARTICLE 3. OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. Without limiting the generality of the foregoing, all determinations, interpretations and assumptions relating to the calculation and payment of the Performance Units (including, without limitation, determinations, interpretations and assumptions with respect to TSR and shareholder returns) shall be made by the Administrator. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the Performance Units.

3.2 Transferability of Performance Units. Except as required by Applicable Law, Performance Units shall not be assignable, alienable, saleable, or transferable by Participant except by will or by the laws of descent and distribution *provided*, however, that Participant may, in the manner established by the Committee, designate a beneficiary or beneficiaries to exercise the rights of Participant (if any) with respect to the Performance Units on the death of Participant. Performance Units may not be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

3.3 Restrictions on Resales of Award Shares. The Company may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by Participant or other subsequent transfers by Participant of any Shares issued as a result of the vesting of Performance Units, including without limitation (a) restrictions under an insider trading policy, (b) restrictions designed to delay and/or coordinate the timing and manner of sales by the Participant and other stockholders, (c) restrictions as to the use of a specified brokerage firm for such resales or other transfers or (d) restrictions under Applicable Law.

3.4 Income Taxes. Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of the acquisition of the Shares underlying the Award. Participant shall make arrangements satisfactory to the Company for the satisfaction of any withholding tax obligations that arise by reason of the delivery of Shares upon vesting of Performance Units or disposition of Shares issued as a result of the vesting of Performance Units. The Company shall not be required to issue Shares or to recognize the disposition of Shares until such obligations are satisfied.

3.5 Representations and Warranties. Participant acknowledges that the Company may issue the Shares upon the vesting of the Performance Units without registering such Shares under the Securities Act, on the basis of certain exemptions from such registration requirement if the Company is not then publicly traded. Accordingly, Participant agrees that delivery of Shares upon vesting of the Performance Units may be expressly conditioned upon Participant's delivery to the Company of an investment certificate including such representations and undertakings as the Company may reasonably require in order to assure the availability of such exemptions, including a representation that Participant is acquiring the Shares for investment and not with a present intention of selling or otherwise disposing thereof and an agreement by Participant that the certificates evidencing the Shares may bear a legend indicating such non-registration under the Securities Act and the resulting restrictions on transfer. Participant acknowledges that, because the Shares received upon the vesting of the Performance Units may be unregistered, Participant may be required to hold the Shares indefinitely unless they are subsequently registered for resale under the Securities Act or an exemption from such registration is available. Participant acknowledges that Applicable Law may require the placement of certain restrictive legends upon the Shares issued upon vesting of the Performance Units, and Participant hereby consents to the placing of any such legends upon certificates evidencing the Shares as the Company may deem necessary or advisable. Participant acknowledges that he or she shall be solely responsible for the satisfaction of any taxes or interest or other consequence, that may arise pursuant to the Performance Units, and neither the Company nor the Committee nor anyone other than Participant, or his or her estate or beneficiaries, shall have any obligation whatsoever to pay such taxes or interest or to otherwise indemnify or hold Participant harmless from any or all of such taxes. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), then the Plan, the Award and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.6 Not a Contract of Service Relationship. Nothing in the Plan, in the Award Agreement or any other instrument executed pursuant to the Plan shall confer upon Participant any right to continue in the Company's employ or service nor limit in any way the Company's right to terminate Participant's Continuous Service at any time for any reason.

3.7 General. In the event that any provision of the Award Agreement is declared to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction, such provision shall be reformed, if possible, to the extent necessary to render it legal, valid and enforceable, or otherwise deleted, and the remainder

of the Award Agreement shall not be affected except to the extent necessary to reform or delete such illegal, invalid or unenforceable provision. Section headings are inserted solely for convenience of reference, and shall not constitute a part of the Award Agreement, nor shall they affect its meaning, construction or effect. Except as otherwise provided in the Award Agreement or in the Plan, every covenant, term, and provision of the Award Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors, transferees, and assigns. The Award Agreement may be modified or amended at any time, in accordance with the Plan and provided that Participant must consent in writing to any modification that would impair his or her rights under the Award Agreement provided that no such consent shall be required with respect to any modification if the Committee determines in its sole discretion that such modification either (a) is required or advisable in order for the Company, the Plan or the Award to satisfy or conform to Applicable Law or to meet the requirements of any accounting standard, or (b) is not reasonably likely to significantly diminish the benefits provided under such Award.

3.8 “Market Stand-Off” Conditions. Participant agrees that, if requested by the Company, Participant will not sell or otherwise transfer or dispose of any Shares held by Participant without the prior written consent of the Company during such period of time.

3.9 Interpretation. This Award is granted pursuant to the terms of the Plan, and shall in all respects be interpreted in accordance therewith. The Committee shall have the power to interpret the Plan and the Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan and the Award Agreement as are consistent therewith and to interpret or revoke any such rules. Any action, decision, interpretation or determination by the Committee shall be final, binding and conclusive on the Company and Participant. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, the Award Agreement, or the Award.

3.10 Notices. Any notice, demand or request required or permitted to be given under the Award Agreement shall be in writing and shall be deemed given when delivered personally or three (3) days after being deposited in the United States mail, as certified or registered mail, with postage prepaid, and addressed, if to the Company, at its principal place of business, Attention: Legal Department, and if to Participant, at his or her most recent address as shown in the employment or stock records of the Company.

3.11 Governing Law. The validity, construction, interpretation, and effect of this Award shall be governed by and determined in accordance with the laws of the State of Delaware, regardless of the law that might be applied under principles of conflicts of laws.

3.12 Countersignature. The Term Sheet may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall be deemed one instrument, and is incorporated herein.

**EXHIBIT A
TO PERFORMANCE UNIT AWARD GRANT NOTICE**

PEER GROUP

AMAG Pharmaceuticals, Inc.
Albany Molecular Research Inc.
Genomic Health Inc.
Luminex Corporation
Amphastar Pharmaceuticals, Inc.
Mimedx Group, Inc.
Pernix Therapeutics Holdings, Inc.
SciClone Pharmaceuticals Inc.
Supernus Pharmaceuticals, Inc.
Halozyme Therapeutics, Inc.
Ariad Pharmaceuticals, Inc.

Sucampo Pharmaceuticals, Inc.
Enanta Pharmaceuticals, Inc.
Fluidigm Corp.
Harvard Bioscience, Inc.
Vanda Pharmaceuticals Inc.
Infinity Pharmaceuticals, Inc.
VIVUS, Inc.
Merrimack Pharmaceuticals Inc.
NewLink Genetics Corporation
Eagle Pharmaceuticals, Inc.