

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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 17, 2020



OPTINOSE, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation or Organization)

001-38241
(Commission File No.)

42-1771610
(I.R.S. Employer Identification No.)

1020 Stony Hill Road, Suite 300
Yardley, Pennsylvania 19067
(Address of principal executive offices and zip code)

(267) 364-3500
(Registrant's telephone number, including area code)
(Former name or former address, if changed from last report)

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

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

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

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common stock, par value \$0.001 per share | OPTN | Nasdaq Global Select Market |

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.

On February 17, 2020, OptiNose, Inc. (the "Company") appointed Victor M. Clavelli as the Company's Chief Commercial Officer. A copy of the press release announcing the appointment of Mr. Clavelli is attached hereto as Exhibit 99.1.

Prior to joining the Company, Mr. Clavelli held leadership roles including marketing, sales, and regulatory affairs in the course of his 20-year career at Pfizer, Inc. - most recently as the North American President for Inflammation and Immunology with responsibility for a portfolio spanning topical, small molecule oral, and biologic agents. Immediately prior to that he was the Vice President of Sales and Marketing for the Inflammation Franchise. Mr. Clavelli, age 47, earned a Bachelor of Science in Physics and Math from Fairfield University and an MBA from the Stern School of Business at New York University and started his career in the medical device industry with responsibilities for regulatory and clinical affairs across a range of therapeutic areas.

Employment Agreement

In connection with his hiring as the Company's Chief Commercial Officer, Mr. Clavelli entered into an employment agreement (the "Employment Agreement") detailing the terms of his employment that will continue until either the Company or Mr. Clavelli terminate his employment with the Company. The Employment Agreement provides that Mr. Clavelli will:

- receive a base salary of \$435,000 per year and is eligible to receive a discretionary annual performance-based cash bonus, with a target bonus amount equal to 45% of his base salary. Mr. Clavelli's salary and target bonus will be reviewed periodically by the Company's Compensation Committee or Board of Directors.
- receive (i) a non-qualified stock option grant to purchase up to 90,000 shares of the Company's common stock at a per share purchase price equal to the closing price of a share of the Company's common stock on the NASDAQ Global Select Market on February 18, 2020 (the date of grant) and (ii) 60,000 restricted stock units ("RSUs") on or before March 31, 2020. The non-qualified stock option and the RSUs are being granted to Mr. Clavelli as an inducement material to him accepting employment with the Company and are being granted outside of the OptiNose, Inc. 2010 Stock Incentive Plan, as amended and restated (the "2010 Plan"), in accordance with Nasdaq Listing Rule 5635(c)(4). The non-qualified stock option will vest over four years, with one-fourth of the shares underlying the stock option vesting on the first anniversary of the grant date and the remainder of the shares vesting in thirty-six equal monthly installments thereafter. The RSU will vest over four years, with one-fourth of the RSUs vesting on the first anniversary of the grant date and the remainder of the RSUs vesting in twelve equal quarterly installments thereafter. The vesting of shares underlying the non-qualified stock option and the RSUs is subject to Mr. Clavelli's continuous service with the Company through each such vesting date and is subject to potential vesting acceleration under certain circumstances pursuant to the terms of his Employment Agreement with the Company.
- be eligible to receive annual equity awards based on Company and his performance, to participate in the Company's other short-term and long-term incentive programs, and be eligible to participate in all of the Company's retirement and group welfare plans available to the Company's senior level executives as a group or the Company employees generally, subject to the terms and conditions applicable to such plans.
- be entitled to receive the following severance benefits if Mr. Clavelli's employment is terminated by the Company without "cause" or by Mr. Clavelli for "good reason" (each as defined in the Employment Agreement), subject to his execution and non-revocation of a release of claims and compliance with the restrictive covenants set forth in the Employment Agreement: (i) nine months of base salary continuation and, (ii) up to nine months of continued participation by Mr. Clavelli and his eligible dependents in the Company's standard group medical, vision and dental plans on substantially the same terms as such benefits are provided to active senior level executives; provided that if such termination of employment occurs within twelve months after a "change in control," (as defined in the 2010 Plan), then Mr. Clavelli shall be entitled to receive: (i) an amount equal to 100% of his annual base salary at the rate in effect on his date of termination, payable in a single lump sum cash payment, (ii) up to twelve months of continued participation by Mr. Clavelli and his eligible dependents in the Company's standard group medical, vision and dental plans on substantially the same terms as such benefits are provided to active senior level

executives, and (iii) all of Mr. Clavelli's then-outstanding equity awards granted to him by the Company will become immediately vested.

- be subject to restrictive covenants relating to non-disclosure of confidential information, mutual non-disparagement, assignment of inventions, non-competition that runs for nine months following Mr. Clavelli's termination of employment for any reason, and non solicitation of employees, customers and suppliers that run for the same period following Mr. Clavelli's termination of employment for any reason.

Relocation Agreement

Mr. Clavelli and the Company also entered into a relocation letter agreement (the "Relocation Agreement") pursuant to which the Company will reimburse Mr. Clavelli for certain expenses related to temporary housing and relocation to the Yardley, PA area, and provide a tax gross-up with respect to such reimbursement. Pursuant to the terms of the Relocation Agreement, Mr. Clavelli will be required to repay specified portions of these reimbursements and tax gross-up if he voluntarily leaves the Company or is terminated for "cause" (as defined in the Employment Agreement) within a specified time periods.

Director and Officer Indemnification Arrangements

Mr. Clavelli and the Company also entered into an indemnification agreement (the "Indemnification Agreement"), which is addition to the indemnification, expense advancement and limitations of liability provided for in the Company's Certificate of Incorporation and Company Bylaws. The Indemnification Agreement provides Mr. Clavelli with contractual rights to indemnification and, in some cases, expense advancement in any action or proceeding arising out of his services as one of the Company's executive officers or as a director or executive officer of any other company or enterprise to which he may provides services at the Company's request. For additional information regarding the Indemnification Agreement, please see the Form of Indemnification Agreement filed as Exhibit 10.1 with the Form 10-K filed by the Company with the SEC on March 6, 2019 (the "10-K Filing Date").

The foregoing is a summary description of certain terms of the Employment Agreement, Relocation Agreement, Non-Qualified Stock Option Agreement, and Indemnification Agreement and, by its nature, is not complete. It is qualified in its entirety by reference to the Employment Agreement, Relocation Agreement and Non-Qualified Stock Option Agreement, copies of which are attached hereto as Exhibit 99.2, Exhibit 99.3 and Exhibit 99.4, respectively, and are incorporated herein by reference, and by reference to the Indemnification Agreement as filed on the .10-K Filing Date noted above, and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Press release, dated February 19, 2020, issued by OptiNose, Inc. |
| 99.2 | Employment Agreement, dated February 17, 2020, between OptiNose US, Inc. and Victor M. Clavelli. |
| 99.3 | Form of Non-Qualified Stock Option Agreement |
| 99.4 | Relocation Agreement, dated February 17, 2020, between OptiNose US, Inc. and Victor M. Clavelli. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

OptiNose, Inc.

By: /s/ Keith A. Goldan

Keith A. Goldan

Chief Financial Officer

Date: February 18, 2020



Optinose Appoints Victor Clavelli as Chief Commercial Officer

YARDLEY, Pa., Feb. 19, 2020 Optinose (NASDAQ:OPTN), a pharmaceutical company focused on patients treated by ear, nose and throat (ENT) and allergy specialists, today announced the appointment of Victor M. Clavelli as Chief Commercial Officer.

Mr. Clavelli joins Optinose from Pfizer, where in the course of an accomplished 20-year career he held leadership roles including marketing, sales, and regulatory affairs. Most recently, he served as the North American President for Inflammation and Immunology with responsibility for a portfolio spanning topical, small molecule oral, and biologic agents.

“Our entire team is excited to welcome Vic into our organization,” stated Ramy Mahmoud, M.D., M.P.H., President and Chief Operating Officer of Optinose. “We have all been impressed by not only his breadth of hands-on and leadership commercial experiences, but more specifically by his proven ability to plan and deliver brand growth. Vic’s hiring is an important step as we focus on accelerating the uptake of XHANCE for treatment of appropriate patients and on establishing Optinose as a leader in innovations that help patients treated by ENT and allergy physicians.”

“I am thrilled to join Optinose and to work with this talented team on XHANCE and future products for patients treated by ENT and allergy specialists,” said Vic Clavelli. “I look forward to advancing treatment options for healthcare professionals, payers, and most importantly for the approximately 30 million patients in the US suffering from chronic nasal inflammatory diseases.

In addition, I expect to start preparing soon for a potential successful conclusion of the Phase 3 clinical program that aims to submit an sNDA for XHANCE to become the first FDA approved drug product for the treatment of chronic sinusitis.”

Mr. Clavelli earned a Bachelor of Science in Physics from Fairfield University and an MBA from the Stern School of Business at New York University and started his career in the medical device industry with responsibilities for regulatory and clinical affairs across a range of therapeutic areas.

Inducement Grant under Nasdaq Listing Rule 5635(c)(4)

In connection with his appointment, the Compensation Committee of the OptiNose, Inc. Board of Directors granted Mr. Clavelli a non-qualified stock option to purchase up to 90,000 shares of the Company’s common stock at a per share purchase price equal to \$7.41 (which was the closing price of a share of the Company’s common stock on the NASDAQ Global Select Market on the date of grant, February 18, 2020) and will be granting Mr. Clavelli 60,000 restricted stock units (RSUs) on or before March 31, 2020. The non-qualified stock option and the RSUs are being granted to Mr. Clavelli as an inducement material to him accepting employment with the Company and are being granted outside of the OptiNose, Inc. 2010 Stock Incentive Plan, as amended and restated, in accordance with Nasdaq Listing Rule 5635(c)(4). The non-qualified stock option will vest over four years, with one-fourth of the shares underlying the stock option vesting on the first anniversary of the grant date and the remainder of the shares vesting in 36 equal monthly installments thereafter. The RSU will vest over four years, with one-fourth of the RSUs vesting on the first anniversary of the grant date and the remainder of the RSUs vesting in twelve equal quarterly installments thereafter. The vesting of shares underlying the non-

qualified stock option and the RSUs is subject to Mr. Clavelli's continuous service with the Company through each such vesting date and is subject to potential vesting acceleration under certain circumstances pursuant to the terms of his employment agreement with the Company.

Cautionary Note on Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements that are not historical facts are hereby identified as forward-looking statements for this purpose and include, among others, statements relating to the potential for XHANCE to be the first FDA approved drug product for chronic sinusitis and other statements regarding the Company's future operations, prospects, objectives and other future events. Forward-looking statements are based upon management's current expectations and assumptions and are subject to a number of risks, uncertainties and other factors that could cause actual results and events to differ materially and adversely from those indicated by such forward-looking statements including, among others: uncertainties and delays relating to the initiation, enrollment, completion and results of clinical trials; potential for varying interpretation of clinical trial results; risks and uncertainties relating to FDA approval; and the risks, uncertainties and other factors discussed under the caption "Item 1A. Risk Factors" and elsewhere in our most recent Form 10-K and Form 10-Q filings with the Securities and Exchange Commission - which are available at www.sec.gov. As a result, you are cautioned not to place undue reliance on any forward-looking statements. Any forward-looking statements made in this press release speak only as of the date of this press release, and we undertake no obligation to update such forward-looking statements, whether as a result of new information, future developments or otherwise.

About Optinose

Optinose is a global specialty pharmaceutical company focused on serving the needs of patients cared for by ear, nose and throat (ENT) and allergy specialists. Optinose has offices in the U.S., the U.K. and Norway. To learn more, please visit www.optinose.com or follow us on [Twitter](#) and [LinkedIn](#).

Optinose Investor Contact

Jonathan Neely
jonathan.neely@optinose.com
267.521.0531

###

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the “Agreement”) is entered into on February 17, 2020, (the “Effective Date”) by and between OPTINOSE US, INC., a Delaware corporation (the “Company”), and Victor M. Clavelli (“Executive”).

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, and intending to be legally bound hereby, the parties to this Agreement hereby agree as follows:

1. **Term.** This Agreement is effective as of the Effective Date, and shall continue until Executive’s employment with the Company is terminated by the Company or by Executive. At all times, Executive’s employment with the Company is “at-will,” which means that Executive’s employment with the Company may be terminated at any time by the Company with or without “Cause” or by Executive with or without “Good Reason” (as each such term is defined below).

2. **Title, Duties and Responsibilities.** While Executive is employed by the Company, Executive will serve as the Chief Commercial Officer of OptiNose US, Inc. and will report to the President and Chief Operating Officer of OptiNose US, Inc. Executive will have such duties and responsibilities that are commensurate with Executive’s position and such other duties and responsibilities as are from time to time assigned to Executive by the President and Chief Operating Officer or the Board of Directors of OptiNose US, Inc. (the “Board”). While Executive is employed by the Company, Executive will devote Executive’s full business time, energy and skill to the performance of Executive’s duties and responsibilities hereunder. Executive will not be permitted to engage in other activities that interfere with Executive’s performance of his duties under this Agreement, conflict with the business of the Company or violate any provisions of Section 8 herein. Executive shall, if requested by the Board, also serve as an officer or director of any affiliate of the Company for no additional compensation. Executive’s place of employment will be the Company’s offices in Yardley, Pennsylvania.

3. **Base Salary.** While Executive is employed by the Company, the Company will pay Executive a base annual salary (the “Base Salary”) at the rate of \$435,000 per year, paid in accordance with the usual payroll practices of the Company. Executive’s Base Salary shall be reviewed periodically for potential increases pursuant to Company review policies applicable to senior executives by the Compensation Committee of the Board (the “Compensation Committee”) or the Board.

4. **Incentive Compensation.** Executive shall participate in short-term and long-term incentive programs, including equity compensation programs, established by the Company for its senior level executives generally, at levels determined by the Board or the Compensation Committee. Executive’s incentive compensation shall be subject to the terms of the applicable plans and shall be determined based on Executive’s individual performance and the Company’s performance as determined by the Board or the Compensation Committee. Any annual incentive

compensation earned by Executive shall be paid on or after January 1, but not later than March 15 of the fiscal year following the fiscal year for which the annual incentive compensation is earned.

(a) **Discretionary Bonus.** Executive will be eligible to receive an annual target cash bonus of 45% of Executive's Base Salary (the "Target Annual Bonus") (pro-rated for any portion of a year during which Executive is not employed by the Company) at the discretion of the Board or the Compensation Committee and contingent upon attainment of certain Company milestones and/or individual objectives as determined by the Board or the Compensation Committee. The actual annual bonus payable for any given year, if any, may be higher or lower than the Target Annual Bonus. Payment of such bonus is contingent upon continued employment with the Company at the time of payment unless otherwise specified herein or in the terms pursuant to which such bonus is granted. Executive's Target Annual Bonus shall be reviewed periodically for potential increases pursuant to Company review policies applicable to senior executives by the Compensation Committee or the Board.

(b) **Equity Incentive Compensation.**

(i) On the Effective Date, the Executive shall receive a grant of non-qualified stock options (the "Stock Options") to purchase 90,000 shares of the Company's common stock at a per share exercise price equal to the closing price of the Company's common stock on The Nasdaq Stock Market on date of grant, which is anticipated to be February 18, 2020. Subject to the Executive's continued service through each such date, 25% of the Stock Options will vest and become exercisable on the first (1st) anniversary of the date of grant and the balance will vest and become exercisable in thirty-six (36) equal monthly installments thereafter (such that, again subject to the Executive's continued service through each such date, 100% of the Stock Options will be vested and exercisable on the fourth (4th) anniversary of the date of grant). In addition, on or before March 31, 2020, the Executive shall receive a grant of 60,000 restricted stock units (the "RSUs"). Subject to the Executive's continued service through each such date, 25% of the RSUs will vest on the first (1st) anniversary of the date of grant and the balance will vest and become exercisable in twelve (12) equal quarterly installments thereafter (such that, again subject to the Executive's continued service through each such date, 100% of the RSUs will be vested on the fourth (4th) anniversary of the date of grant). The Stock Options and RSUs will be made as inducement grants as contemplated by Rule 5635 under the rules of the Nasdaq Stock Market LLC. The Stock Options and the RSUs shall be made pursuant to the non-qualified stock option agreement and restricted stock unit agreement, each in such form as shall be provided by the Company, and shall in all respects be subject to the terms and conditions of such agreements.

(ii) Executive shall be eligible to receive annual equity awards based on the Company's and Executive's actual performance, as determined by the Board or the Compensation Committee. Each such equity award granted to Executive hereunder shall be subject to the terms and conditions of the incentive plan pursuant to which it is granted and such other terms and conditions as are established by the Board or Compensation Committee and set forth in an award agreement evidencing the grant of such equity award.

5. **Benefits and Fringes.**

(a) **General.** While Executive is employed by the Company, Executive will be entitled to such benefits and fringes, if any, as are generally provided from time to time by the Company to its senior level executives, subject to the satisfaction of any eligibility requirements and any other terms and conditions of the applicable plans or policies.

(b) **Vacation.** Executive will also be entitled to 20 business days of annual paid vacation in accordance with the Company's vacation policies in effect from time to time, which may be taken at such times as Executive elects with due regard to the needs of the Company.

(c) **Reimbursement of Business Expenses.** Upon presentation of appropriate documentation, Executive will be reimbursed in accordance with the Company's expense reimbursement policy for all reasonable and necessary business expenses incurred in connection with the performance of Executive's duties and responsibilities hereunder.

(d) **Relocation.** Executive agrees to relocate to the Yardley, Pennsylvania area no later than December 31, 2022. The Company agrees to provide Executive with certain relocation assistance benefits as specifically set out in that certain letter agreement between the Company and Executive dated even date herewith (the "Relocation Assistance Letter"), and Executive agrees to repay such benefits and other amounts under the circumstances and in the manner set forth therein.

6. **Termination of Employment.**

(a) Any termination of Executive's employment by the Company or Executive (other than because of Executive's death) shall be communicated by a written notice of termination to the other party hereto in accordance with the requirements of this Agreement. Upon termination of Executive's employment with the Company, Executive shall be deemed to have resigned from all positions that Executive holds as an officer or member of the board of directors (or a committee thereof) of the Company or any of its affiliates.

(b) **Termination upon Death.** If Executive dies, then Executive's employment with the Company shall terminate as of the date of Executive's death, at which time all of Executive's rights to compensation and benefits under Sections 3, 4 and 5 herein or otherwise shall immediately terminate, except that Executive's heirs, personal representatives or estate shall be entitled to the Accrued Benefits. "Accrued Benefits" means: (a) any accrued but unpaid portion of Executive's compensation set forth in Section 3 above through the date of termination; (b) any accrued but unused vacation as of the termination date; (c) any earned but unpaid bonus for which the performance measurement period has ended prior to the termination date (e.g., if Executive's employment is terminated on February 1 and annual bonuses for the prior year have not been paid as of his termination date, then Executive would be eligible to receive his annual bonus for the prior year but not a bonus for the year in which the termination occurs), provided, that the termination of Executive's employment is not for Cause or due to Executive's voluntary

resignation (other than for Good Reason); (d) any amounts owing to Executive for reimbursements of expenses properly incurred by Executive prior to the date of his termination of employment and which are reimbursable in accordance with Section 5(c) above, with all amounts owed under each of (a), (b) and (d) payable in a lump sum no later than the Company's first regularly scheduled payroll date that is at least ten (10) days after the date of Executive's termination of employment, and any amount owed under (c) payable in a lump sum when such bonuses are paid to the Company's employees; and (e) any amounts that are vested benefits or that Executive is otherwise entitled to receive under any plan, policy, practice or program of or any other contract or agreement with the Company at or subsequent to the date of termination, payable in accordance with such plan, policy, practice or program or contract or agreement.

(c) **Termination upon Disability.** "Disability" means any physical or mental incapacity, illness or infirmity that prevents or significantly restricts Executive from performing the normal duties of Executive's position on a full-time basis despite the provision, if requested, of a reasonable accommodation as that term is defined in the American with Disabilities Act. If Executive suffers a Disability and the Disability continues for a continuous period of more than three months, then the Company shall have the right to terminate Executive's employment upon written notice to Executive, at which time all of Executive's rights to compensation and benefits under Sections 3, 4 and 5 herein or otherwise shall immediately terminate, except that Executive shall be entitled to the Accrued Benefits.

(d) **Termination by the Company for Cause.** The Company may, upon written notice to Executive, immediately terminate Executive's employment for Cause. "Cause" shall exist upon (i) Executive's breach of any fiduciary duty or material legal or contractual obligation to the Company or any of its affiliates (including, without limitation, pursuant to a Company or affiliate policy or the restrictive covenants set forth in Section 8 of this Agreement or any other applicable restrictive covenants between Executive and the Company or any of its affiliates), (ii) Executive's failure to follow the reasonable instructions of the Chief Executive Officer, President and Chief Operating Officer or the Board (other than as a result of total or partial incapacity due to physical or mental illness), which failure, if curable, is not cured within 30 days after notice to Executive specifying in reasonable detail the nature of such breach, or, if cured, recurs within 90 business days, (iii) Executive's gross negligence, willful misconduct, fraud, insubordination, acts of dishonesty or conflict of interest relating to the Company or any of its affiliates, or (iv) Executive's commission of any misdemeanor which has a material impact on the affairs, business or reputation of the Company or any of its affiliates or Executive's indictment for, or plea of nolo contendere to, a crime constituting a felony under the laws of the United States or any state thereof. Upon a termination of Executive's employment for Cause, all of Executive's rights to compensation and benefits under Sections 3, 4 and 5 of this Agreement or otherwise shall immediately terminate, except that Executive shall be entitled to the Accrued Benefits.

(e) **Termination by the Company without Cause or by Executive for Good Reason.** Except as provided in Section 6(f) below, upon a termination of Executive's employment by the Company without Cause or by Executive for Good Reason, Executive shall be entitled to receive the Accrued Benefits and, subject to Executive's execution and non-revocation of the release described in Section 6(g) and Executive's compliance with Executive's

obligations under Section 8, the following severance payments and benefits (collectively, the “Severance Benefits”):

(i) an amount equal to nine (9) months of Executive’s Base Salary at the rate in effect on the date of termination, payable in substantially equal installments in accordance with the Company’s normal payroll practices over the nine (9) month period following Executive’s termination date, commencing on the first payroll date that occurs on or after the Release Effective Date (as defined below), provided that the initial payment will include a catch-up payment to cover the period between Executive’s termination date and the date of such first payment and the remaining amounts shall be paid over the remainder of such nine (9) month period;

(ii) provided Executive and his eligible dependents timely and properly elect to continue health care coverage under the Consolidated Omnibus Reconciliation Act of 1985 (“COBRA”), continued participation by Executive and Executive’s eligible dependents in the standard group medical, dental and vision plans of the Company as in effect from time to time, on substantially the same terms and conditions as such benefits are provided to employees during the applicable period, and reimbursement by the Company of the monthly COBRA premium paid by Executive for him and his eligible dependents for nine (9) months or, if earlier, until the date Executive is no longer eligible to receive COBRA continuation coverage; provided, however, in the event the Company determines that such provisions would subject Executive to taxation under Section 105(h) of the Internal Revenue Code of 1986, as amended (the “Code”), or otherwise violate any healthcare law or regulation, then, in lieu of reimbursing Executive, the Company shall pay to Executive an amount equal to the amount Executive would be required to pay for continuation of group health coverage for Executive and his eligible dependents through an election under COBRA for nine (9) months, which amount shall be paid in a lump sum at the same time payments under Section 5(e)(i) commence and is intended to assist Executive with costs of health coverage, which Executive may (but is not required to) obtain through an election to continue health care coverage under COBRA; and

“Good Reason” shall mean, without Executive’s prior written consent, (i) a material diminution in Executive’s position or duties, authority or responsibilities including, without limitation, Executive ceasing to be an “executive officer” (as defined under Rule 3b-7 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of a company with a class of securities registered under Section 12(b) of the Exchange Act; (ii) the assignment to Executive of any duties materially inconsistent with the duties and responsibilities of Chief Commercial Officer, (iii) a reduction by the Company in Executive’s then-current Base Salary or Executive’s then-current Target Annual Bonus unless the salaries and target annual bonuses for all other senior executive officers are correspondingly and proportionately reduced by not greater than 15% and such reduction continues for no more than 12 months; (iv) Executive’s relocation to offices of the Company that are more than fifty (50) miles from the Company’s offices in Yardley, Pennsylvania; or (v) any action or inaction that constitutes a material breach of this Agreement by the Company. In order to invoke a termination for Good Reason, Executive must deliver a written notice of the grounds for such termination within thirty (30) days of the initial existence of the event giving rise to Good Reason and the Company shall have thirty (30) days to

cure the circumstances. In order to terminate Executive's employment, if at all, for Good Reason, Executive must terminate employment within sixty (60) days following the end of the cure period if the circumstances giving rise to Good Reason have not been cured.

(f) Termination by the Company without Cause or by Executive for Good Reason Following a Change in

Control. Upon a termination of Executive's employment by the Company without Cause or by Executive for Good Reason, in each case within twelve (12) months after a Change in Control (as defined in the Company's 2010 Stock Incentive Plan, as amended and restated), Executive shall be entitled to receive the Accrued Benefits and, subject to Executive's execution and non-revocation of the release described in Section 6(g) and Executive's compliance with Executive's obligations under Section 8, the following severance payments and benefits (collectively, the "Change in Control Severance Benefits"):

(i) an amount equal to 100% of Executive's Base Salary at the rate in effect on the date of termination, payable in a single-lump sum cash payment on the first payroll date that occurs on or after the Release Effective Date;

(ii) provided Executive and his eligible dependents timely and properly elect to continue health care coverage under COBRA, continued participation by Executive and Executive's eligible dependents in the standard group medical, dental and vision plans of the Company as in effect from time to time, on substantially the same terms and conditions as such benefits are provided to employees during the applicable period, and reimbursement by the Company of the monthly COBRA premium paid by Executive for him and his eligible dependents for twelve (12) months or, if earlier, until the date Executive is no longer eligible to receive COBRA continuation coverage; provided, however, in the event the Company determines that such provisions would subject Executive to taxation under Section 105(h) of the Code, or otherwise violate any healthcare law or regulation, then, in lieu of reimbursing Executive, the Company shall pay to Executive the amount Executive would be required to pay for continuation of group health coverage for Executive and his eligible dependents through an election under COBRA for twelve (12) months, which amount shall be paid in a lump sum at the same time payments under Section 5(f)(i) commence and is intended to assist Executive with costs of health coverage, which Executive may (but is not required to) obtain through an election to continue health care coverage under COBRA; and

(iii) all of Executive's then-outstanding equity awards granted to Executive by the Company shall become immediately vested.

(g) Payment to Executive of any Severance Benefits or Change in Control Severance Benefits, as applicable, shall be conditioned on Executive's compliance with the requirements of Section 8 hereof and Executive's execution of a general release in favor of the Company and its affiliates in substantially the form attached hereto as Exhibit A (the "Release") and the lapse of any revocation period specified therein with the Release not having been revoked. The Release shall be provided to Executive within three (3) days of Executive's termination of employment. Executive will forfeit all rights to the Severance Benefits and the Change in Control Severance Benefits, as applicable, unless, within sixty (60) days of Executive's termination of employment, Executive executes and delivers the Release to the

Company and such Release has become irrevocable by virtue of the expiration of the revocation period specified therein without the Release having been revoked (the first such date, the "Release Effective Date"). The Company's obligation to pay the Severance Benefits or the Change in Control Severance Benefits, as applicable, is subject to the occurrence of the Release Effective Date, and if the Release Effective Date does not occur, then the Company shall have no obligation to pay such Severance Benefits or Change in Control Severance Benefits, as applicable. Notwithstanding anything contained herein to the contrary, in the event that the period during which Executive may review and revoke the Release begins in one calendar year and ends in the following calendar year, any severance payments hereunder that constitute non-qualified deferred compensation subject to Section 409A of the Code shall be paid to Executive no earlier than January 1 of the second calendar year.

7. Section 280G.

(a) Executive shall bear all expense of, and be solely responsible for, any excise tax imposed by Section 4999 of the Code (such excise tax being the "Excise Tax"); provided, however, that any payment or benefit received or to be received by Executive, whether payable under the terms of this Agreement or any other plan, arrangement or agreement with Company or an affiliate of Company (collectively, the "Payments") that would constitute a "parachute payment" within the meaning of Section 280G of the Code, shall be reduced to the extent necessary so that no portion thereof shall be subject to the Excise Tax, but only if, by reason of such reduction, the net after-tax benefit Executive receives shall exceed the net after-tax benefit that Executive would receive if no such reduction was made.

(b) The "net after-tax benefit" shall mean (i) the Payments which Executive receives or is then entitled to receive from the Company that would constitute "parachute payments" within the meaning of Section 280G of the Code, less (ii) the amount of all federal, state and local income and employment taxes payable by Executive with respect to the foregoing calculated at the highest marginal income tax rate for each year in which the foregoing shall be paid to Executive (based on the rate in effect for such year as set forth in the Code as in effect at the time of the first payment of the foregoing), less (iii) the amount of Excise Tax imposed with respect to the payments and benefits described in (b)(i) above.

(c) All determinations under this Section 7 will be made by an accounting firm or law firm (the "280G Firm") that is mutually agreed to by Executive and the Company prior to a change in ownership or control of a corporation (within the meaning of Treasury regulations under Section 280G of the Code). The 280G Firm shall be required to evaluate the extent to which payments are exempt from Section 280G of the Code as reasonable compensation for services rendered before or after the Change in Control. All fees and expenses of the 280G Firm shall be paid solely by the Company. The Company will direct the 280G Firm to submit any determination it makes under this Section 7 and detailed supporting calculations to both Executive and the Company as soon as reasonably practicable.

(d) If the 280G Firm determines that one or more reductions are required under this Section 7, such Payments shall be reduced in the order that would provide Executive with the largest amount of after-tax proceeds (with such order, to the extent permitted by

Sections 280G and 409A of the Code, designated by Executive, or otherwise determined by the 280G Firm) to the extent necessary so that no portion thereof shall be subject to the Excise Tax, and the Company shall pay such reduced amount to Executive. Executive shall at any time have the unilateral right to forfeit any equity award in whole or in part.

(e) As a result of the uncertainty in the application of Section 280G of the Code at the time that the 280G Firm makes its determinations under this Section 7, it is possible that amounts will have been paid or distributed to Executive that should not have been paid or distributed (collectively, the “Overpayments”), or that additional amounts should be paid or distributed to Executive (collectively, the “Underpayments”). If the 280G Firm determines, based on either the assertion of a deficiency by the Internal Revenue Service against Executive or the Company, which assertion the 280G Firm believes has a high probability of success or is otherwise based on controlling precedent or substantial authority, that an Overpayment has been made, Executive must repay the Overpayment to the Company, without interest; provided, however, that no loan will be deemed to have been made and no amount will be payable by Executive to the Company unless, and then only to the extent that, the deemed loan and payment would either reduce the amount on which Executive is subject to tax under Section 4999 of the Code or generate a refund of tax imposed under Section 4999 of the Code. If the 280G Firm determines, based upon controlling precedent or substantial authority, that an Underpayment has occurred, the 280G Firm will notify Executive and the Company of that determination, and the Company will promptly pay the amount of that Underpayment to Executive without interest.

(f) Executive and the Company will provide the 280G Firm access to and copies of any books, records, and documents in their possession as reasonably requested by the 280G Firm, and otherwise cooperate with the 280G Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Section 7. For purposes of making the calculations required by this Section 7, the 280G Firm may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code.

8. Covenants.

(a) **Non-Competition.** So long as Executive is employed by the Company under this Agreement and for the 9-month period following the termination of Executive’s employment with the Company for any reason (the “Restricted Period”), Executive agrees that Executive will not, directly or indirectly, without the prior written consent of the Company, engage in Competition with the Company or any of its affiliates (collectively, the “Employer”). “Competition” means participating, directly or indirectly, as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, consultant or in any other capacity whatsoever in any business or venture that competes with any business that the Employer is engaged in as of the date of Executive’s termination of employment with the Company or is actively planning to engage in as of the date of Executive’s termination of employment with the Company. Notwithstanding the foregoing, after Executive’s termination of employment, employment by or consultation for a publicly traded company that derives less than five percent (5%) of its net revenues from activities that compete with business that the Employer engages in, shall not constitute Competition so long as Executive does not provide

employment or consulting services to the business segment of such publicly traded company that engages in such competitive activities. Executive is entering into this covenant not to compete in consideration of the agreements of the Company in this Agreement, including but not limited to, the agreement of the Company to provide the severance and other benefits to Executive upon a termination of employment pursuant to Sections 6(e) and (f) hereof, as applicable.

(b) **Confidentiality.** Executive agrees that Executive will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person or entity, other than in the course of Executive's assigned duties hereunder and for the benefit of the Employer, either while Executive is employed by the Company hereunder or at any time thereafter, any business and technical information or trade secrets, nonpublic, proprietary or confidential information, knowledge or data relating to the Employer whether the foregoing will have been obtained by Executive during Executive's employment hereunder or otherwise. The foregoing will not apply to information that (i) was known to the public prior to its disclosure to Executive; (ii) becomes generally known to the public or in the Employer's industry subsequent to disclosure to Executive through no wrongful act by Executive or any of Executive's representatives; or (iii) Executive is required to disclose by applicable law, regulation or legal process (provided that Executive provides the Company with prior notice of the contemplated disclosure and cooperates at the Company's cost with the Company in seeking a protective order or other appropriate protection of such information). The Company and Executive acknowledge that, notwithstanding anything to the contrary contained in this Agreement, pursuant to 18 USC § 1833(b), an individual may not be held liable under any criminal or civil federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Company and Executive further acknowledge that an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

(c) **Non-Solicitation of Customers.** Executive agrees that during the Restricted Period, Executive will not, directly or indirectly, solicit or influence, or attempt to solicit or influence, customers of the Employer to purchase goods or services then sold by the Employer from any other person or entity.

(d) **Non-Solicitation of Suppliers.** Executive agrees that during the Restricted Period, Executive will not, directly or indirectly, solicit or influence, or attempt to solicit or influence, the Company's suppliers to provide goods or services then provided to the Employer to any other person or entity in Competition with the Employer.

(e) **Non-Solicitation of Employees.** Executive recognizes that Executive will possess confidential information about other employees of the Employer relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with customers of the Employer. Executive recognizes that the information

Executive possesses and will possess about these other employees is not generally known, is of substantial value to the Employer in developing its business and in securing and retaining customers, and has been and will be acquired by Executive because of Executive's business position with the Employer. Executive agrees that, during the Restricted Period, Executive will not, (x) directly or indirectly, individually or on behalf of any other person or entity solicit or recruit any employee of the Employer to leave such employment for the purpose of being employed by, or rendering services to, Executive or any person or entity unaffiliated with the Employer, or (y) convey any such confidential information or trade secrets about other employees of the Employer to any person or entity other than in the course of Executive's assigned duties hereunder and for the benefit of the Employer. Notwithstanding the foregoing, the Company agrees that hiring any employee of the Employer who responds to a general advertisement for employment that was not specifically directed at the employees of the Employer shall not be deemed a violation of this Section 8(e).

(f) **Non-Disparagement.** Executive agrees that Executive will not, nor will Executive induce others to, Disparage the Employer or any of their past or present officers, directors, employees or products. Similarly, the directors and senior executives of the Employer will not, nor will they induce others to, Disparage Executive. "Disparage" will mean making comments or statements to the press, the Employer's employees or any individual or entity with whom Executive or the Employer, as applicable, has a business relationship that would adversely affect in any manner, as applicable: (i) the conduct of the business of the Employer (including, without limitation, any products or business plans or prospects); (ii) the business reputation of the Employer, or any of their products, or their past or present officers, directors or employees; or (iii) the business reputation of Executive.

(g) **Inventions.**

(i) Executive acknowledges and agrees that all trade secrets, mask works, concepts, drawings, materials, documentation, procedures, diagrams, specifications, models, processes, formulae, source and object codes, data, programs, know-how, designs, techniques, ideas, methods, inventions, discoveries, improvements, work products, developments or other works of authorship ("Inventions"), whether patentable or unpatentable, (x) that relate to Executive's work with the Employer, made, developed or conceived by Executive, solely or jointly with others or with the use of any of the Employer's equipment, supplies, facilities or trade secrets or (y) suggested by any work that Executive performs in connection with the Employer, either while performing Executive's duties with the Employer or on Executive's own time, but only insofar as the Inventions are related to Executive's work as an employee of the Employer (collectively, "Company Inventions"), will belong exclusively to the Company (or its designee), whether or not patent applications are filed thereon. Executive will keep full and complete written records (the "Records"), in the manner prescribed by the Employer, of all Company Inventions, and will promptly disclose all Company Inventions completely and in writing to the Company. The Records will be the sole and exclusive property of the Company, and Executive will surrender them upon the termination of Executive's employment, or upon the Company's request. Executive hereby assigns to the Company (or its designee) the Company Inventions including all rights in and to any related patents and other intellectual property that

may issue thereon in any and all countries, whether during or subsequent to Executive's employment with the Employer, together with the right to file, in Executive's name or in the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). Executive will, at any time during and subsequent to Executive's employment with the Employer, make such applications, sign such papers, take all rightful oaths, and perform all acts as may be requested from time to time by the Company with respect to the Company Inventions and the underlying intellectual property. Executive will also execute assignments to the Company (or its designee) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony) to obtain the Company Inventions and the underlying intellectual property for its benefit, all without additional compensation to Executive from the Company, but entirely at the Company's expense.

(ii) In addition, the Company Inventions will be deemed "work made for hire", as such term is defined under the copyright law of the United States, on behalf of the Employer and Executive agrees that the Company (or its designee) will be the sole owner of the Company Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations or compensation to Executive. If the Company Inventions, or any portion thereof, are deemed not to be work made for hire, Executive hereby irrevocably conveys, transfers, assigns and delivers to the Company (or its designee), all rights, titles and interests, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Company Inventions, including without limitation: (a) all of Executive's rights, titles and interests in and to any underlying intellectual property (and all renewals, revivals and extensions thereof) related to the Company Inventions; (b) all rights of any kind or any nature now or hereafter recognized, including without limitation, the unrestricted right to make modifications, adaptations and revisions to the Company Inventions, to exploit and allow others to exploit the Company Inventions; and (c) all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Company Inventions, known or unknown, prior to the date hereof, including without limitation the right to receive all proceeds and damages therefrom. In addition, Executive hereby waives any so-called "moral rights" with respect to the Company Inventions. Executive hereby waives any and all currently existing and future monetary rights in and to the Inventions and all patents and other intellectual property rights that may issue thereon, including, without limitation, any rights that would otherwise accrue to Executive's benefit by virtue of Executive being an employee of or other service provider to the Employer.

(iii) To the extent that Executive is unable to assign any of Executive's right, title or interest in any Company Invention under applicable law, for any such Company Invention and the underlying intellectual property rights, Executive hereby grants to the Company (or its designee) an exclusive, irrevocable, perpetual, transferable, worldwide, fully paid license to such Company Invention and the underlying intellectual property, with the right to sublicense, use, modify, create derivative works and otherwise fully exploit such Company Invention and the underlying intellectual property, to assign this license and to exercise all rights and incidents of ownership of the Company Invention.

(iv) To the extent that any of the Company Inventions are derived by, or require use by the Employer of, any works, Inventions, or other intellectual property rights that Executive owns, which are not assigned hereby, Executive hereby grants to the Company (or its designee) an irrevocable, perpetual, transferable, worldwide, non-exclusive, royalty free license, with the right to sublicense, use, modify and create derivative works using such works, Inventions or other intellectual property rights, but only to the extent necessary to permit the Company to fully realize their ownership rights in the Company Inventions.

(h) **Cooperation.** Upon the receipt of notice from the Company (including outside counsel), Executive agrees that while employed by the Employer (for no additional compensation) and thereafter (for reasonable compensation for Executive's time), Executive will respond and provide information with regard to matters in which Executive has knowledge as a result of Executive's employment with the Employer, and will provide reasonable assistance to the Employer and its representatives in defense of any claims that may be made against the Employer, and will assist the Employer in the prosecution of any claims that may be made by the Employer, to the extent that such claims may relate to the period of Executive's employment with the Employer (or any predecessor). Executive agrees to promptly inform the Company if Executive becomes aware of any lawsuits involving such claims that may be filed or threatened against the Employer. Executive also agrees to promptly inform the Company (to the extent Executive is legally permitted to do so) if Executive is asked to assist in any investigation of the Employer (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Employer with respect to such investigation, and will not do so unless legally required.

(i) **Return of Property.** On the date of the termination of Executive's employment with the Company for any reason (or at any time prior thereto at the Company's request), Executive will return all property belonging to the Employer (including, but not limited to, any Employer provided laptops, computers, cell phones, wireless electronic mail devices or other equipment, or documents and property belonging to the Employer).

(j) **Injunctive Relief.** It is further expressly agreed that the Employer will or would suffer irreparable injury if Executive were to violate the provisions of this Section 8 and that the Employer would by reason of such violation be entitled to injunctive relief in a court of appropriate jurisdiction and Executive further consents and stipulates to the entry of such injunctive relief in such court prohibiting Executive from violating the provisions of this Section 8.

(k) **Survival of Provisions.** The obligations contained in this Section 8 will survive the termination of Executive's employment with the Company and will be fully enforceable thereafter. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 8 is excessive in duration or scope or extends for too long a period of time or over too great a range of activities or in too broad a geographic area or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state or jurisdiction.

(l) **Prior Agreements.** Executive represents and warrants to the Company that there are no restrictions, agreements or understandings whatsoever to which Executive is a party that would prevent or make unlawful Executive's execution of this Agreement or Executive's employment hereunder, is or would be inconsistent or in conflict with this Agreement or Executive's employment hereunder, or would prevent, limit or impair in any way the performance by Executive of the obligations hereunder.

9. **Assignment; Third Party Beneficiaries.** Notwithstanding anything else herein, this Agreement is personal to Executive and neither the Agreement nor any rights hereunder may be assigned by Executive. The Company may assign the Agreement to an affiliate or to any acquiror of all or substantially all of the assets of the Company. The Employer shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Employer to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Employer would be required to perform it if no such succession had taken place. Unless expressly provided otherwise, "Employer" as used in this Agreement shall mean the Employer as defined in Section 8(a) of this Agreement and any successor to its business and/or assets as aforesaid. This Agreement will inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties. Executive acknowledges that this Agreement is intended to benefit the Company, its shareholders, and its and their parents, affiliates, subsidiaries, divisions, and related companies or entities, now existing or hereafter created. Both Executive and the Company further acknowledge and agree that the intended beneficiaries of this Agreement are entitled to enforce the provisions of this Agreement by seeking injunctive relief or any other appropriate remedy.

10. **Clawback/Recoupment.** Notwithstanding any other provision in this Agreement to the contrary, any compensation paid to Executive pursuant to this Agreement or any other agreement or arrangement with the Company shall be subject to mandatory repayment by Executive to the Company to the extent any such compensation paid to Executive is, or in the future becomes, subject to (i) any "clawback" or recoupment policy applicable to Executive that is adopted to comply with any applicable law, rule or regulation (including stock exchange rule), or (ii) any law, rule or regulation (including stock exchange rule) which imposes mandatory recoupment, under circumstances set forth in such law, rule or regulation.

11. **Arbitration; Attorneys' Fees.** Executive agrees that all disputes and controversies arising under or in connection with this Agreement, other than seeking injunctive or other equitable relief under Section 8(j), will be settled by arbitration conducted before one (1) arbitrator mutually agreed to by the Company and Executive, sitting in Philadelphia, Pennsylvania or such other location agreed to by Executive and the Company, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association then in effect; provided, however, that if the Company and Executive are unable to agree on a single arbitrator within 30 days of the demand by another party for arbitration, an arbitrator will be designated by the Philadelphia Office of the American Arbitration Association. The determination of the arbitrator will be final and binding on Executive and the Company.

Judgment may be entered on the award of the arbitrator in any court having proper jurisdiction. Each party will bear their own expenses of such arbitration, except that the prevailing party shall be entitled to be indemnified for its reasonable attorneys' fees and costs incurred in enforcing the terms of this Agreement should the other party violate any of its terms.

12. **Indemnification.** Concurrently herewith, the Company and Executive are entering into an Indemnification Agreement pursuant to which the Company will agree, subject to the terms and conditions set forth therein, to indemnify the Executive from certain liabilities and expenses resulting from certain proceedings in connection with his employment by the Company. (the "Indemnification Agreement").

13. **Governing Law.** This Agreement and any other document or instrument delivered pursuant hereto, and all claims or causes of action that may be based upon, arise out of or relate to this Agreement will be governed by, and construed under and in accordance with, the internal laws of the State of Delaware, without reference to rules relating to conflicts of laws.

14. **Withholding Taxes.** The Company may withhold from any and all amounts payable to Executive such federal, state and local taxes as may be required to be withheld pursuant to any applicable laws or regulations.

15. **Notices.** All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered or three (3) days after being mailed by registered or certified mail to Executive or the Company, as the case may be, at Executive's address set forth below or the Company's address set forth below, or to such other names or addresses as Executive or the Company, as the case may be, shall designate by notice to each other person entitled to receive notices in the manner specified in this Section (provided that notice of change of address shall be deemed given only when received).

Company notices shall be delivered to:

OptiNose US Inc.
Attn: Chief Legal Officer
1020 Stony Hill Road
Third Floor, Suite 300
Yardley, PA 19067

Executive notices shall be delivered to such address as shall most currently appear on the records of the Company.

16. **Entire Agreement; Amendments.** This Agreement and the agreements referenced herein contain the entire agreement of the parties relating to the subject matter hereof, and supersede in their entirety any and all prior and/or contemporaneous agreements, understandings or representations relating to the subject matter hereof, whether written or oral. No amendments, alterations or modifications of this Agreement will be valid unless made in writing and signed by the parties hereto.

17. **Section Headings.** The section headings used in this Agreement are included solely for convenience and will not affect, or be used in connection with, the interpretation of this Agreement.

18. **Severability.** The provisions of this Agreement will be deemed severable and the invalidity of unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof. No failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by either party, and no course of dealing between the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power or remedy.

19. **Counterparts.** This Agreement may be executed in several counterparts (including via facsimile and/or .pdf), each of which will be deemed to be an original but all of which together will constitute one and the same instruments.

20. **Section 409A.**

(a) The payments and benefits under this Agreement are intended to comply with or be exempt from Section 409A of the Code, and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and this Agreement shall be interpreted and construed in a manner intended to comply therewith. For purposes of this Agreement, Executive will be considered to have experienced a termination of employment only if Executive has a "separation from service" with the Company and all of its controlled group members within the meaning of Section 409A. Whether Executive has a separation from service will be determined based on all of the facts and circumstances and in accordance with the guidance issued under Section 409A.

(b) Each payment under this Agreement, including each installment payment, shall be considered a separate and distinct payment. For purposes of this Agreement, each payment is intended to be excepted from Section 409A to the maximum extent provided as follows: (i) each payment made within the applicable 2½ month period specified in Treas. Reg. § 1.409A-1(b)(4) is intended to be excepted under the short-term deferral exception; (ii) post-termination medical benefits are intended to be excepted under the medical benefits exception as specified in Treas. Reg. § 1.409A-1(b)(9)(v)(B); and (iii) to the extent payments are made as a result of an involuntary separation, each payment that is not otherwise excepted under the short-term deferral exception or medical benefits exception is intended to be excepted under the involuntary pay exception as specified in Treas. Reg. § 1.409A-1(b)(9)(iii). With respect to payments subject to Section 409A (and not excepted therefrom), if any, it is intended that each payment is paid on a permissible distribution event and at a specified time consistent with Section 409A. Neither the Company nor Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A. Executive shall have no right to designate the date or any payment under this Agreement.

(c) If Executive is a "specified employee" (as that term is used in Section 409A and regulations and other guidance issued thereunder) on the date of Executive's

separation from service, any benefits payable under this Agreement that constitute non-qualified deferred compensation subject to Section 409A shall be delayed until the earlier of (i) the first business day following the six-month anniversary of the date of Executive's separation from service, or (ii) the date of Executive's death, but only to the extent necessary to avoid the adverse tax consequences and penalties under Section 409A. On the earlier of (x) the first business day following the six-month anniversary of the date of Executive's separation from service, or (y) Executive's death, the Company shall pay Executive (or Executive's estate or beneficiaries) a lump-sum payment equal to all payments delayed pursuant to the preceding sentence.

(d) If any of the reimbursements or in-kind benefits provided for under this Agreement are subject to Section 409A, the following rules shall apply: (i) in no event shall any such reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred; (ii) the amount of such reimbursable expenses incurred, or the provision of in-kind benefits, in one tax year shall not affect the expenses eligible for reimbursement or the provision of in-kind benefits in any other tax year; and (iii) the right to such reimbursement for expenses or provision of in-kind benefits is not subject to liquidation or exchange for any other benefit.

(e) Notwithstanding anything in Section 6(f) hereof to the contrary, in the event that Executive is entitled to the amount set forth in Section 6(f)(i) as a result of a termination of Executive's employment within twelve (12) months after the date of the Change in Control, and such Change in Control does not constitute a change in ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A(a)(2)(A)(v) of the Code and its corresponding regulations, and any portion of the severance benefit payable to Executive pursuant to Section 6(e)(i) is deemed to constitute deferred compensation subject to the requirements of Section 409A of the Code at the time of Executive's termination, then such portion that constitutes deferred compensation shall reduce the amount that is paid in a lump sum as provided in Section 6(f)(i) and such deferred compensation portion shall instead be paid in substantially equal installments over the installment period as described in Section 6(e)(i).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

OPTINOSE US, INC.

Peter K. Miller
Chief Executive Officer

EXECUTIVE

Victor M. Clavelli

EXHIBIT A
RELEASE AGREEMENT

This RELEASE AGREEMENT (“**Agreement**”) made this [] day of [], [] (the “**Effective Date**”), between OptiNose US, Inc. (including its successors and assigns, the “**Company**”), and [] (“**Executive**”).

1. Release.

a. In consideration of the amounts to be paid by the Company pursuant to the Employment Agreement entered into on [Date], 2020, by and between the Company and Executive (the “**Employment Agreement**”), Executive, on behalf of himself and on behalf of his spouse, civil union or domestic partner, dependents, heirs, executors, devisees, personal representatives, administrators, agents and assigns, irrevocably and unconditionally forever waive, release, give up and discharge the Company, its parent, affiliated and related companies (including but not limited to OptiNose, Inc.), all of its and their employee benefit plans and trustees, fiduciaries, administrators, sponsors and parties-in-interest of those plans, all of its and their past and present employees, managers, directors, officers, administrators, shareholders, members, investors, agents, attorneys, insurers, re-insurers and contractors acting in any capacity whatsoever (whether individually or in an official capacity on behalf of the Company), and all of its and their respective predecessors, heirs, personal representatives, successors and assigns (collectively, the “**Releasees**”), from any and all debts, demands, actions, causes of action, accounts, covenants, contracts, agreements, claims, damages, omissions, promises, and any and all claims and liabilities whatsoever, of every name and nature, known or unknown, suspected or unsuspected, accrued or unaccrued, liquidated or contingent, asserted or unasserted, both in law and equity (“**Claims**”), which Executive ever had, now has, or may hereafter claim to have against the Releasees by reason of any matter or cause whatsoever based on, related to, or arising from any event that occurred before the date Executive signs this Agreement and based upon, related to or arising out of or in any way concerning Executive’s employment with the Company, the terms, conditions or privileges of Executive’s employment with the Company, Executive’s separation from employment with the Company, and any and all violations and/or alleged violations of federal, state or local human rights laws, fair employment practices and/or other laws by any of the Releasees for any reason and under any legal theory including, but not limited to, those arising or which may be arising under, as applicable, Title VII of the Civil Rights Act of 1964 (“**Title VII**”), the Americans with Disabilities Act (“**ADA**”), the Age Discrimination in Employment Act (“**ADEA**”), the Older Worker Benefit Protection Act (“**OWBPA**”), the Employee Retirement Income Security Act of 1974 (“**ERISA**”), the Employee Polygraph Protection Act, the Worker Adjustment and Retraining Notification Act (“**WARN**”), the Civil Rights Act of 1991, the Family and Medical Leave Act (“**FMLA**”), the Fair Labor Standards Act (“**FLSA**”), the Equal Pay Act of 1963 (“**EPA**”), the Lilly Ledbetter Fair Pay Act of 2010 (“**Fair Pay Act**”), the Genetic Information Nondiscrimination Act of 2008 (“**GINA**”), the Rehabilitation Act, the Employee Polygraph Protection Act, the Electronic Communication Privacy Act, the Computer Fraud & Abuse Act, the Health Insurance Portability & Accountability Act, the Consolidated Omnibus Budget Reconciliation Act (“**COBRA**”), the

Occupational Safety and Health Act (“**OSHA**”), the Sarbanes-Oxley Act of 2002, the Fair Credit Reporting Act (“**FCRA**”), the National Labor Relations Act (“**NLRA**”), the Labor Management Relations Act (“**NLRA**”), the Uniformed Services Employment and Reemployment Rights Act of 1994 (“**USERRA**”), the Civil Rights Act of 1991, 42 U.S.C. §§ 1981, 1983, 1985, 1986 and 1988), the Pennsylvania Wage Payment & Collection Law, the Pennsylvania Human Relations Act, the Pennsylvania Labor Relations Act, the Pennsylvania Equal Pay Law, the Pennsylvania Minimum Wage Act, the Pennsylvania Workers’ Compensation Act, any personal gain with respect to any claim arising under the Federal False Claims Act, or any other federal, state or local laws, statutes, regulations, rules, ordinances, or orders, each as amended, or under any policy, agreement, contract, understanding or promise, written or oral, formal or informal, between any of the Releasees and Executive and shall further apply, without limitation, to any and all Claims for breach of implied or express contract, breach of promise, breach of the covenant of good faith and fair dealing, misrepresentation, tortious interference with contract, civil conspiracy, negligence, fraud, estoppel, defamation, libel, misrepresentation, intentional infliction of emotional distress, violation of public policy, invasion of privacy, wrongful, retaliatory or constructive discharge, assault, battery, false imprisonment, negligence, and all other claims or torts, including any whistleblower claims, arising under any federal, state, or local law, regulation, ordinance or judicial decision, or under the United States and Pennsylvania Constitutions (the “**General Release**”).

b. For the purpose of implementing a full and complete release, Executive understands and agrees that this Agreement is intended to include all claims, if any, which Executive or his spouse, civil union or domestic partner, dependents, heirs, executors, devisees, personal representatives, administrators, agents and assigns may have and which Executive does not now know or suspect to exist in his favor against the Releasees, from the beginning of time until the time he signs this Agreement, and this Agreement extinguishes those claims.

c. In consideration of the promises of the Company set forth in the Employment Agreement, Executive hereby releases and discharges the Releasees from any and all Claims that Executive may have against the Releasees arising under the Age Discrimination Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder (“**ADEA**”). Executive acknowledges that he understands that the ADEA is a federal statute that prohibits discrimination on the basis of age in employment, benefits and benefit plans. Executive also understands that, by signing this Agreement, he is waiving all Claims against any and all of the Releasees.

d. Nothing in this Agreement restricts or prohibits Executive from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the “Regulators”), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. However, to the maximum extent

permitted by law, Executive is waiving Executive's right to receive any individual monetary relief from the Company or any others covered by the Release resulting from such claims or conduct, regardless of whether Executive or another party has filed them, and in the event Executive obtains such monetary relief the Company will be entitled to an offset for the payments made pursuant to this Agreement. This Agreement does not limit Executive's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law.

e. Except as provided in Section 6(e) or Section 6(f), as applicable, of the Employment Agreement or in the Indemnification Agreement, Executive acknowledges and agrees that the Company has fully satisfied any and all obligations owed to him arising out of his employment with or termination from the Company, and no further sums or benefits are owed to him by the Company or by any of the other Releasees at any time.

2. Consultation with Attorney; Voluntary Agreement. The Company advises Executive to consult with an attorney of his choosing prior to signing this Agreement. Executive understands and agrees that he has the right and has been given the opportunity to review this Agreement and, specifically, the General Release in Section 1 above, with an attorney. Executive also understands and agrees that he is under no obligation to consent to the General Release set forth in Section 1 above. Executive acknowledges and agrees that the payments to be made to Executive pursuant to the Employment Agreement are sufficient consideration to require him to abide with his obligations under this Agreement, including but not limited to the General Release set forth in Section 1. Executive represents that he has read this Agreement, including the General Release set forth in Section 1, and understands its terms and that he enters into this Agreement freely, voluntarily, and without coercion.

3. Effective Date; Revocation. Executive acknowledges and represents that he has been given forty-five (45) days during which to review and consider the provisions of this Agreement and, specifically, the General Release set forth in Section 1 above. Executive further acknowledges and represents that he has been advised by the Company that he has the right to revoke this Agreement for a period of seven (7) days after signing it. Executive acknowledges and agrees that, if he wishes to revoke this Agreement, he must do so in a writing, signed by him and received by the Company no later than 5:00 p.m. Eastern Time on the seventh (7th) day of the revocation period. If no such revocation occurs, the General Release and this Agreement shall become effective on the eighth (8th) day following his execution of this Agreement and shall be final and binding on Executive.

4. Severability. In the event that any one or more of the provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder of the Agreement shall not in any way be affected or impaired thereby.

5. Governing Law. This Agreement and any other document or instrument delivered pursuant hereto, and all claims or causes of action that may be based upon, arise out of or relate

to this Agreement will be governed by, and construed under and in accordance with, the internal laws of the State of Delaware, without reference to rules relating to conflicts of laws.

6. Entire Agreement. This Agreement, the Employment Agreement and the other agreements referred to in the Employment Agreement constitute the entire agreement and understanding of the parties with respect to the subject matter herein and supersedes all prior agreements, arrangements and understandings, written or oral, between the parties. Executive acknowledges and agrees that he is not relying on any representations or promises by any representative of the Company concerning the meaning of any aspect of this Agreement.

7. Amendment. This release shall not be amended, supplemented or otherwise modified in any way except in a writing signed by Executive and the Company.

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

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

OPTINOSE US, INC.

By: _____ Date: _____

Name:

Title:

By: _____ Date: _____

Victor M. Clavelli

Option No.:

OPTINOSE, INC.

NON-QUALIFIED STOCK OPTION AGREEMENT

Inducement Grant

OptiNose, Inc., a Delaware corporation (the “**Company**”), hereby grants an option to purchase shares of its common stock, \$0.001 par value per share (the “**Stock**”), to the optionee named below (the “**Option**”). This Option is granted to you as an inducement that is material to you entering into employment with the Company pursuant to the inducement grant exception under NASDAQ Listing Rule 5635(c), and not pursuant to the Company’s 2010 Stock Incentive Plan, as amended and restated as of September 19, 2017 (the “**Plan**”), or any other equity plan incentive plan of the Company. Although this Option is not granted pursuant to the Plan, the Option shall be subject to and governed by, and shall be construed and administered in accordance with, the terms and conditions of the Plan (as from time to time in effect), which terms and conditions are incorporated herein by reference.

The terms and conditions of the Option are set forth in this cover sheet, in the attachment (together with the cover sheet, the “**Agreement**”) and in the Plan.

Grant Date: (the “**Grant Date**”)

Name of Optionee:

Number of Shares of Stock Covered by Option:

Option Price per Share: \$

Vesting Start Date:

Vesting Schedule:

By signing this cover sheet, you agree to all of the terms and conditions described in this Agreement and in the Plan, a copy of which is also attached. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent. Certain capitalized terms used in this Agreement are defined in the Plan, and have the respective meanings set forth in the Plan.

Optionee:

(Signature)

Company:

(Signature)

Title:

Attachment

This is not a stock certificate or a negotiable instrument

OPTINOSE, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT
Inducement Grant

| | |
|-----------------------------------|--|
| Non-Qualified Stock Option | This option is not intended to be an incentive stock option under Section 422 of the Code and will be interpreted accordingly. |
| Vesting | <p>This Option is only exercisable before it expires and then only with respect to the vested portion of the Option. Subject to the preceding sentence, you may exercise this Option, in whole or in part, to purchase a whole number of vested shares, by following the procedures set forth in the Plan and below in this Agreement.</p> <p>Vesting (Over 4 years with 1-year cliff). Your right to purchase shares of Stock by exercising the Option vests as to 25% of the total number of shares of Stock covered by the Option, as shown on the cover sheet, on the one-year anniversary of the Vesting Start Date (the "Anniversary Date"), rounded down to the nearest whole share, provided you are providing Service on such Anniversary Date. Thereafter, for each subsequent one-month anniversary from your Anniversary Date (the "Subsequent Monthly Anniversary Date"), the number of shares of Stock which you may purchase under the Option shall vest at the rate of 2.0833% of the total number of shares of Stock covered by the Option (approximately 1/48th of the Shares), as shown on the cover sheet, rounded down to the nearest whole share, provided you are providing Service on such Subsequent Monthly Anniversary Date. The resulting aggregate number of vested shares of Stock will be rounded to the nearest whole number, and you cannot vest in more than the number of shares of Stock covered by this Option.</p> <p>Except as expressly provided herein, no additional shares of Stock will vest after your Service has terminated for any reason.</p> |
| Term | Except as expressly provided herein, no additional shares of Stock will vest after your Service has terminated for any reason. |
| Regular Termination | If your Service terminates for any reason other than death, Disability or Cause, including voluntary termination for retirement, then the vested portion of your Option will expire at the close of business at Company headquarters on the 90 th day after your termination date. Any portion of your Option that is not exercisable at the time of your termination date shall immediately terminate. |

Termination for Cause

If your Service is terminated for Cause or for a voluntary termination after the occurrence of an event that would be grounds for a termination for Cause, then you shall immediately forfeit all rights to your Option, whether vested or unvested, and the Option shall immediately expire. In addition, notwithstanding any provision to the contrary in this Agreement, if you engage in conduct that constitutes Cause after your termination of Service, your Option shall immediately terminate.

Death

If your Service terminates because of your death, then your vested Option will expire at the close of business at Company headquarters 6 months after the date of death. During that 6 month period, your estate or heirs may exercise the vested portion of your Option. Any portion of your Option that is not exercisable at the time of your termination date shall immediately terminate.

In addition, if you die during the 90-day period described in connection with a regular termination (i.e., a termination of your Service not on account of your death, Disability or Cause), and a vested portion of your Option has not yet been exercised, then your Option will instead expire 6 months after your termination date. In such a case, during the period following your death up to 6 months after your termination date, your estate or heirs may exercise the vested portion of your Option. Any portion of your Option that is not exercisable at the time of your termination date shall immediately terminate.

Disability

If your Service terminates because of your Disability, then your vested Option will expire at the close of business at Company headquarters 6 months after your termination date. Any portion of your Option that is not exercisable at the time of your termination date shall immediately terminate.

Leaves of Absence

For purposes of this Option, your Service does not terminate when you go on a *bona fide* employee leave of absence that was approved by the Company in writing, if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by applicable law. However, your Service will be treated as terminating 90 days after you went on employee leave, unless your right to return to active work is guaranteed by law or by a contract. Your Service terminates in any event when the approved leave ends unless you immediately return to active employee work.

The Company determines, in its sole discretion, which leaves count for this purpose, and when your Service terminates for all purposes under the Plan. The Company's decision is final and binding.

Notice of Exercise

When you wish to exercise this Option, you must notify the Company by submitting a Notice of Option Exercise in substantially the form attached hereto as Exhibit A, or in the manner otherwise prescribed by the Company. Your notice must specify how many shares of Stock you wish to purchase (in a parcel of at least 100 shares, unless a lesser number remains available for exercise under the Option). Your notice must also specify how your shares of Stock should be registered (e.g., in your name only or in your and your spouse's names as joint tenants with right of survivorship). The notice will be effective when it is received by the Company.

If someone else wants to exercise this Option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

Form of Payment

When you submit your notice of exercise, you must include payment of the Option Price for the shares of Stock you are purchasing. Payment may be made in one (or a combination) of the following forms

- Cash, your personal check, a cashier's check, a money order or another cash equivalent acceptable to the Company.
- By surrendering to the Company shares of Stock. The value of the surrendered shares, determined based on the Fair Market Value on the date of such surrender, will be applied to the Option Price.
- To the extent a public market for the Stock exists as determined by the Company, by delivery (on a form acceptable to the Committee) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the sale proceeds to the Company in payment of the aggregate Option Price.
- By electing to have the Company withhold the number of shares of Stock that would otherwise be issuable in an amount equal in value to the aggregate Option Price.

Withholding Taxes

The Company or an Affiliate, as the case may be, shall have the right to deduct from payments of any kind otherwise due to you any foreign, federal, state, or local taxes or social security contributions of any kind required by law to be withheld with respect to the issuance of any shares of Stock upon the exercise of this Option. At the time of such exercise, you shall pay to the Company or the Affiliate, as the case may be, any amount that the Company or the Affiliate may reasonably determine to be necessary to satisfy such withholding obligation. Subject to the prior approval of the Company or the Affiliate, which may be withheld by the Company or the Affiliate, as the case may be, in its sole discretion, you may elect to satisfy such obligations, in whole or in part, (i) by causing the Company or the Affiliate to withhold shares of Stock otherwise issuable to you or (ii) by delivering to the Company or the Affiliate shares of Stock already owned by you that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements. The shares of Stock so delivered or withheld shall have an aggregate Fair Market Value equal to such withholding obligations. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Board as of the date that the amount of tax to be withheld is to be determined. The maximum number of shares of Stock that may be withheld from this Option to satisfy any foreign, federal, state, or local tax withholding requirements upon the exercise of this Option may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount (or, if permitted by the Company, such other rate as will not cause adverse accounting consequences and is permitted under applicable IRS withholding rules) required by the Company or the applicable Affiliate to be withheld and paid to any such foreign, federal, state, or local taxing authority with respect to such exercise.

Issuance

The issuance of the Stock upon the exercise of this Option shall be evidenced in such a manner as the Company, in its discretion, will deem appropriate, including, without limitation, book-entry, registration or issuance of one or more Stock certificates.

| | |
|---------------------------|--|
| Transfer of Option | <p>During your lifetime, only you (or, in the event of your legal incapacity or incompetency, your guardian or legal representative) may exercise this Option. You cannot transfer or assign this Option. For instance, you may not sell this Option or use it as security for a loan. If you attempt to do any of these things, this Option will immediately become invalid. You may, however, dispose of this Option in your will or by grant to certain Permitted Transferees (provided that such a disposition is in compliance with Section 8.10 of the Plan), or it may be transferred upon your death by the laws of descent and distribution.</p> <p>Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from your spouse, nor is the Company obligated to recognize your spouse's interest in your Option in any other way.</p> |
| Retention Rights | <p>Neither your Option nor this Agreement constitutes an agreement of employment or gives you the right to be retained by the Company or an Affiliate in any capacity. Except as otherwise provided in any applicable employment agreement between you and the Company, the Company and its Affiliates reserve the right to terminate your Service at any time and for any reason.</p> |
| Stockholder Rights | <p>You, or your estate or heirs, have no rights as a stockholder of the Company until a certificate for your Option shares has been issued (or an appropriate book entry has been made). No adjustments are made for dividends or other rights if the applicable record date occurs before your stock certificate is issued (or an appropriate book entry has been made), except as described in the Plan.</p> |
| Clawback | <p>The Option is subject to mandatory repayment by you to the Company to the extent you are or in the future become subject to (x) any Company or Affiliate "clawback" or recoupment policy that is adopted to comply with the requirements of any Applicable Laws, or (y) any Applicable Laws which impose mandatory recoupment, under circumstances set forth in such Applicable Laws.</p> |
| Adjustments | <p>In the event of a stock split, a stock dividend or a similar change in the Stock, the number of shares covered by this Option and the Option Price shall be adjusted (with the number of shares covered by the Option rounded down to the nearest whole number) if required pursuant to the Plan.</p> |
| Applicable Law | <p>This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.</p> |

Forfeiture of Rights

If you should take actions in competition with the Company, the Company shall have the right to cause a forfeiture of your rights hereunder, including, but not limited to, the right to cause: (i) a forfeiture of the Option, and (ii) with respect to the period commencing twelve (12) months prior to your termination of Service with the Company and ending twelve (12) months following such termination of Service (A) a forfeiture of any gain recognized by you upon the exercise of the Option or (B) a forfeiture of any Stock acquired by you upon the exercise of the Option (but the Company will pay you the Option Price without interest). Unless otherwise specified in an employment or other agreement between the Company or an Affiliate and you, you take actions in competition with the Company if you directly or indirectly, own, manage, operate, join or control, or participate in the ownership, management, operation or control of, or are a proprietor, director, officer, stockholder, member, partner or an employee or agent of, or a consultant to any business, firm, corporation, partnership or other entity which engages, directly or indirectly, in research, developing, manufacturing, marketing, sale or licensing pharmaceutical, medical device or specialty pharmaceutical products or products in the healthcare sector; provided, however, being a holder of less than 1% of the outstanding equity of a public company or mutual fund shall not be deemed to be in competition with the Company

If you are not a party to a non-competition and confidentiality agreement with the Company on the date of this Agreement, you will concurrently herewith enter into such non-competition and confidentiality agreement in a form reasonably acceptable to the Company.

Data Privacy

In order to administer the Plan, the Company may keep and process personal data about you. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as home address and business addresses and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this Option, you give explicit consent to the Company to keep and process any such personal data. You also give explicit consent to the Company to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident optionees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

- Consent to Electronic Delivery** The Company may choose to deliver certain materials relating to the Plan in electronic form. By accepting this grant you agree that the Company may deliver the Plan prospectus and the Company’s annual report to you in an electronic format. If at any time you would prefer to receive paper copies of these documents, as you are entitled to, you may request paper copies of these documents.
- Severability** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.
- Waiver** No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.
- Grant Subject to Plan Provisions** This Option is an inducement grant pursuant to NASDAQ Listing Rule 5635(c), and is not granted pursuant to the Company’s 2010 Stock Incentive Plan, as amended and restated as of September 19, 2017 (the “**Plan**”), or any other equity plan incentive plan of the Company. Although this Option is not granted pursuant to the Plan, the Option shall be subject to and governed by, and shall be construed and administered in accordance with, the terms and conditions of the Plan (as from time to time in effect), which terms and conditions are incorporated herein by reference. Each of the Board and the Committee shall have the authority to interpret and construe the Option pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder. The text of the Plan is incorporated in this Agreement by reference.
- Entire Agreement** This Agreement and the Plan (and the other agreements or documents referred to herein or therein) constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) which relate to the subject matter hereof.
- Code Section 409A** It is intended that this Option comply with Section 409A of the Code (“Section 409”) or an exemption to Section 409A. To the extent that the Company determines that you would be subject to the additional taxes or penalties imposed on certain non-qualified deferred compensation plans pursuant to Section 409A as a result of any provision of this Agreement, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Company. Notwithstanding anything to the contrary in this Agreement, neither the Company, any Affiliate, the Board, nor the Committee will have any liability to you for any excise tax or penalty imposed on you under Section 409A.

By signing the cover sheet of this Agreement, you agree to all of the terms and conditions described above and in the Plan.

* * * *

Exhibit A**Form of Notice of Option Exercise**

OptiNose, Inc.
 1020 Stony Hill Road
 Third Floor, Suite 300
 Yardley, PA 19067

Dear Sir or Madam:

The undersigned (the "**Purchaser**") elects to exercise his/her Option to purchase _____ shares of common stock, \$0.001 par value per share (the "**Stock**"), of OptiNose, Inc. (the "**Company**") under and pursuant to the Non-Qualified Stock Option Agreement (Inducement Grant) dated as of _____ (the "**Option Agreement**").

Purchaser herewith delivers to the Company the full purchase price for the Stock as follows. (Check all that apply and complete as appropriate. The total payment must equal the aggregate Option Price of the Stock.)

_____ cash in the amount of \$_____.

_____ check in the amount of \$_____.

_____ by surrender of shares of Stock owned by the individual with a value of \$_____ represented by certificate(s) number _____.

_____ by delivery (on a form acceptable to the Committee) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell shares of Stock and to deliver all or part of the sale proceeds to the Company in payment of an amount equal to the aggregate Option Price of the Stock.

_____ by electing to have the Company withhold the number of shares of Stock that would otherwise be issuable in an amount equal in value to the aggregate Option Price of the Stock.

The name or names to which the stock is issuable upon exercise should be registered and the address and Social Security Number of such person(s) is as follows:

Name:

Address:

Social Security Number:

The Plan and the Option Agreement are incorporated herein by reference. This Notice of Option Exercise, the Plan and the Option Agreement constitute the entire agreement of the parties with respect to the

subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This Notice of Option Exercise is governed by the internal substantive laws, but not the choice of law rules, of the State of Delaware. **The undersigned Purchaser hereby acknowledges that he/she has received and read the Plan prospectus.**

Very truly yours,

Date Purchaser

February 10, 2020

Victor Clavelli
140 Woodbine Road
Stamford, CT 06903

Dear Vic:

In order to assist you with your relocation to the Yardley, PA area, OptiNose US, Inc. (“Optinose”) hereby agrees to provide you with certain benefits related to your relocation from Stamford, CT to Yardley, PA as set forth below. Where reimbursement is required, you agree that reimbursement will only be provided for reasonable and documented expenses incurred prior to December 31, 2022.

1. Temporary Living Benefits:

Optinose will provide you with temporary living accommodations near the Yardley office, in either a residence style hotel or a furnished apartment selected by Optinose, through June 2022 (the “Temporary Living Benefit”). We will not provide mileage reimbursement for commute expenses between Stamford, CT and Yardley, PA or provide, pay or reimburse you for any other temporary living or commuting expenses, including meals.

The Temporary Living Benefit is expected to be considered as income to you in the year the benefit is provided. In the event any portion of the Temporary Living Benefit is reportable as income to you under the IRS code, Optinose will gross-up the Temporary Living Benefit for federal, state and local income taxes and Medicare tax and remit taxes on your behalf. In that event, both the Temporary Living Benefit and the gross-up will be reportable to you as income. These benefits will be in the form of additional income and withholding on your W-2, however this is not considered creditable compensation for any benefit plan calculations such as 401(k).

The Temporary Living Benefit and any related tax gross-up are conditioned on your continued employment with Optinose for a period of at least twenty-four (24) consecutive months after the commencement of employment. If you should voluntarily resign for any reason or be discharged for Cause (as defined in your Employment Agreement with OptiNose) prior to the completion of twenty-four (24) months of consecutive employment you will be required to reimburse Optinose for the Temporary Living Benefit and any related tax gross-up paid by Optinose on your behalf, up to and including your employment separation date, according to the following schedule:

| | |
|---|---|
| If before 12 months of consecutive service: | 100% of Temporary Living Benefit and any related tax gross-up |
| If between 12 and 24 months of consecutive service: | 50% of Temporary Living Benefit and any related tax gross-up |

2. Relocation Benefits

Optinose will also provide the relocation benefits set forth below (“Relocation Benefits”) for you and your family to relocate to the Yardley area. To qualify for these Relocation Benefits, your final move must be completed, and expenses incurred by December 31, 2022. You will be required to use providers identified and sourced through Optinose.

a. Sale of Home:

Optinose will reimburse the following expenses related to the sale of your current home:

- Commission paid to licensed real estate broker, based on rate that is normal and customary, not to exceed 6% of the sale price of the home;
- The following incidental costs related to the home sale to include the following, the total of which is capped at 1% of the sale price of the home:
 - Appraisal fee;

- Normal, customary or reasonable attorney's fees directly related to the sale, if required;
- Federal documentary tax stamps;
- Recording of discharge of mortgage;
- Penalty for prepayment of mortgage;
- Other conveyance expenses when it is the local custom for the seller to pay such costs to include:
 - State or local tax on the transfer of real estate,
 - Abstract, title or title insurance costs,
 - Tax search,
 - Survey expense,
 - Closing or transfer fee,
 - Escrow retainer fee.

b. Closing Cost Reimbursement for New Home:

If you purchase a home in the Yardley, PA area and complete the transaction by December 31, 2022, Optinose will reimburse the following expenses, with the total reimbursement capped at 1% of the purchase price of the new home:

- Attorney's fees (limited to normal closing services), if required;
- Recording fees;
- Mandated appraisal and inspection fees;
- Bank or escrow service fees (not actual escrow funds);
- Other closing costs which are normally charged to the buyer such as:
 - Property survey expense (if required by lender),
 - Tax on transfer or real estate,
 - Inspection fees,
 - Title report and title insurance.

c. Temporary Living Assistance

Optinose will provide relocation assistance for your family's hotel/executive housing, meals and incidental living expenses for a maximum of 30 days in the new location while awaiting the arrival of household goods or availability of permanent housing.

d. Movement of Household Goods

Optinose will pay for the cost of transporting normal household goods for you and the family members living in your home. Such services will include packing and normal servicing of appliances.

- Specialty collections, antiques, boats, ATVs and other unusual household goods requiring special handling are excluded from the above and will be considered on an exception basis;

Mileage reimbursement will be provided for driving up to 2 cars to the new location.

The Relocation Benefits provided by Optinose are also expected to be considered taxable income to you in the year the benefit is provided. In the event any portion of the Relocation Benefits are reportable as income to you under the IRS Code, Optinose will gross-up the Relocation Benefit for federal, state and local income taxes and Medicare tax and remittaxes on your behalf. In that event, both the Relocation Benefit and the gross-up will be reportable to you as income. These benefits will be in the

form of additional income and withholding on your W-2, however this is not considered creditable compensation for any benefit plan calculations such as 401(k).

The Relocation Benefits and any related tax gross-up are conditioned on you remaining in the employment of Optinose for a period of at least twenty-four (24) consecutive months after the completion of your move. If you should voluntarily resign for any reason or be discharged for Cause (as defined in your Employment Agreement with Optinose) prior to the completion of twenty-four (24) consecutive months of employment after the completion of your move, you will be required to reimburse Optinose for all Relocation Benefits and any related tax gross-up paid by Optinose on your behalf, up to and including my employment separation date, according to the following schedule:

| | |
|---|--|
| If before 12 consecutive months of service following completion of your move: | 100% of Relocation Benefits and any related tax gross-up |
| If between 12 and 24 consecutive months of service following completion of your move: | 50% of Relocation Benefits and any related tax gross-up |

Should you be required to reimburse Optinose for any portion of the Temporary Living Benefit or the Relocation Benefits or any related tax gross-up, you hereby authorize Optinose to withhold amounts due and owing based upon the above schedule from your final paycheck and any other payments owed to you by Optinose or its affiliated entities in satisfaction of any repayment or other obligations owing under this letter agreement. You understand that the amount withheld will be reflected on your final paystub. If you have any questions about this withholding, you understand you are to contact Human Resources immediately. To the extent that the amount deducted from your final paycheck or any other payments owed to you by Optinose does not cover the full amount owed or such a deduction is not permissible under applicable law, you agree to pay Optinose any remaining balance no later than thirty (30) days after your separation date. You understand that if you fail to do so, then Optinose reserves the right to institute legal proceedings against you to collect the remaining balance. Further, should it be necessary for Optinose to institute legal proceedings to collect any amounts due, you understand and agree that you will be responsible for paying any and all reasonable attorneys' fees, court fees, expenses and collection costs incurred by Optinose in connection therewith.

Except as explicitly set forth above, you acknowledge and agree that Optinose has not agreed to, and shall not be required to, provide, reimburse or pay for any other expenses, services or losses of any kind in connection with or related to your relocation or temporary living accommodations.

Please sign below to indicate your agreement with and acceptance of the terms of this letter agreement.

Sincerely,

OptiNose US, Inc.

By: _____

Name:

Title:

AGREED AND ACCEPTED:

Victor M. Clavelli