
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **November 26, 2018**

ABEONA THERAPEUTICS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-15771
(Commission File Number)

83-0221517
(I.R.S. Employer Identification No.)

1330 Avenue of the Americas, 33rd Floor
New York, NY 10019
(Address of principal executive offices) (Zip Code)

(646) 813-4712
(Registrant's telephone number, including area code)

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

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

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

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.

Effective November 26, 2018, Abeona Therapeutics, Inc. (the “Company”) terminated the employment of Frank Carsten Thiel, Ph.D., its Chief Executive Officer. The termination by the Company was “for Cause” pursuant to the terms of the Employment Agreement, dated March 29, 2018, between the Company and Dr. Thiel (the “Employment Agreement”). In addition, on November 27, 2018, Dr. Thiel resigned as a member of the Board of Directors of the Company (the “Board”), effective immediately. Dr. Thiel’s termination and resignation were due to conduct violating the Company’s Code of Business Conduct and Ethics and not related to the condition of the Company’s finances, operations or clinical programs, nor due to any disagreement with the Company regarding its management of financial reporting, scientific data or other practices. On November 29, 2018, Dr. Thiel and the Company entered into a separation agreement (the “Separation Agreement”) providing that he will only be entitled to receive, as of the effective date of termination, Accrued Amounts and will receive reimbursement for continuing medical benefits under COBRA for six months or until he obtains health benefits through new employment, whichever is sooner, but will not otherwise be eligible for any Annual Bonus or Severance Amount (each as defined in the Employment Agreement). The foregoing summary of the Separation Agreement does not purport to be complete and is subject to, and qualified in its entirety by the full text of the Separation Agreement, which is filed herewith as Exhibit 10.3.

Effective November 26, 2018, the Board appointed João Siffert, M.D., 54, the Company’s Head of Research and Development and Chief Medical Officer, to serve as Interim Chief Executive Officer. Dr. Siffert will continue to oversee research and development while serving as Interim Chief Executive Officer. It is anticipated that Dr. Siffert will serve as Interim Chief Executive Officer until the election by the Board of a permanent chief executive officer.

In connection with his appointment as Interim Chief Executive Officer, Dr. Siffert and the Company entered into an agreement (the “Amendment”) providing that he will receive an increased annualized salary of \$550,000 (the “Interim Base Salary”) in respect of a six-month period during which he is expected to serve in this position (the “Interim Period”), commencing November 26, 2018. Other than the Interim Base Salary, Dr. Siffert’s current agreement with the Company, dated September 28, 2018 (the “Current Agreement”), will remain in place during the Interim Period. Pursuant to the terms of the Current Agreement, Dr. Siffert will receive (i) a target bonus of 45% of his regular base salary, \$450,000, (ii) a sign-on bonus in the aggregate amount of \$190,000, (iii) a grant of an initial option to purchase 180,000 shares of the Company’s common stock, which option will vest over a 48 month period, with 25% vesting on the one-year anniversary of the date of grant and the remaining 75% vesting in 36 equal monthly installments thereafter, and (iv) a subsequent grant of an option to purchase 60,000 shares of the Company’s common stock, which option will vest over a 48 month period with 25% vesting on the one-year anniversary of the date of grant and the remaining 75% vesting in 36 equal monthly installments thereafter. The foregoing summaries of the Current Agreement and the Amendment do not purport to be complete and are subject to, and qualified in their entirety by the full text of these agreements, which are filed herewith as Exhibits 10.1 and 10.2, respectively.

Dr. Siffert does not have any family relationship with any member of the Board or any executive officer of the Company. Information about Dr. Siffert’s business experience can be found in the press release attached as Exhibit 99.1 hereto, which biographical information contained in paragraph 5 thereof is incorporated into this Item 5.02 by reference. Aside from the Amendment described in the preceding paragraph, there are no arrangements or understandings between Dr. Siffert and any other person pursuant to which he was appointed to serve as the Company’s Interim Chief Executive Officer.

Dr. Siffert will not serve on the Board of Directors during his tenure as Interim Chief Executive Officer.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>Letter Agreement between Abeona Therapeutics, Inc. and João Siffert, M.D., dated September 28, 2018.</u>
<u>10.2</u>	<u>Letter Agreement between Abeona Therapeutics, Inc. and João Siffert, M.D., dated November 29, 2018.</u>
<u>10.3</u>	<u>Separation Agreement between Abeona Therapeutics, Inc. and F. Carsten Thiel, Ph. D., dated November 29, 2018.</u>
<u>99.1</u>	<u>Press Release, dated November 26, 2018.</u>

SIGNATURE

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

Abeona Therapeutics Inc.
(Registrant)

By: /s/ Neena Patil

Name: Neena Patil

Title: General Counsel and Secretary

Date: November 29, 2018

September 28, 2018



Joao Siffert, MD

Dear Joao,

I am pleased to offer you the position of Executive Vice President, Head of Research & Development with Abeona Therapeutics Inc. (the "Company") reporting to our Chief Executive Officer ("CEO"), effective October 24, 2018 (the "Effective Date").

1. Duties.

As the Head of Research & Development, your general duties shall include, but not be limited to:

- Leadership of the Research & Development ("R&D") organization including oversight of the product development team ("Research"), Clinical Operations, Medical Affairs and Regulatory Affairs
- Working with Business Development and Commercial to develop the preclinical and clinical strategy
- Providing vision and plan for shaping the Company to delivering future pipeline growth
- Ensuring that work is conducted in compliance with Company guidelines applicable laws and regulations and industry standards
- Ensuring resource levels, competencies, skills and knowledge are in place and balanced to support achievement of R&D targets across R&D
- Supporting of Bids & Proposals work streams
- Accountable for budget, schedule, scope, quality and delivery of all R&D projects
- Building the delivery structure for R&D projects
- Leading the R&D team to meet the Company strategy through tasks and project delivery
- Development and management of the R&D Governance and Plans
- Establishing compliance tools, trainings and processes in your team
- Line management and career development responsibilities
- Ensuring the department is using industry best practice in the delivery of projects and products

2. Compensation and Benefits.

During your employment, you will receive a base salary of \$450,000 USD, payable in accordance with the regular payroll practices of the Company ("Base Salary"). During your employment, you may be considered for an annual discretionary bonus ("Annual Bonus") in addition to your Base Salary with a target of 45% of your Base Salary ("Target Annual Bonus Opportunity"). Annual Bonus compensation in any year, if any, will be determined in the Company sole discretion and shall be based on your performance and that of the Company, as well as market factors, in accordance with a general bonus program established by the Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board"). Except as provided below under Section 3 in the event of certain terminations of your employment, to be eligible to receive an Annual Bonus for any year, if any, you must be employed in good standing on the date that the Annual Bonus is paid. You will receive a sign-on bonus of \$ 190,000 USD with \$95,000 paid within thirty (30) days following the Effective Date and \$95,000 paid 120 days after the Effective Date, provided you are employed on such dates. This sign-on bonus is to encourage you to accept employment with the Company and is not payment for any work performed or services rendered by you. Your right to retain the sign-on bonus, therefore, shall not vest until you have completed one (1) year of service with the Company. Accordingly, this sign-on bonus is repayable immediately should your employment terminate for any reason, including your resignation, within one (1) year following the Effective Date.

Subject to Compensation Committee approval, at the first regularly scheduled meeting of the Compensation Committee after the Effective Date, you will be granted a stock option under the Abeona Therapeutics Inc. 2015 Equity Incentive Plan (the "Plan") to purchase 180,000 shares of Company common stock (the "Initial Option"). The Initial Option will vest over a forty-eight (48) month period, with one quarter (25%) vesting on the one-year anniversary of the Effective Date and the remaining seventy-five percent (75%) of the Initial Option vesting in equal monthly installments thereafter over the remaining thirty-six (36) months, commencing with the first month following the first anniversary of the Effective Date, and subject to (i) your continued employment with the Company and/or its affiliates through to the applicable vesting dates, and (ii) the terms and conditions of the Plan and the agreement memorializing the terms of the Initial Option. If you remain continuously employed from the Effective Date through the date of a Change in Control (as defined below), any unvested portion of the Initial Option as of the date of the Change in Control shall become fully vested immediately prior to the date of the Change in Control. Pursuant to the terms of the Plan, the exercise price of the Initial Option will be the fair market value of the Company's common stock on the date of the grant.

Subject to Compensation Committee approval, in January 2019, you will be granted a stock option under the Plan to purchase 60,000 shares of Company common stock ("Subsequent Option"). The Subsequent Option will vest over a forty-eight (48) month period, with one quarter (25%) vesting on the one-year anniversary of the date of grant and the remaining seventy-five percent (75%) of the Subsequent Option vesting in equal monthly installments thereafter over the remaining thirty-six (36) months, commencing with the first month following the first anniversary of the date of grant, and subject to (i) your continued employment with the Company and/or its affiliates through to the applicable vesting dates, and (ii) the terms and conditions of the Plan and the agreement memorializing the terms of the Subsequent Option. If you remain continuously employed from the Effective Date through the date of a Change in Control, any unvested portion of the Subsequent Option as of the date of the Change in Control shall become fully vested immediately prior to the date of the Change in Control. Pursuant to the terms of the Plan, the exercise price of the Subsequent Option will be the fair market value of the Company's common stock on the date of the grant.

During your employment, you will be eligible to participate in such health and other group insurance and other employee benefit plans and programs of the Company as in effect from time to time on the same basis as other senior executives of the Company. Your participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. The Company reserves the right to amend or terminate any employee benefit plans, programs and policies in its discretion after the Effective Date.

You will be entitled to twenty (20) days of paid time off (vacation days plus sick time/personal time) per year accrued at a rate in accordance with the Company's policies from time to time in effect, in addition to holidays observed by the Company. Paid time off may be taken at such times and intervals as you shall determine, subject to the business needs of the Company and the responsibilities of your position.

3. Employment Termination.

The Company may terminate your employment for any reason, and you may voluntarily terminate your employment hereunder for any reason, in each case at any time upon written notice to the other party (the date on which your employment terminates for any reason is herein referred to as the "Termination Date"). Upon your termination of employment for any reason, you (or your beneficiary or estate, as applicable, in the event of your death) will be entitled to (i) payment of any Base Salary earned but unpaid through the Termination Date, (ii) any accrued unused vacation days, (iii) additional vested benefits (if any) in accordance with the applicable terms of applicable Company arrangements, and (iv) any unreimbursed expenses in accordance with the Company's business expense reimbursement policies (collectively, the "Accrued Amounts"); provided, however, that if your employment hereunder is terminated (a) by the Company without Cause (as defined below), (b) by you for Good Reason (as defined below), (c) on account of your death or (d) by the Company on account of your Disability (as defined below), then you will be eligible to receive any Annual Bonus awarded in a prior year, but not yet paid or due to be paid.

If your employment is terminated (a) by the Company other than for Cause, death or Disability or (b) by you for Good Reason, in addition to the Accrued Amounts, you will be entitled to: (i) a payment equal to the sum of your Base Salary plus your Target Annual Bonus Opportunity (such amount, the "Severance Amount"); (ii) a payment equal to the premiums that you would pay if you elected continued health coverage under the Company's health plan for you and your eligible dependents for the twelve (12) month period following the Termination Date, less the applicable active employee rate, which premiums will be calculated based on the rate determined under the COBRA rate in effect on the Termination Date ("Medical Benefit Payment"); (iii) a pro-rata Annual Bonus, which pro-rated Annual Bonus shall be determined by multiplying the full year Annual Bonus that would otherwise have been awarded to you, based upon the achievement of the applicable performance goals for the year in which the Termination Date occurs (without any exercise of negative discretion disproportionate to any such exercise respecting other executives and all subjective performance requirements deemed fully satisfied), multiplied by a fraction, the numerator of which is the number of days during which you were employed by the Company in the year in which the Termination Date occurs and the denominator of which is three hundred sixty-five (365); and (iv) accelerated vesting equivalent to twelve (12) months of continued employment from the Termination Date (disregarding such termination for such purpose) with respect to all unvested equity and any other long-term incentive awards granted to you and then outstanding on the Termination Date; provided, that, any delays in the settlement or payment of such awards that are set forth in the applicable award agreement and that are required under Section 409A of the Internal Revenue Code, as amended (the "Code"), and the Treasury Regulations thereunder ("Section 409A") shall remain in effect. The Company's obligations to make the payments and provide the benefits set forth in (i) – (iv) in this Paragraph shall be conditioned upon your continued compliance with your obligations under Section 4 below and your execution and nonrevocation of a release of claims in favor of the Company and its affiliates in a form provided by the Company ("Release"). Notwithstanding any provision to the contrary herein (other than the provisions of Section 7 below), and without limitation of any remedies to which the Company may be entitled, (A) the Severance Amount shall be paid in installments in accordance with the Company's regular payroll practices during a twelve (12) month period commencing within sixty (60) days following the Termination Date (with the first such payment to include all installment amounts from the Termination Date), (B) the Medical Benefit Payment will be made in a lump sum within sixty (60) days following the Termination Date and (C) the pro-rated Annual Bonus shall be paid to you in the ordinary course at the same time annual bonuses are paid to other senior executives, but in no event later than March 15 of the year following the year in which the Termination Date occurs; provided, that, the Release is effective.

Notwithstanding any other provision contained herein, if your employment hereunder is terminated by you for Good Reason or by the Company without Cause (other than on account of your death or Disability), in each case within twelve (12) months following a Change in Control, you will be entitled to receive the Severance Amount, the Medical Benefit Payment, and the pro-rata Annual Bonus, as provided above, except that (i) if the Change in Control is a “change in control event” as defined under Section 409A, the Severance Amount shall be payable in a lump sum within sixty (60) days following the Termination Date; and (ii) notwithstanding the terms of any equity incentive plan or award agreements, as applicable, all outstanding unvested stock options/stock appreciation rights granted to you during your employment with the Company shall become fully vested and exercisable and will remain exercisable for six (6) months following the Termination Date and all outstanding equity-based and other long-term compensation awards, other than stock options/stock appreciation rights, shall become fully vested and the restrictions thereon shall lapse; provided, that, any delays in the settlement or payment of such awards that are set forth in the applicable award agreement and that are required under Section 409A shall remain in effect. The Company’s obligations to provide the payments and benefits described in this Paragraph shall be conditioned upon your continued compliance with your obligations under Section 4 below and your execution and delivery to the Company of an effective Release.

The foregoing payments and benefits upon termination of your employment shall constitute the exclusive severance payments and benefits due to you upon a termination of your employment.

Upon your termination of employment with the Company for any reason, you will be deemed to have resigned, as of the Termination Date, from all positions you then hold with the Company and its affiliates.

Following the termination of your employment with the Company for any reason, you will reasonably cooperate with the Company upon reasonable request of the CEO or the Board or and be reasonably available to the Company (taking into account your other business endeavors) with respect to matters arising out of your services to the Company and its subsidiaries, including, in connection with any legal proceeding, providing testimony and affidavits; provided, that, the Company shall make reasonable efforts to minimize disruption of your other activities. The Company shall reimburse you for reasonable expenses incurred in connection with such cooperation.

For purposes of this offer letter, the following terms have the following meanings:

(i) “Cause” shall mean: (a) your substantial failure to perform your duties (other than any such failure resulting from incapacity due to physical or mental disability) that continues for fifteen (15) calendar days after written notice from the Company; (b) your failure to comply with any valid and legal directive of the CEO or the Board (as applicable) that continues for fifteen (15) calendar days after written notice from the Company; (c) your engagement in dishonesty, illegal conduct, or misconduct (or the discovery of your having engaged in such conduct), which, in each case, materially harms or is reasonably likely to materially harm the Company or its subsidiaries; (d) your embezzlement, misappropriation, or fraud, whether or not related to your employment with the Company; (e) your conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony; (f) your willful violation of a material policy of the Company; (g) your willful or grossly negligent unauthorized disclosure of Confidential Information (as defined below); or (h) your material breach of any material obligation under this offer letter or any other written agreement between you and the Company that continues for fifteen (15) calendar days after written notice from the Company (if such breach is reasonably curable); or (i) any willful material failure by you to comply with the Company’s written policies or written rules, as they may be in effect from time to time.

(ii) “Change in Control” shall have the meaning defined in subparagraph (ii) of the definition of such term under the Appendix in the Plan as in effect on the date hereof.

(iii) “Disability” shall occur, subject to applicable law, when you are entitled to receive long-term disability benefits under the Company’s long-term disability plan, or if there is no such plan, your inability, due to physical or mental incapacity, to perform the essential functions of your job for one hundred eighty (180) calendar days out of any three hundred sixty-five (365) day period or one hundred twenty (120) consecutive calendar days. Any question as to the existence of your Disability as to which you and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to you and the Company. If you and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and you shall be final and conclusive for all purposes of this offer letter.

(iv) “Good Reason” shall mean the occurrence of any of the following, in each case without your written consent: (a) a material reduction of at least ten percent (10%) of your Base Salary other than a general reduction in Base Salary that affects all similarly situated executives in substantially the same position; (b) a material reduction of at least thirty percent (30%) of the Target Annual Bonus Opportunity other than a general reduction in the Target Annual Bonus Opportunity that affects all similarly situated executives in substantially the same position; (c) a permanent relocation of your principal place of employment by more than thirty-five (35) miles; (d) any material breach by the Company of any material provision of this offer letter; or (e) a material adverse change in your title, authority, duties, or responsibilities (including the reporting structure applicable to you, other than temporarily while you are physically or mentally incapacitated); provided, however, that you cannot terminate your employment for Good Reason unless you have provided written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within sixty (60) calendar days following the initial existence of such grounds and the Company has had thirty (30) calendar days from the date on which such notice is provided to cure such circumstances. If you do not terminate your employment for Good Reason within sixty (60) calendar days after expiration of the cure period (in which the Company shall not have so cured such grounds), then you will be deemed to have waived your right to terminate for Good Reason with respect to such grounds.

4. Restrictive Covenants.

This offer of employment is contingent on your signing the Company’s standard Employee Confidentiality, Non-competition, Policy on Insider Trading, Whistle Blower Policy, Code of Ethics, Proprietary Information Agreement, attached hereto as Exhibit A, the terms of which are incorporated by reference.

5. Conditions of Employment.

This offer of employment is contingent on you providing an I-9 Employment Verification Form. You will be required to submit documentation that establishes identity and employment eligibility in accordance with the US Immigration and Naturalization requirements, if appropriate. The offer of employment contained in this offer letter, and your continued employment, is contingent upon and subject to a satisfactory background and reference check (which you hereby authorize), including but not limited to a confirmation of your stated credentials. It will be in the Company’s sole discretion at any time to determine the scope of the background and reference check, whether and when to conduct or update such background check and reference check and whether such check is satisfactory.

6. At-Will Employment.

Your employment with the Company is at-will. This means that you will have the right to terminate your employment relationship with the Company at any time for any reason. Similarly, the Company will have the right to terminate its employment relationship with you at any time for any reason.

7. Section 409A.

To the extent applicable, it is intended that this offer letter (including all amendments hereto, if any) either meets the requirements for exclusion from coverage under Section 409A, or alternatively complies with the requirements of Section 409A, so that the income inclusion provisions of Section 409A(a)(1) of the Code do not apply to you. This offer letter shall be interpreted and administered in a manner consistent with this intent.

To the extent that payment of amounts under this offer letter that are subject to Section 409A are payable upon your termination of employment, such amounts shall only be payable if such termination also constitutes a "separation from service," within the meaning of Section 409A, from the Company and its affiliates. If you are deemed on the date of your separation from service to be a "specified employee" (within the meaning of Section 409A(a)(2)(B) of the Code) of the Company, then, notwithstanding any other provision herein, with regard to any payment that is "nonqualified deferred compensation" subject to Section 409A and that is payable on account of your "separation from service," such payment shall not be made prior to the earlier of (i) the expiration of six (6) months following the date of your separation from service, and (ii) the date of your death, following which all payments so delayed shall be paid to you in a lump sum without interest.

Any taxable reimbursement of business or other expenses provided for under this offer letter that is subject to Section 409A shall be subject to the following conditions: (i) the expenses eligible for reimbursement in one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for another benefit.

In applying Section 409A to amounts paid pursuant to this offer letter, each payment shall be treated as a separate payment and any right to a series of installment payments under this offer letter shall be treated as a right to a series of separate payments. Whenever a payment under this offer letter specifies a payment period within a specified number of days, the actual date of payment within the specified period shall be within the sole discretion of the Company. If the consideration and revocation period for the Release spans two taxable years and any amount hereunder is "nonqualified deferred compensation" subject to Section 409A and payable on account of your separation from service, such payment shall not be made or commence until the second taxable year.

8. Section 280G.

In the event of a change in ownership or control under Section 280G of the Code, if it shall be determined that any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for your benefit, whether paid or payable or distributed or distributable pursuant to the terms of this offer letter or otherwise (a "Payment"), would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the aggregate present value of the Payments under this offer letter shall be reduced (but not below zero) to the Reduced Amount (defined below) if and only if the Accounting Firm (described below) determines that the reduction will provide you with a greater net after-tax benefit than would no reduction. No reduction shall be made unless the reduction would provide you with a greater net after-tax benefit. The determinations under this Section 8 shall be made as follows:

(i) The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Payments under this offer letter without causing any Payment under this offer letter to be subject to the Excise Tax (defined below), determined in accordance with Section 280G(d)(4) of the Code. The term "Excise Tax" means the excise tax imposed under Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(ii) Payments under this offer letter shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to you. Where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro-rata basis. Only amounts payable under the offer letter shall be reduced pursuant to this Section.

(iii) All determinations to be made under this Section shall be made by an independent certified public accounting firm selected by the Company and agreed to by you immediately prior to the change in ownership or control transaction (the "Accounting Firm"). The Accounting Firm shall provide its determinations and any supporting calculations both to the Company and you within ten (10) days of the transaction. Any such determination by the Accounting Firm shall be binding upon the Company and you. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section shall be borne solely by the Company.

9. Miscellaneous.

All amounts paid to you under this offer letter during or following your employment shall be subject to withholding and other employment taxes imposed by applicable law, and the Company shall withhold from any payments under this offer letter all federal, state and local taxes as the Company is required to withhold pursuant to any law or governmental rule or regulation. You shall be solely responsible for the payment of all taxes imposed on you relating to the payment or provision of any amounts or benefits hereunder.

This offer letter may be executed by .pdf or facsimile signatures in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

From and after the Effective Date, this offer letter (including Exhibit A hereto) constitutes the entire agreement between you and the Company, and supersedes all prior representations, agreements and understandings (including any prior course of dealings), both written and oral, between you and the Company with respect to the subject matter hereof. In the event of any inconsistency between this offer letter and any other plan, program, practice or agreement in which you are a participant or a party, this offer letter shall control unless such other plan, program, practice or agreement is more favorable to you (term by term) or specifically refers to this offer letter as not controlling.

This offer letter and any of the provisions hereof may be amended, waived (either generally or in a particular instance and either retroactively or prospectively), modified or supplemented, in whole or in part, only by written agreement signed by you and the Company. This offer letter and your rights and obligations hereunder, may not be assigned by you, and any purported assignment by you in violation hereof shall be null and void. The Company is authorized to assign this offer letter to a successor to substantially all of its assets or business. Nothing in this offer letter shall confer upon any person not a party hereof, or the legal representatives of such person, any rights or remedies of any nature or kind whatsoever under or by reason of this offer letter, except the personal representative of the deceased. This offer letter shall inure to the benefit of, and be binding on, the successors and assigns of each of the parties, including, without limitation, your heirs and the personal representatives of your estate and any successor to all or substantially all of the business and/or assets of the Company.

No remedy conferred upon a party by this offer letter is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this offer letter or now or hereafter existing at law or in equity. Except as explicitly provided herein, no delay or omission by a party in exercising any right, remedy or power under this offer letter or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion.

This offer letter shall be construed and enforced in accordance with, and the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

Any reference to a Section of the Code shall be deemed to include any successor to such Section.

This offer letter and the compensation payable hereunder shall be subject to any applicable clawback or recoupment policies, share trading policies, and other policies that may be implemented by the Board from time to time with respect to officers of the Company.

Any notices 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 mailed by registered or certified mail, if to the Company, to the CEO at the address above, and if to you at the most recent address in the Company's records.

Please acknowledge your acceptance of this offer by returning a signed copy of this offer letter. If there are any other agreements of any type that you are aware of that may impact or limit your ability to perform your job at the Company, please let us know as soon as possible. In accepting this offer, you represent and warrant to the Company that you are not subject to any legal or contractual restrictions that would in any way impair your ability to perform your duties and responsibilities to the Company, and that all information you provided to the Company is accurate and complete in all respects. This offer will remain open until October 4, 2018.

Formalities aside, we are very excited about having you join our team. Your skills and experiences are a great match with our goals, and I anticipate you being a critical part of the Company's success.

Very truly yours,

/s/ Carsten Thiel, Ph.D.
Carsten Thiel, Ph.D.
Chief Executive Officer
Abeona Therapeutics Inc.

I accept this offer of employment with Abeona Therapeutics and will begin employment on October 24, 2018.

Signature:

Date:

/s/ João Siffert, M.D.

4 - Oct - 2018

**EMPLOYEE CONFIDENTIALITY, NON-COMPETITION, AND
PROPRIETARY INFORMATION AGREEMENT**

THIS AGREEMENT, effective as of **24 October, 2018** between Abeona Therapeutics Inc., a Delaware corporation (the "Company"), and **Joao Siffert, MD** (the "Employee").

1. Employee will make full and prompt disclosure to the Company of all inventions, improvements, modifications, discoveries, methods, technologies, biological materials, and developments, and all other materials, items, techniques, and ideas related directly or indirectly to the business of the Company (collectively, "Intellectual Property"), whether patentable or not, made or conceived by Employee or under Employee's direction during Employee's employment with the Company, whether or not made or conceived during normal working hours, or on the premises of the Company.

2. Employee agrees that all Intellectual Property, as defined above, shall be the sole property of the Company and its assigns, and the Company and its assigns shall be the sole owner of all patents and other rights in connection therewith. Employee hereby assigns to the Company any rights Employee may have or acquire in all Intellectual Property and all related patents, copyrights, trademarks, trade names, and other industrial and intellectual property rights and applications therefore, in the United States and elsewhere. Employee further agrees that with regard to all future developments of Intellectual Property, Employee will assist the Company in every way that may be reasonably required by the Company (and at the Company's expense) to obtain and, from time to time, enforce patents on Intellectual Property in any and all countries that the Company may require, and to that end, Employee will execute all documents for use in applying for and obtaining such patents thereon and enforcing the same, as the Company may desire, together with any assignment thereof to the Company or persons designated by the Company, and Employee hereby appoints the Company as Employee's attorney to execute and deliver any such documents or assignments requested by the Company. Employee's obligation to assist the Company in obtaining and enforcing patents for Intellectual Property in any and all countries shall continue beyond the termination of Employee's employment with the Company, but the Company shall compensate Employee at a reasonable, standard hourly rate following such termination for time directly spent by Employee at the Company's request for such assistance.

3. Employee hereby represents that Employee has no continuing obligation to assign to any former employer or any other person, corporation, institution, or firm any Intellectual Property as described above. Employee represents that Employee's performance of all the terms of this Agreement and as an employee of the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by Employee, in confidence or in trust, prior to Employee's employment by the Company. Employee has not entered into, and Employee agrees not to enter into, any agreement (either written or oral), which would put Employee in conflict with this Agreement.

4. Employee agrees to assign to the Company any and all copyrights and reproduction rights to any material prepared by Employee in connection with this Agreement and/or developed during the term of Employee's employment with the Company.

5. Employee understands and agrees that a condition of Employee's employment and continued employment with the Company is that Employee has not brought and will not bring to the Company or use in the performance of Employee's duties at the Company any materials or documents rightfully belonging to a former employer which are not generally available to the public.

6. Employee recognizes that the services to be performed by Employee hereunder are special, unique, and extraordinary and that, by reason of Employee's employment with the Company, Employee may acquire Confidential Information (as hereinafter defined) concerning the operation of the Company, the use or disclosure of which would cause the Company substantial loss and damage which could not be readily calculated and for which no remedy at law would be adequate. Accordingly, except as provided in the last Paragraph in this Section 6, Employee agrees that Employee will not (directly or indirectly) at any time, whether during or after Employee's employment with the Company:

- (i) knowingly use for personal benefit or for any other reason not authorized by the Company any Confidential Information that Employee may acquire or has acquired by reason of Employee's employment with the Company, or;
- (ii) disclose any such Confidential Information to any person or entity except (A) in the performance of Employee obligations to the Company hereunder, (B) as required by a court of competent jurisdiction, or (C) with the prior consent of the Board of Directors of the Company.

As used herein, "Confidential Information" includes information with respect to the facilities and methods of the Company, reagents, chemical compounds, cell lines or subcellular constituents, organisms, or other biological materials, trade secrets, and other Intellectual Property, systems, patents and patent applications, procedures, manuals, confidential reports, financial information, business plans, prospects, or opportunities, personnel information, or lists of customers and suppliers; provided, however, that Confidential Information shall not include any information that is known or becomes generally known or available publicly other than as a result of disclosure by Employee which is not permitted as described in clause (ii) above, or the Company discloses same to others without obtaining an agreement of confidentiality.

Employee confirms that all Confidential Information is the exclusive property of the Company. All business records, papers, documents and electronic materials kept or made by Employee relating to the business of the Company which comprise Confidential Information shall be and remain the property of the Company during the Employee's employment and at all times thereafter. Upon the termination, for any reason, of Employee's employment with the Company, or upon the request of the Company at any time, Employee shall deliver to the Company, and shall retain no copies of any written or electronic materials, records and documents made by Employee or coming into Employee's possession concerning the business or affairs of the Company and which comprise Confidential Information. To the extent that, upon termination, Employee has any Confidential Information or other proprietary material of the Company stored within any PDA or personal computer, email account, thumb drive or other storage device or cloud storage, Employee agrees to fully cooperate with the Company to return such information and material and subsequently permanently delete and remove such information and material from such devices (subject to any litigation preservation directive in effect), including, as necessary, providing access by the Company to such devices to ensure compliance with this Paragraph.

Nothing in this Agreement shall prohibit or restrict Employee from lawfully (a) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or officials, including the Food and Drug Administration, the Securities and Exchange Commission and the Equal Employment Opportunity Commission (collectively, "Governmental Authorities") regarding a possible violation of any law; (b) responding to any inquiry or legal process directed to Employee individually (and not directed to the Company) from any such Governmental Authorities; (c) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (d) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Notwithstanding the foregoing, Employee agrees that in making any such disclosures or communications, Employee will take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company Confidential Information to any parties other than any Governmental Authority. Employee further understands that Employee is not permitted to disclose the Company's attorney-client privileged communications or attorney work product unless required by applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made to Employee's attorney in relation to a lawsuit for retaliation against Employee for reporting a suspected violation of law; or (iii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nor does this Agreement require Employee to obtain prior authorization from the Company before engaging in any conduct described in this Paragraph, or to notify the Company that you have engaged in any such conduct.

7. During the term of Employee's employment with the Company and for one (1) year thereafter (the "Restricted Period"), the Employee shall not directly or indirectly, for Employee's own account or for the account of others, as an officer, director, stockholder (other than as the holder of less than 1% of the outstanding stock of any publicly traded company), owner, partner, employee, promoter, investor, consultant, manager or otherwise participate in the promotion, financing, ownership, operation, or management of, or assist in or carry on through proprietorship, a corporation, partnership, or other form of business entity which is in competition with the Company in the field of RNA interference (RNAi) (the "Company Business") within the United States or any other country in which the Company is conducting or is actively seeking or planning to conduct the Company Business as of the date of such termination.

During the Restricted Period, the Employee shall not, whether for Employee's own account or for the account of any other person (excluding the Company): (i) solicit or contact in an effort to do business with any person who was or is a customer or prospective customer (i.e., any individual or entity with whom the Company was actively engaged in soliciting to do business) of the Company, or any affiliate of the Company, at the time of Employee's termination or at any time during the two (2) year period prior to Employee's termination, if such solicitation or contact is for the purpose of competition with the Company; or (ii) solicit or induce any of the Company's employees to leave their employment with the Company or accept employment with anyone else, or hire any such employees or persons who were employed by the Company during the preceding twelve (12) months.

Nothing herein shall prohibit or preclude the Employee from performing any other types of services that are not precluded by this Section 7 for any other person.

Employee has carefully read and considered the provisions of this Section 7 (including the Restricted Period, scope of activity to be restrained, and the restriction's geographical scope) and concluded them to be fair, appropriate and reasonably required for the protection of the legitimate business interests of the Company, its officers, directors, employees, creditors, and shareholders. Employee understands that the restrictions contained in this Section 7 may limit Employee's ability to engage in a business similar to the Company's business, but acknowledges that Employee will receive adequate and affluent remuneration and other benefits from the Company hereunder to justify such restrictions.

The Employee shall give prompt notice to the Company of the Employee's acceptance of employment or other fees for services relationship during the Restricted Period, which notice shall include the name of, the business of, and the position that Employee shall hold with such other employer. Employee also agrees to inform any prospective employer or business entity or person of the restrictions set forth in this Agreement prior to accepting employment or entering into any business relationship.

8. In the event that Employee's employment is transferred by the Company to a subsidiary, affiliated company, or acquiring company (as the case may be), Employee's employment by such company will, for the purpose of this Agreement, be considered as continued employment with the Company, unless Employee executes an agreement, substantially similar in substance to this Agreement, and until the effective date of said agreement in any such company for which Employee becomes employed. It is likewise agreed that no changes in Employee's position or title will operate to terminate the provisions of this Agreement unless expressly agreed to in writing.

9. Upon termination of Employee's employment for any reason, unless such employment is transferred to a subsidiary, affiliated or acquiring company of the Company, Employee agrees to leave with, or return to, the Company all records, drawings, notebooks, and other documents pertaining to the Company's Confidential Information, whether prepared by Employee or others, as well as any equipment, tools or other devices owned by the Company, that are then in Employee's possession, however such items were obtained, and Employee agrees not to reproduce or otherwise retain any document or data relating thereto.

10. Subject to Section 6 with respect to disclosure to Governmental Authorities, Employee agrees and covenants that he will not at any time make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning the Company or its businesses, or any of its employees, officers, and existing and prospective customers, suppliers, investors and other associated third parties. The Company agrees and covenants that it will instruct its Board members and executive officers to not at any time make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments, or statements concerning Employee or his or her business.

11. Employee's obligations under this Agreement shall survive the termination of Employee's employment with the Company regardless of the manner of, and reason for, such termination or resignation, and shall be binding upon Employee's heirs, executors, and administrators.

12. Prior to entering the employ of the Company, Employee has lawfully terminated employment with all previous employers. Employee acknowledges that this Agreement does not constitute a contract of employment for a term and does not otherwise imply that the Company will continue his or her employment for any period of time.

13. Employee agrees that there is no Intellectual Property relevant to the subject matter of Employee's employment with the Company, which has been made or conceived or first reduced to practice by Employee alone or jointly with others prior to Employee's employment with the Company, which Employee desires to exclude from Employee's obligations under this Agreement.

14. No delay or omission by the Company in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

15. Employee agrees that in addition to any other rights and remedies available to the Company for any breach or threatened breach by Employee of Employee's obligations hereunder, the Company shall be entitled to enforcement of Employee's obligations hereunder by whatever means are at the Company's disposal, including court injunction, without having to post a bond or other security. In the event of any such breach or threatened breach by Employee, the Company shall be entitled to recover all of its reasonably incurred costs and attorney's fees in enforcing its rights hereunder, and the Restricted Period shall be extended by the period of any such breach.

16. The Company may assign this Agreement to any other corporation or entity which acquires (whether by purchase, merger, consolidation or otherwise) all or substantially all of the business and/or assets of the Company. Employee shall have no rights of assignment.

17. If any provision of this Agreement shall be declared invalid, illegal, or unenforceable, then such provision shall be enforceable to the extent that a court deems it reasonable to enforce such provision. If such provision shall be unreasonable to enforce to any extent, such provision shall be severed and all remaining provisions shall continue in full force and effect.

18. Employee hereby acknowledges receipt of the Company's Confidentiality Policy.

19. This Agreement shall be effective as of the date set forth below next to Employee's signature.

20. This Agreement and the employment offer letter 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.

21. This Agreement shall be governed in all respects by the laws of the State of New York. Each of the Company and Employee (a) hereby irrevocably submits to the exclusive jurisdiction of the state courts of the State of New York or the United States District Court located in New York, New York for the purpose of any action between the Company and Employee arising in whole or in part under or in connection with this Agreement, (b) hereby waives, to the extent not prohibited by applicable law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such action brought in one of the above-named courts should be dismissed on grounds of forum non conveniens, should be transferred or removed to any court other than one of the above-named courts, or should be stayed by reason of the pendency of some other proceeding in any other court other than one of the above-named courts, or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (c) hereby agrees not to commence any such action other than before one of the above-named courts. Notwithstanding the previous sentence, the Company or Employee may commence any action in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

IN WITNESS WHEREOF, Employee has executed this Agreement under seal as of the date set forth above:

EMPLOYEE

By: /s/ Joao Siffert, MD

Name: Joao Siffert, MD

ACCEPTED AND AGREED TO BY THE COMPANY:

By: /s/ Carsten Thiel, Ph.D.

Name: Carsten Thiel, Ph.D.

Title: Chief Executive Officer

November 29, 2018



Joao Siffert, MD
155 E 72nd Street, #13D
New York, NY 10021

Dear Joao,

This letter agreement (the "Letter Agreement") confirms the recent agreement between you and Abeona Therapeutics Inc. (the "Company") regarding your appointment as Interim Chief Executive Officer and the increase in your base salary while you are serving in that role. This Letter Agreement shall be effective for the period commencing on November 26, 2018 and ending on the earlier of (i) such date that you cease to serve as the Interim Chief Executive Officer for any reason or (ii) May 26, 2019 (the "Term"). If it is determined by you and the Company that you will remain the Interim Chief Executive Officer beyond the period specified in this Letter Agreement, the terms of such continued appointment shall be further agreed to and memorialized in an amendment hereto.

You and the Company have agreed that during the Term solely for purposes of the first sentence of Section 2 of the Offer Letter between you and the Company, dated September 28, 2018 (the "Offer Letter"), your Base Salary (as defined in the Offer Letter), shall be increased from \$450,000 to \$550,000 (the "Salary Increase"). Notwithstanding the Salary Increase, for purposes of the remainder of the Offer Letter, including Section 2 with respect to the calculation of the Target Annual Bonus Opportunity (as defined in the Offer Letter), and Section 3 with respect to the calculation of severance and the definition of Good Reason, your "Base Salary" shall continue to be considered \$450,000. Except to the extent modified by this Letter Agreement, the terms of the Offer Letter shall otherwise remain in full force and effect.

This Letter Agreement does not confer upon you any right to continue in service with the Company or otherwise interfere with the right of the Company to terminate your service at any time for any reason. This Letter Agreement will be construed in accordance with, and governed by, the laws of the State of New York. This Letter Agreement may only be changed by an agreement in writing signed by you and the Company.

Thank you for your commitment to the Company during this transition.

Sincerely,

/s/ Steven H. Rouhandeh
Steven H. Rouhandeh
Executive Chairman

AGREED TO AND ACCEPTED:

/s/ Joao Siffert, MD
Joao Siffert, MD

Date: November 29, 2018

November 26, 2018

F. Carsten Thiel, PhD
14 Charcoal Hill Road
Westport, CT 06880

Re: Confidential Separation and General Release Agreement

Dear Carsten:

This Confidential Separation and General Release Agreement (the “Agreement” or “Separation Agreement”) confirms our mutual agreement regarding the terms and conditions of your separation from employment with Abeona Therapeutics Inc. (the “Company”). You and the Company (each referred to herein individually as a “Party” and together as the “Parties”) agree as follows:

- 1. Employment.** Your last day of employment with the Company will be November 26, 2018 (“Last Day of Employment”). You will continue to receive your regular benefits and salary at your regular rate of pay through your Last Day of Employment. Thereafter, you may elect to continue coverage under certain Company health plans through the Consolidated Omnibus Budget Reconciliation Act (“COBRA”). If you timely and properly elect COBRA continuation coverage, provided you timely submit documentation of your monthly COBRA payment to the Company, you shall be reimbursed for the cost of COBRA coverage for six (6) months or until you obtain health benefits through new employment, whichever is sooner. In the event you secure new employment prior to the end of the six (6) month period, you agree that you will notify the Company for the purpose of terminating your COBRA reimbursement.
- 2. Consideration.** In consideration for your release of claims set forth in Paragraph 3 hereof, to the maximum extent permitted by law, the Company hereby waives, releases and forever discharges you from any and all claims against you legally capable of being waived and currently known to the Company, based upon or arising from any fact or set of facts up until the date of execution of this Agreement, arising out of or relating in any way to any allegations made against you during your employment with the Company; provided, however, that the Company does not hereby waive any right it has under this Agreement or any claim arising after execution of this Agreement, and further does not waive any act or omission by you constituting: (i) fraud or a crime; or (ii) a violation of regulations applicable to the Company.

3. **Release.**

- a. In exchange for the consideration set forth in Paragraph 2 hereof, to the maximum extent permitted by law, you hereby waive, release and forever discharge the Company and each of its past, present and future parents, subsidiaries, and affiliates, and each of its and their respective past, present and future directors, officers, members, managers and employees in their personal and professional capacities, contractors, equityholders, trustees, representatives, agents, advisors, employee benefit plans (and such plans' administrators, fiduciaries, trustees, recordkeepers and service providers), successors (through acquisition, merger or otherwise) and permitted assigns, each and all of them in their personal and representative capacities (collectively the "Company Releasees"), from any and all claims legally capable of being waived, grievances, injuries, torts or unlawful conduct of any kind, controversies, agreements, covenants, promises, debts, accounts, actions, causes of action, suits, arbitrations, sums of money, attorneys' fees, costs, damages, or any right to any monetary recovery or any other personal relief, whether known or unknown, in law or in equity, which you now have, have ever had, or may hereafter have, based upon or arising from any fact or set of facts, whether known or unknown to you, arising at any time prior to the date you execute this Agreement including, without limitation, claims arising out of or relating in any way to your employment with the Company or any of the other Company Releasees, or other associations with the Company or any of the other Company Releasees, or any termination thereof, or any allegations made against you during your employment with the Company. Without limiting the generality of the foregoing, this waiver, release, and discharge includes any claim or right, to the maximum extent legally capable of being waived, based upon or arising under any federal, state or local fair employment practices or equal opportunity laws, including, but not limited to, 42 U.S.C. Section 1981, Title VII of the Civil Rights Act of 1964, the Equal Pay Act, the Employee Retirement Income Security Act ("ERISA") (including, but not limited to, claims for breach of fiduciary duty under ERISA), the Americans With Disabilities Act, the Family and Medical Leave Act of 1993, the New York State Executive Law, including its Human Rights Law, the New York City Administrative Code, including its Human Rights Law, the New York Labor Law, and the New York State Constitution, including all amendments thereto.
- b. Notwithstanding the generality of the foregoing, nothing herein constitutes a release or waiver by you of, or prevents you from making or asserting (i) any claim or right you may have under COBRA; (ii) any claim to vested benefits under the written terms of a qualified employee pension benefit plan; (iii) any claim for indemnity under applicable Company bylaws or policies; or (iv) any claim or right you may have under this Agreement.

4. **No Entitlement to Future Employment.** You acknowledge and agree that this Agreement waives and releases any entitlement you may have to apply for or seek future employment with the Company or any other Company Releasee. Accordingly, you agree that you will not apply for or seek future employment with the Company or any other Company Releasee.

5. **Cooperation.** To the maximum extent permitted by law and subject to Paragraph 8(c)(i)-(iii), you agree to reasonably cooperate with and assist the Company in connection with any investigation, regulatory matter, lawsuit or arbitration in which the Company is a subject, target or party and as to which you may have pertinent information. You agree that you shall make yourself reasonably available for preparation for hearings, proceedings or litigation and for attendance at any pre-trial discovery and trial sessions. You further agree to perform all acts and to execute any and all documents that may reasonably be necessary to carry out the provisions of this Paragraph 5.
6. **Return of Property/Materials.** By November 30, 2018, you agree to promptly return to the Company all of its property, including, but not limited to, computers, PDAs, cell phones, files, documents, identification cards, credit cards, keys, equipment, software and data, however stored. You further agree to permanently delete all Company information and material from any personal email, PDA or other computer or storage device. You further agree that prior to executing this Agreement you have conducted a diligent search for any communications, emails, documents, texts, messages videos, photos or other material related to the Company and/or any allegations made against you while employed by the Company and that you have provided those materials to the Company General Counsel, Neena Patil via electronic mail, hand delivery or Federal Express pursuant to Paragraph 14(f), and you further represent and warrant that you have permanently deleted all such communications, emails, documents, texts, messages, videos, photos and other material related to the Company from all personal PDAs, computers, email accounts, cloud storage and/or other devices or mediums. You agree that, if you discover or receive any Company property or materials related to the Claims after signing this Agreement, you will return it to the Company or the Company General Counsel, Neena Patil within 48 hours of discovery or receipt. You further agree that any breach of this provision shall constitute a material breach of this Agreement.
7. **No Additional Entitlements.** You agree that, other than as provided for in this Agreement you have received all entitlements due from the Company relating to your employment with the Company, including, but not limited to, all wages earned, sick pay, vacation pay, overtime pay, and any paid and unpaid personal leave for which you were eligible and entitled, and that no other entitlements are due to you other than as set forth in this Agreement. You expressly agree that you waive, and have no entitlement to any severance, bonus or other compensation under your employment agreement with the Company dated March 29, 2018 (the "Employment Agreement").

8. Confidentiality/Non-Disparagement/Non-Publication.

- a. Continuing Obligations. Subject to Paragraph 8(c)(i)-(iii), you hereby acknowledge the existing obligations, and the legal enforceability of such obligations, contained in (i) the Employment Agreement, including, without limitation, paragraph 4 (“Unauthorized Disclosure; Non-Competition; Non-Solicitation; Interference with Business Relationships; Proprietary Rights”) including each of its subparts, and paragraph 6 (“Non-Disparagement”); and (ii) any agreements you have entered into during your employment with the Company requiring you to maintain confidentiality. You agree to be bound by the agreements in Paragraph 8(a)(i) – (ii) and acknowledge that their terms and conditions remain in full force and effect. Notwithstanding the foregoing, provided that you comply with your obligations herein, the Restriction Period, as defined in the Employment Agreement, shall be reduced to six (6) months with respect to your non-competition obligations only, as set forth in paragraph 4.3 of the Employment Agreement. The Restriction Period shall remain one (1) year with respect to all other applicable provisions in the Employment Agreement.
- b. Agreement Not to Disparage. Subject to Paragraph 8(c)(i)-(iii), you further agree that, in addition to your obligations contained in Paragraph 8(a) hereof, you shall not, directly or indirectly, at any time make, publish or communicate, or cause, direct, induce, or encourage any other person, entity or other third party to make, publish or communicate, whether anonymously or not, any statement, observation, opinion or information, whether verbal or written, of a defamatory or disparaging nature regarding, or that is likely in any way to harm the reputation of, embarrass, humiliate or otherwise cause or contribute to their being held in disrepute, the Company or any other Company Releasee, the business or products of the Company or any other Company Releasee, or any of the Company’s or any other Company Releasee’s respective employees, officers, directors, contractors, equityholders, members, agents, representatives, agents, advisors, successors or permitted assigns. Subject to Paragraph 8(c)(i)-(iii), the Company agrees to instruct its Board of Directors and executive officers not to publish or communicate any statement of a defamatory or disparaging nature regarding you.
- c. Permitted Conduct; DTSA.
 - i. Nothing in this Agreement shall prohibit or restrict you from lawfully (a) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental or regulatory agency, entity, or official(s) (collectively, “Governmental Authorities”) regarding a possible violation of any law; (b) responding to any inquiry or legal process directed to you individually (and not directed to Company or any of its affiliates) from any such Governmental Authorities; (c) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (d) making any other disclosures that are protected under the whistleblower provisions of any applicable law.

- ii. Pursuant to the federal Defend Trade Secrets Act of 2016, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i)(1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (2) solely for the purpose of reporting or investigating a suspected violation of law; (ii) to your attorney in relation to a lawsuit for retaliation against you for reporting a suspected violation of law; or (iii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
 - iii. Furthermore, this Agreement does not require you to obtain prior authorization from the Company before engaging in any conduct described in Paragraph 8(c)(i)-(ii), or to notify the Company that you have engaged in any such conduct.
9. **Additional Acknowledgement.** You acknowledge and agree that you are not aware of any facts or circumstances that you believe may constitute a violation of the Company's or Company Releasees' legal obligations under the Sarbanes-Oxley Act, the False Claims Act, or similar law and/or the whistleblower provisions of any state or federal law or regulation. You further represent that you have no knowledge of any violation by the Company of any law or regulation applicable to the Company or its business.
10. **Non-Admission.** It is understood and agreed that neither the execution of this Agreement, nor the terms of this Agreement, constitute an admission of liability to you, or of any wrongdoing or misconduct of any kind, by the Company or any other Company Releasee, and such liability, wrongdoing or misconduct is expressly denied. It is further understood and agreed that no person shall use this Agreement, or the consideration paid pursuant thereto, as evidence of an admission of liability, wrongdoing or misconduct of any kind, inasmuch as such liability, wrongdoing or misconduct is expressly denied.
11. **Acknowledgments.** You hereby acknowledge that:
- a. the Company advises you to consult with an attorney before signing this Agreement;
 - b. you have obtained independent legal advice from an attorney of your own choice with respect to this Agreement;

- c. you freely, voluntarily and knowingly entered into this Agreement after due consideration;
- d. you have had a reasonable period of time to review and consider this Agreement; and
- e. no promise or inducement has been offered to you, except as expressly set forth herein or contemplated hereby, and you are not relying upon any such promise or inducement in entering into this Agreement.

12. Revocation by the Company. If you fail to execute and return this Agreement to the Company by November 30, 2018, the promises and agreements made by the Company herein will be revoked.

13. Dispute Resolution.

- a. The Parties each agree that with respect to any all claims that you or the Company now have or in the future may have against the other, including, without limitation, contract claims, tort claims, claims for compensation, penalties or restitution and any other claim under any federal, state or local statute, constitution, regulation, rule, ordinance or common law, in each case, directly or indirectly arising out of or related to this Agreement, your relationship with the Company, your employment with the Company or the termination of your employment with the Company (collectively "Covered Claims") the claimant agrees to notify the other Party in writing of any Covered Claim within five (5) days of becoming aware of such Covered Claim so that the Parties can attempt in good faith to resolve such Covered Claim informally. Such notice must include a detailed description of the nature or basis of the Covered Claim, and the specific relief sought.
- b. To the extent that any Covered Claims cannot be resolved pursuant to Paragraph 13(a), and except with respect to any claim (i) that is expressly precluded from arbitration by a governing federal law or by a state law that is not preempted by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. ("FAA"); or (ii) that seeks injunctive or other equitable relief in aid of arbitration, such Covered Claims are subject to and will be resolved by binding arbitration. The Parties irrevocably consent and agree that (i) any arbitration will occur in the State of New York; (ii) arbitration will be conducted confidentially in accordance with the then-current arbitration rules and procedures of the AAA (and its then-existing emergency relief procedures to the extent either Party seeks emergency relief prior to the appointment of an arbitrator), unless those rules or procedures conflict with any express term of this Agreement, in which case this Agreement shall control; (iii) the federal courts sitting in the State of New York, have exclusive jurisdiction over any appeals and the enforcement of an arbitration award; and (iv) the state or federal courts sitting in the State of New York have exclusive jurisdiction over any claim that is not subject to arbitration, and in such case, the rights and obligations of the Parties will be governed by, and construed and enforced, both substantively and procedurally, in accordance with, the laws of the State of New York without regard to choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction). Each party shall pay the fees of its attorneys, the expenses of its witnesses, and any other costs and expenses that the party incurs in connection with the arbitration, but all other costs of the arbitration, including the fees of the arbitrator, the cost of any record or transcript of the arbitration, administrative fees, and other fees and costs shall be paid one half by the Company and one half by you. Notwithstanding the foregoing, the arbitrator may, in his discretion, award reasonable attorneys' fees (in addition to any other damages, expenses or relief awarded) to the prevailing party. EACH PARTY HEREBY IRREVOCABLY CONSENTS AND AGREES TO ARBITRATE ANY COVERED CLAIMS THROUGH BINDING ARBITRATION, AND FOREVER WAIVES AND GIVES UP ITS RIGHT TO HAVE A JUDGE OR JURY DECIDE ANY COVERED CLAIMS.

14. Miscellaneous.

- a. Entire Agreement; Amendment. This Agreement, together with the agreements referenced in Paragraph 8(a), contains the entire agreement, arrangement and understanding of the Parties with respect to the subject matter hereof, and supersedes and preempts any and all prior or contemporaneous agreements, arrangements or understandings, whether verbal or written, between the Parties with respect to the subject matter hereof. This Agreement may not be amended, changed or modified except by an instrument in writing, signed by you and an authorized representative of the Company. The Parties agree that no promise or inducement has been offered to them, except as expressly set forth herein or contemplated hereby, and the Parties are not relying upon any such promise or inducement in entering into this Agreement.
- b. Governing Law. This Agreement shall be construed, performed, enforced and in all respects governed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof; provided, however, that the Parties' agreement to arbitrate as set forth in Paragraph 13 hereof, shall be governed by the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*
- c. Severability. If any one or more of the terms, provisions, covenants or restrictions contained in this Agreement shall be determined in an arbitration proceeding conducted pursuant to Paragraph 13 hereof to be invalid, illegal or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated and the Parties will attempt to agree upon a valid, legal and enforceable provision which shall be a reasonable substitute for such invalid and unenforceable provision in light of the tenor of this Agreement, and, upon so agreeing, shall incorporate such substitute provision in this Agreement.

- d. Breach. You acknowledge and agree that if you breach any of your commitments or representations to the Company in this Agreement, and provided you have received written notice of such breach from the Company and a period of thirty (30) days following receipt of such notice to cure such breach (if susceptible to cure), the Company may seek any remedy or damages available to the Company as permitted by law.
- e. No Waiver. A waiver by either Party of a breach of any term or provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.
- f. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given (i) on the date delivered if personally delivered or (ii) on the date targeted for delivery if delivered by a nationally recognized overnight courier or similar courier service, in each case, as the case may be, to the Company's or your respective counsel at the addresses set forth below or such other address as the Company or you may in the future specify in writing.

If to Abeona Therapeutics Inc.:

Morgan Lewis, & Bockius LLP
Attention: David McManus, Esq.
101 Park Avenue
New York, New York 10178-0060

If to Dr. Thiel:

Walden Macht & Haran LLC
Attention: Milton L. Williams Jr.
One Battery Park Plaza, 33rd Floor
New York, NY 10004

- g. Public Filing of Agreement. You acknowledge that this Agreement will be publicly filed with the SEC consistent with the Company's obligations as a public company.
- h. Counterparts. This Agreement may be executed in one or more counterparts, and by electronic signature, each of which shall be deemed to be an original and all of which together will constitute one and the same instrument.
- i. Binding Effect; Assignment. This Agreement shall be binding on and inure to the benefit of each of the Parties and their respective successors and permitted assigns. You may not assign this Agreement, in whole or in part, or delegate any of your duties or obligations under this Agreement, without the Company's prior written consent.
- j. Headings. The Paragraph headings in this Agreement are for the convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.
- k. Effective Date. This Agreement shall become effective upon your execution and return of this Agreement to the Company.

[This space intentionally left blank – Signature page follows]

If the above accurately states our agreement, including the separation, waiver and release, kindly sign below and return the original Agreement to me no later than November 30, 2018.

Sincerely,

ABEONA THERAPEUTICS INC.

By: _____

Name: Neena M. Patil

Title: General Counsel

Date: _____

UNDERSTOOD, AGREED TO AND
ACCEPTED WITH THE INTENTION
TO BE LEGALLY BOUND:

F. CARSTEN THIEL, PhD

By: _____

Name: F. Carsten Thiel, PhD

Date: _____

ABEONA THERAPEUTICS ANNOUNCES CEO TRANSITION***Dr. Carsten Thiel to Depart Company Immediately; Dr. João Siffert Appointed Interim CEO***

NEW YORK and CLEVELAND, Nov. 26, 2018 -- Abeona Therapeutics Inc. (Nasdaq: ABEO), a leading clinical-stage biopharmaceutical company focused on developing novel cell and gene therapies for life-threatening rare genetic diseases, today announced the immediate termination of its Chief Executive Officer, Dr. Carsten Thiel due to personal misconduct that violated the Company's Code of Business Conduct and Ethics. The Company has appointed its Head of Research & Development and Chief Medical Officer, Dr. João Siffert, as Interim Chief Executive Officer.

Dr. Thiel's termination follows an investigation by independent members of the Company's Board of Directors and external counsel into allegations of misconduct towards colleagues that the Board concluded violated the Company's Code of Business Conduct and Ethics and was inconsistent with its expectations for Abeona's CEO.

Dr. Thiel's termination is not related to the condition of the Company's finances, operations or clinical programs, nor due to any disagreement with the Company regarding its management of financial reporting, scientific data or other practices.

"We expect all employees, regardless of title or responsibility, to conduct themselves ethically and in accordance with company policies, and are committed to ensuring an environment of respect, integrity and ethical conduct at Abeona," said Steven H. Rouhandeh, Chairman of the Board and Executive Chairman. "The Board is confident that Abeona is in good hands while we search for a new CEO as João's deep expertise in drug development and gene therapy will ensure that the company continues operating effectively without interruption."

Dr. Siffert has successfully led multiple drug development programs from pre-clinical to regulatory approvals in the U.S. and Europe, and has held several scientific leadership positions in biotech and pharma, including programs in gene therapy. In 2017, Dr. Siffert was appointed to the Board of Directors of gene therapy developer AveXis, which was subsequently acquired by Novartis. He served as Chief Medical Officer for Ceregene from 2007 to 2011, where he was responsible for clinical development of adeno-associated viral (AAV2)-based gene therapies for Parkinson's and Alzheimer's diseases. Dr. Siffert also led the R&D and medical organizations at Avanir Pharmaceuticals and Avera Pharmaceuticals before most recently guiding translational research, clinical development, regulatory, and medical affairs as Chief Scientific and Medical Officer for Nestle Health Science.

The Board has formed a search committee to identify a permanent successor, with the assistance of a leading executive search firm.

About Abeona

Abeona Therapeutics Inc. is a clinical-stage biopharmaceutical company developing cell and gene therapies for life-threatening rare genetic diseases. Abeona's lead programs include EB-101 (gene-corrected skin grafts) for recessive dystrophic epidermolysis bullosa (RDEB), ABO-102 (AAV-SGSH), an adeno-associated virus (AAV) based gene therapy for Sanfilippo syndrome type A (MPS IIIA) and ABO-101 (AAV-NAGLU), an adeno-associated virus (AAV) based gene therapy for Sanfilippo syndrome type B (MPS IIIB). Abeona is also developing ABO-201 (AAV-CLN3) gene therapy for CLN3 disease, ABO-202 (AAV-CLN1) for treatment of CLN1 disease, EB-201 for epidermolysis bullosa (EB), ABO-301 (AAV-FANCC) for Fanconi anemia (FA) disorder and ABO-302 using a novel CRISPR/Cas9-based gene editing approach to gene therapy for rare blood diseases. In addition, Abeona is developing a proprietary vector platform, AIM™, for next generation product candidates. For more information, visit www.abeonatherapeutics.com.

Abeona Forward-Looking Statements

This press release contains certain statements that are forward-looking within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and that involve risks and uncertainties. These statements include statements about the ability of its Interim Chief Executive Officer and the management team to lead the Company and deliver on key strategies, the market opportunities for the Company's products and product candidates, and the Company's goals and objectives. We have attempted to identify forward looking statements by such terminology as "may," "will," "anticipate," "believe," "estimate," "expect," "intend," and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances), which constitute and are intended to identify forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, numerous risks and uncertainties, including but not limited to continued interest in our rare disease portfolio, our ability to enroll patients in clinical trials, the impact of competition, the ability to secure licenses for any technology that may be necessary to commercialize our products, the ability to achieve or obtain necessary regulatory approvals, the impact of changes in the financial markets and global economic conditions, risks associated with data analysis and reporting, and other risks as may be detailed from time to time in the Company's Annual Reports on Form 10-K and quarterly reports on Form 10-Q and other reports filed by the Company with the Securities and Exchange Commission. The Company undertakes no obligation to revise the forward-looking statements or to update them to reflect events or circumstances occurring after the date of this presentation, whether as a result of new information, future developments or otherwise, except as required by the federal securities laws.

Investor Contact:

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Abeona Therapeutics Inc.
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