

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): December 15, 2022

BIO-PATH HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-36333

(Commission File Number)

87-0652870

(IRS Employer Identification No.)

4710 Bellaire Boulevard, Suite 210, Bellaire, Texas

(Address of principal executive offices)

77401

(Zip Code)

(832) 742-1357

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	BPTH	The Nasdaq Capital 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 December 15, 2022, Bio-Path Holdings, Inc. (the “Company”) called to order its 2022 annual meeting of stockholders of the Company. At the meeting, the Company’s stockholders approved the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan (the “2022 Plan”). A description of the 2022 Plan is set forth in the Company’s definitive proxy statement filed with the Securities and Exchange Commission on October 28, 2022 (the “2022 Proxy Statement”) under the heading “Proposal Two: Approval of the 2022 Stock Incentive Plan,” which such description is incorporated herein by reference. This summary is qualified in its entirety by the full text of the 2022 Plan, which is filed as Exhibit 10.1 hereto, and the text of the forms of award agreements, copies of which are attached hereto as Exhibits 10.2 through 10.7.

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

At the meeting, the Company’s stockholders: (i) elected the five persons listed below under Proposal 1 to serve as directors of the Company, to hold office until the Company’s next annual meeting of stockholders or until their respective successors have been duly elected and qualified; (ii) approved the 2022 Plan; (iii) approved, on a non-binding advisory basis, the compensation of the Company’s named executive officers; and (iv) ratified and approved the appointment of Ernst & Young, LLP as the Company’s independent registered public accounting firm for the Company’s fiscal year ending December 31, 2022. The following describes the results of the voting at the annual meeting:

Proposal 1: For the election of directors of the Company, to hold office until the Company’s next annual meeting of stockholders or until their respective successors have been duly elected and qualified:

Name of Nominee	Shares Voted “For”	Shares Voted “Against”	Shares Withheld	Shares Abstained	Broker Non- Votes
Peter H. Nielsen	2,154,714	--	185,163	--	1,937,120
Heath W. Cleaver	2,094,257	--	245,620	--	1,937,120
Paul D. Aubert	2,127,552	--	212,325	--	1,937,120
Aline Sherwood	2,173,586	--	166,291	--	1,937,120
Douglas P. Morris	2,166,978	--	172,899	--	1,937,120

Proposal 2: For the approval of the 2022 Plan:

Shares Voted “For”	Shares Voted “Against”	Shares Abstained	Broker Non- Votes
1,996,284	280,998	62,595	1,937,120

Proposal 3: For the non-binding advisory approval of the compensation of the Company’s named executive officers:

Shares Voted “For”	Shares Voted “Against”	Shares Abstained	Broker Non- Votes
2,076,879	237,410	25,588	1,937,120

Proposal 4: For the ratification and approval of the appointment of Ernst & Young, LLP as the Company’s independent registered public accounting firm for its fiscal year ending December 31, 2022:

Shares Voted “For”	Shares Voted “Against”	Shares Abstained	Broker Non- Votes
3,920,967	300,923	55,107	0

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number Description

<u>10.1</u>	<u>Bio-Path Holdings, Inc. 2022 Stock Incentive Plan</u>
<u>10.2</u>	<u>Form of Incentive Stock Option Award Agreement under 2022 Stock Incentive Plan</u>
<u>10.3</u>	<u>Form of Non-Qualified Stock Option Award Agreement under 2022 Stock Incentive Plan</u>
<u>10.4</u>	<u>Form of Restricted Share Unit Award Agreement (Time-Vested) under 2022 Stock Incentive Plan</u>
<u>10.5</u>	<u>Form of Restricted Share Unit Award Agreement (Performance-Based) under 2022 Stock Incentive Plan</u>
<u>10.6</u>	<u>Form of Restricted Share Award Agreement under 2022 Stock Incentive Plan</u>
<u>10.7</u>	<u>Form of Stock Appreciation Right Award Agreement under 2022 Stock Incentive Plan</u>
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL (included as Exhibit 101).

SIGNATURES

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

BIO-PATH HOLDINGS, INC.

Dated: December 20, 2022

By: /s/ Peter H. Nielsen

Peter H. Nielsen

President and Chief Executive Officer

**BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN**

On October 17, 2022, the board of directors of Bio-Path Holdings, Inc., a Delaware corporation, adopted this Bio-Path Holdings, Inc. 2022 Stock Incentive Plan subject to the approval of the stockholders in accordance with the bylaws of Bio-Path Holdings, Inc.

SECTION 1. PURPOSE OF THIS PLAN

1.1 Eligible Award Recipients. The individuals eligible to receive Awards are the Employees, Directors, and Consultants of Bio-Path Holdings, Inc. (the “*Company*”) and its Affiliates.

1.2 General Purpose. The Company, by means of the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan (the “*Plan*”), seeks to retain and attract Employees, Directors and Consultants who contribute to the Company’s success by their ability, ingenuity and industry and to enable such Persons to participate in the long-term success and growth of the Company through the granting of the following Awards: (i) Incentive Stock Options, (ii) Non-Qualified Stock Options, (iii) Restricted Shares, (iv) Restricted Share Units, (v) Stock Appreciation Rights, or (vi) any other award the Plan Administrator, in its sole and absolute discretion, deems appropriate to meet the objectives of this Plan.

SECTION 2. DEFINITIONS

As used in this Plan, the following terms shall have the meanings set forth below unless the context requires otherwise:

2.1 “*Affiliate*” shall mean, when used hereunder in connection with an Incentive Stock Option, any Parent Corporation or Subsidiary Corporation; when used hereunder in connection a Non-Qualified Stock Option or other Award intended to be exempt from Section 409A of the Code, any entity related to the Company under Section 414 of the Code, as modified by Section 409A of the Code; and for all other purposes hereunder, any entity controlling, controlled by, or under common control with the Company, in all instances, whether now or hereafter existing.

2.2 “*Award*” shall mean the grant under this Plan of a Stock Option, a Stock Appreciation Right, a Restricted Share, a Restricted Share Unit or any other grant of incentive compensation pursuant to this Plan.

2.3 “*Award Agreement*” shall mean the written agreement evidencing the terms and conditions of a grant of one or more Awards under this Plan to an Eligible Individual. Each Award Agreement shall be subject to the terms and conditions of the Plan and need not be identical.

2.4 “*Award Date*” shall mean the date on which an Award is granted to an Eligible Individual.

2.5 “*Award Term*” shall mean the maximum period during which a Participant may exercise, purchase, or otherwise benefit from an Award granted under this Plan.

2.6 “*Board*” shall mean the Board of Directors of the Company, as the same may be constituted from time to time.

2.7 “*Breach Event*” shall mean the Participant’s breach or default of an agreement, commitment or obligation to or with the Company or any Affiliate either during Participant’s Continuous Service or after Participant’s Termination Date, including, without limitation, breaching a confidentiality, noncompetition or non-solicitation agreement, covenant or obligation. The determination of whether a Breach Event has occurred shall be made in the sole and absolute discretion of the Plan Administrator.

2.8 “*Cause*” shall mean, unless the applicable Award Agreement states otherwise:

(a) If a Participant is a party to an employment or service agreement with the Company or an Affiliate and such agreement provides for a definition of “Cause,” the definition therein; or

(b) If no such agreement exists, or if such agreement does not define Cause: (i) Participant’s commission of any action constituting a criminal felony (other than automobile related violations) or other serious crime; (ii) Participant’s willful and continued refusal to follow reasonable instructions of the Board or the Participant’s supervisor or manager, in each case that are material to the Company’s operations or prospects and only after the Board provides written notice to the Participant which identifies with reasonable specificity the manner in which the Participant refused to follow such instructions and Participant has been provided a reasonable opportunity to cure such deficiency; (iii) Participant’s engagement in conduct that is materially injurious to the Company or an Affiliate; (iv) Participant devoting less than substantially all of his full time during normal business hours to the Company and which is not promptly cured after written notice from the Board to the Participant; or (v) Participant committing any Breach Event.

The determination of a Participant’s termination for “Cause” shall be made in the sole and absolute discretion of the Plan Administrator.

2.9 “*Change in Control*” shall mean the occurrence of any one of the following events:

- (a) a sale, transfer or other conveyance of all or substantially all of the assets of the Company on a consolidated basis;
- (b) the acquisition of beneficial ownership (as such term is defined in Rule 13d-3 promulgated under the Exchange Act) by any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act), directly or indirectly, of securities representing 50% or more of the total number of votes that may be cast for the election of directors of the Company;
- (c) the failure at any annual or special meeting of the Company’s stockholders held during the three-year period following a “solicitation in opposition” as defined in Rule 14a-6 promulgated under the Exchange Act, of a majority of the persons nominated by the Company in the proxy material mailed to shareholders by the management of the Company to win election to seats on the Board (such majority calculated based upon the total number of persons nominated by the Company failing to win election to seats on the Board divided by the total number of Board members of the Board as of the beginning of such three year period), excluding only those who die, retire voluntarily, are disabled or are otherwise disqualified in the interim between their nomination and the date of the meeting; or
- (d) a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Notwithstanding the foregoing, to the extent that any amount constituting deferred compensation (as defined in Section 409A of the Code) would become payable under this Plan by reason of a Change in Control, such amount shall become payable only if the event constituting a Change in Control would also qualify as a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, each as defined within the meaning of Code Section 409A, as amended from time to time. The determination of whether a “Change in Control” has occurred shall be made in the sole and absolute discretion of the Board.

2.10 “*Code*” shall mean the Internal Revenue Code of 1986, as amended from time to time (or any successor to such legislation), along with the regulations and guidance published in the Internal Revenue Bulletin from time to time.

2.11 “*Committee*” shall mean the Compensation Committee of the Board or any other person or persons to whom all or a portion of the authority to administer this Plan has been delegated by the Board.

2.12 “**Common Stock**” shall mean the authorized shares of common stock of the Company, par value \$0.001 per share.

2.13 “**Company**” shall mean Bio-Path Holdings, Inc., a Delaware corporation, and any successor thereto.

2.14 “**Consultant**” shall mean any person, including an advisor, engaged by the Company or any Affiliate to render consulting or advisory services and who is compensated for such services or who provides bona fide services to the Company or any Affiliate pursuant to a written agreement. However, the term “Consultant” shall not include Directors.

2.15 “**Continuous Service**” means that the Participant’s service with the Company or any Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. The Participant’s Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which Participant renders service to the Company or any Affiliate as an Employee, Director or Consultant or a change in the entity for which Participant renders such service. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or a Director will not constitute an interruption of Continuous Service. Notwithstanding the foregoing, with respect to an Incentive Stock Option, an Employee’s Continuous Service shall be deemed to have terminated in the event of a change in capacity from an Employee to a Consultant or non-Employee Director. The Plan Administrator, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by the Company, including sick leave, military leave or any other personal leave.

2.16 “**Director**” shall mean a member of the Board, whether an Employee, former Employee or other non-Employee member.

2.17 “**Disability**” shall mean the Participant’s permanent and total inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which can be expected to last for a continuous period of not less than 12 months. The term “Disability” shall also include any definition of disability that may be contained in any long-term disability plan maintained or sponsored by the Company from time to time. The determination of a Participant’s “Disability” shall be made in the sole and absolute discretion of the Plan Administrator.

2.18 “**Effective Date**” shall mean the date on which the Plan is approved by the stockholders of the Company in accordance with the bylaws of the Company.

2.19 “**Eligible Individual**” shall mean an Employee, Consultant or Director eligible to receive an Award under Section 5 of this Plan.

2.20 “**Employee**” shall mean, for purposes of this Plan, a common-law employee of the Company or any Affiliate. Mere service as a Director or payment in accordance with any Director compensation policies adopted by the Board from time to time shall not be sufficient to constitute “employment” by the Company or an Affiliate.

2.21 “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended from time to time (or any successor to such legislation).

2.22 “**Exercise Agreement**” shall mean the written or electronic agreement delivered by Participant to the Plan Administrator to evidence Participant’s exercise of those rights provided under the applicable Award Agreement.

2.23 “**Exercise Date**” shall mean the date set forth in the Exercise Agreement on which Participant exercises those rights provided under the applicable Award Agreement.

2.24 “**Exercise Price**” shall mean the consideration required, as determined by the Plan Administrator and set out in the Award Agreement, to be remitted upon exercise of an Award.

2.25 “**Expiration Date**” shall mean the date that is ten (10) years from the Effective Date, or, in the event the Plan is subsequently amended to make any change described in clause (iii) of subsection 16.1, the date that is ten (10) years from the earlier of the date on which such amendment is approved by the Board or the stockholders of the Company in accordance with the bylaws of the Company.

2.26 “*Fair Market Value*” shall mean, with respect to each Share,

(a) If the Common Stock is listed on a national securities exchange or a national market system, including without limitation the Nasdaq Capital Market, the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the date of determination, as reported in The Wall Street Journal or such other source as the Plan Administrator, in its sole and absolute discretion deems reliable;

(b) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the mean of the high bid and low asked prices for the Common Stock on the last market trading day prior to the date of determination; or

(c) In the absence of an established market for the Common Stock, the value established, in good faith, by the Board as of the determination date in accordance with the applicable regulations and guidance promulgated under Code Section 409A (or any successor provision thereto) and published in the Internal Revenue Bulletin.

2.27 “*Incentive Stock Option*” shall mean any option to purchase Shares awarded pursuant to Section 6 of this Plan that qualifies as an “incentive stock option” pursuant to Section 422 of the Code (or any successor provision thereto).

2.28 “*Non-Qualified Stock Option*” shall mean any option to purchase Shares awarded pursuant to Section 6 of this Plan that does not qualify as an Incentive Stock Option (including, without limitation, any option to purchase Shares originally designated as or intended to qualify as an Incentive Stock Option but that does not, for any reason whatsoever, qualify as an Incentive Stock Option).

2.29 “*Parent Corporation*” shall mean any entity (other than the Company) in an unbroken chain of entities ending with the Company, provided each entity in the unbroken chain (other than the Company) owns, at the time of the determination, ownership interests possessing fifty percent (50%) or more of the total combined voting power of all classes of ownership interests in one of the other entities in such chain; provided, however, that with respect to an Award of an Incentive Stock Option, the term “Parent Corporation” shall refer solely to an entity that is taxed under Federal income tax laws as a corporation.

2.30 “*Participant*” shall mean any Eligible Individual who has been granted and holds an Award granted pursuant to this Plan.

2.31 “*Person*” shall mean an individual, partnership, joint venture, corporation, limited liability company, trust, estate or other entity or organization.

2.32 “*Plan*” shall mean this Bio-Path Holdings, Inc. 2022 Stock Incentive Plan, as amended from time to time.

2.33 “*Plan Administrator*” shall mean the Committee appointed by the Board to administer the Plan or if no Committee is appointed or then serving, the Board.

2.34 “*Purchase Price*” shall mean the consideration required, as determined by the Plan Administrator and set out in the Award Agreement, to be remitted upon grant of an Award of Restricted Shares.

2.35 “*Restricted Shares*” shall mean any Shares granted pursuant to Section 9 of this Plan that are subject to transferability restrictions and a substantial risk of forfeiture.

2.36 “*Restricted Share Units*” shall mean any Award granted pursuant to Section 10 of this Plan denominated in Shares and subject to the terms, conditions and restrictions determined by the Plan Administrator and set forth in the applicable Award Agreement.

2.37 “*Restriction Period*” shall mean the period during which Restricted Shares issued pursuant to Section 9 hereof or Restricted Share Units issued pursuant to Section 10 hereof are subject to transferability restrictions and a substantial risk of forfeiture.

2.38 “*Retirement*” shall mean the Participant’s termination of Continuous Service at any time after the attainment of age 65, provided that such Participant has provided at least five years of Continuous Service.

2.39 “*Securities Act*” shall mean the Securities Act of 1933, as amended from time to time and all rules and regulations promulgated thereunder (or any successor to such legislation).

2.40 “*Shares*” shall mean shares of the Common Stock and any shares of capital stock or other securities hereafter issued or issuable upon, in respect of or in substitution or exchange for shares of Common Stock.

2.41 “*Stock Appreciation Right*” shall mean any Award granted pursuant to Section 7 of this Plan for the right to receive cash, Shares or a combination of both, with a value equal to the excess of the Fair Market Value of the aggregate number of Shares subject to such Stock Appreciation Right on the Exercise Date over the Fair Market Value of the aggregate number of Shares subject to such Stock Appreciation Right on the Award Date.

2.42 “*Stock Option*” shall mean any Incentive Stock Option or Non-Qualified Stock Option.

2.43 “*Subsidiary Corporation*” shall mean any entity (other than the Company) in an unbroken chain of entities beginning with the Company, provided each entity (other than the last entity) in the unbroken chain owns, at the time of the determination, stock possessing fifty percent (50%) or more of the total combined voting power of all classes of ownership interests in one of the other entities in such chain; provided, however, that with respect to an Award of an Incentive Stock Option, the term “Subsidiary Corporation” shall refer solely to an entity that is taxed under Federal income tax laws as a corporation.

2.44 “*Ten Percent Stockholder*” shall mean an individual who, at the time a Stock Option is granted pursuant to Section 6 hereof, owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Affiliate.

2.45 “*Termination Date*” shall mean the date on which Participant’s Continuous Service with the Company (and all Affiliates) terminates due to death, Disability, voluntary termination, with or without Cause, or otherwise.

SECTION 3. ADMINISTRATION OF THIS PLAN

3.1 Administration.

(a) The Plan shall be administered by, and the Plan Administrator shall be, the Committee; provided, however, that any power, authority or discretion granted to the Committee as the Plan Administrator may also be taken by the Board (subject to Section 3.1(c)); provided, further, that if a transaction is intended to be exempt under Rule 16b-3 of the Exchange Act, it shall be structured to satisfy the requirements for exemption under Rule 16b-3 of the Exchange Act.

(b) The Committee shall be authorized to act with respect to all matters relating to the administration of the Plan. The Committee will act by a majority of its members (or by unanimous vote if the Committee is comprised of two (2) members). To the extent the Committee shall cease to exist or no longer be authorized to act hereunder, the functions delegated to the Committee shall revert to the Board.

(c) Notwithstanding anything contained herein to the contrary, any action taken by the Board under this Plan shall require the affirmative vote of a majority of Directors who are independent, if any, as determined under the rules of any national securities exchange on which the Common Stock is listed or traded or, if the Common Stock is not listed or traded on any national securities exchange, the Nasdaq Stock Market.

3.2 Powers of Plan Administrator. The Plan Administrator shall have the power, in its sole and absolute discretion, but subject to and within the limitations of, the express provisions of the Plan:

(a) To determine from time to time which Eligible Individuals shall be granted Awards under the Plan, provided that any Award granted to a member of the Committee shall be subject to the approval or ratification of the Board;

(b) To determine when and how each Award shall be granted; what type or combination of types of Awards shall be granted; the provisions of each Award granted (which need not be identical), including the time or times when an Award may be exercised; the number of Shares with respect to which an Award shall be granted to each such Person; the Exercise Price or the Purchase Price for Shares under an Award; the terms or other conditions, vesting periods or any restrictions for an Award and any restrictions on Shares acquired pursuant to an Award; and any other terms and conditions of an Award that the Plan Administrator deems appropriate and as are not inconsistent with the terms of the Plan;

(c) To determine whether, to what extent, and under what circumstances, to allow alternative payment options to exercise Awards, or pay withholding taxes imposed upon the grant, exercise or vesting of any Award, and the terms and conditions of such payment options;

(d) To rely upon Employees for such clerical and recordkeeping duties as may be necessary in connection with the administration of this Plan;

(e) To accelerate or defer (with the consent of the subject Participant) the vesting of any rights under an Award;

(f) To establish, amend and revoke such rules and regulations as it may deem appropriate for the conduct of meetings and the proper administration of the Plan;

(g) To delegate to one or more Persons the right to act on its behalf in such matters as authorized by the Plan Administrator;

(h) To construe and interpret the Plan and Award Agreements issued hereunder;

(i) To amend the Plan or an Award Agreement to the extent provided under Section 16 hereof. The Plan Administrator, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective; and

(j) To take any and all other actions that are deemed necessary or advisable by the Plan Administrator for the administration of the Plan.

3.3 Effect of Plan Administrator's Decision. All determinations, interpretations and constructions made by the Plan Administrator in good faith shall not be subject to review by any Person and shall be final, binding and conclusive on all Persons. The Plan Administrator, any member of the Board or Committee (or subcommittee) and any officer or Employee of the Company or any Affiliate acting at the direction of, or on behalf of, the Plan Administrator shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan, and shall, to the extent provided in subsection 17.6 hereof, be fully indemnified by the Company with respect to any such action or determination.

SECTION 4. SHARES SUBJECT TO PLAN AND RELATED ADJUSTMENTS

4.1 Share Reserve. Except as otherwise provided in this Section 4, the maximum number of Shares that may be issued with respect to Awards granted pursuant to this Plan shall not exceed 1,300,000. All or any portion of the Share reserve may be issued in connection with the exercise of Incentive Stock Options. The Shares issued pursuant to this Plan may be authorized but unissued Shares or may be issued Shares that have been repurchased or acquired by the Company, including shares purchased by the Company on the open market for purposes of the Plan.

4.2 Maximum Award to Non-Employee Directors. No non-Employee Director may be granted Awards covering Shares having a Fair Market Value of more than \$500,000 on the grant date in any one calendar year.

4.3 Cancellation, Expiration, or Forfeiture of Awards. To the extent that any Award granted pursuant to this Plan shall, on and after the Effective Date hereof, be forfeited, expire or be cancelled, in whole or in part, then the number of Shares subject to the Plan, as provided in subsection 4.1, shall be increased by the portion of such awards so forfeited, expired or cancelled and such forfeited, expired or cancelled Shares may again be awarded pursuant to the provisions of this Plan.

4.4 Payment in Shares. Notwithstanding anything contained herein to the contrary, Shares tendered in payment of the Exercise Price, Purchase Price or withholding taxes with respect to an Award shall not become, or again be, available for Awards under this Plan.

4.5 Awards Payable in Shares. The grant of Awards that may not be satisfied by issuance of Shares shall not count against the maximum number of Shares that may be issued under the Plan pursuant to subsection 4.1. Shares attributable to Awards that may be satisfied either by the issuance of Shares or by cash or other consideration shall be counted against the maximum number of Shares that may be issued under the Plan pursuant to subsection 4.1.

4.6 Repurchases of Shares. If Shares issued in connection with any Award granted pursuant to this Plan, shall, on and after the Effective Date, be repurchased by the Company, in whole or in part, then the number of Shares subject to the Plan pursuant to subsection 4.1 shall not be increased by that portion of the Shares repurchased by the Company and such repurchased Shares may not again be awarded pursuant to the provisions of this Plan.

4.7 Issuance of Share Certificates. Prior to the issuance of Common Stock hereunder, whether upon grant, exercise, or purchase under the applicable Award, Participant shall submit the consideration, if any, required under the applicable Award Agreement; payment or other provision for any applicable tax withholding obligations; and all documents to be executed and delivered by Participant in accordance with the provisions of this Plan and the applicable Award Agreement or as may otherwise be required by the Company or the Plan Administrator, including, without limitation, with respect to Restricted Shares, a stock power, endorsed in blank, relating to the Shares covered by such Award. The Company will evidence the issuance of Shares hereunder by any means appropriate, including, without limitation, book-entry registration or issuance of a duly executed Share certificate in the name of Participant, provided that stock certificates evidencing Restricted Shares granted pursuant to this Plan shall, if directed by the Company, be held in the custody of the Company or its duly authorized delegate until the restrictions thereon have lapsed. If certificates are issued, a separate certificate or certificates will be issued for Shares issued in connection with each type of Award granted to the Participant.

SECTION 5. ELIGIBILITY

5.1 Individuals Eligible to Participate. The Plan Administrator shall determine, within the limitations of the Plan, the Employees, Consultants, and Directors to whom Awards are to be granted. In making the determination of whether to grant an Award to an Employee, Consultant, or Director, as well as the determination of the type of Award and terms of such Award, the Plan Administrator may consider such factors as the Plan Administrator, in its sole and absolute discretion, may deem relevant in connection with the purposes of this Plan.

5.2 Evidence of Participation. Each Award granted to an Eligible Individual shall be evidenced by an Award Agreement, in such form as prescribed by the Plan Administrator and containing such terms and provisions as are not inconsistent with this Plan. The provisions of separate Award Agreements need not be identical, but each Award Agreement shall include (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) the substance of the terms of the Plan. Each Award will be deemed to have been granted as of the date on which the Plan Administrator has completed the action declaring the Award, which date shall be specified by the Plan Administrator in the applicable Award Agreement, notwithstanding any delay which may elapse in executing and delivering such Award Agreement.

SECTION 6. STOCK OPTIONS

6.1 Grant of Stock Options. The Plan Administrator may, in its sole and absolute discretion, grant Stock Options, whether alone or in addition to other Awards granted pursuant to this Plan, to any Eligible Individual; provided, however, that Incentive Stock Options may only be granted to Employees. Each Eligible Individual so selected shall be offered a Stock Option to purchase the number of Shares determined by the Plan Administrator and set forth in an Award Agreement. The Plan Administrator shall specify in the Award Agreement the number of Shares subject to the Award, whether such Stock Option is an Incentive Stock Option or Non-Qualified Stock Option, and such other terms or conditions as the Plan Administrator shall, in its sole and absolute discretion, determine appropriate and which are not inconsistent with the terms of the Plan.

6.2 Award Term. No Stock Option shall be exercisable after the expiration of the Award Term determined by the Plan Administrator and set out in Participant's Award Agreement. Notwithstanding any provision to the contrary, the Award Term of any Stock Option granted under this Plan shall not exceed ten (10) years from the Award Date; provided, however, that no Incentive Stock Option granted to a Ten Percent Stockholder will be exercisable after the expiration of five (5) years from the date such Incentive Stock Option is granted.

6.3 Exercise Price. The Exercise Price of each Stock Option granted under this Section 6 shall be established by the Plan Administrator as of the Award Date. Notwithstanding the foregoing, the Exercise Price of any Stock Option shall not be less than 100% of the Fair Market Value of a Share on the Award Date (or if greater, the par value of such Common Stock) or, in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, 110% of the Fair Market Value of a Share on the Award Date.

6.4 Vesting of Stock Options. Except as may otherwise be provided in an Award Agreement, each Stock Option granted pursuant to this Plan may only be exercised to the extent that Participant is vested in such Stock Option. Except as otherwise provided under subsection 15.2 herein, each Stock Option shall vest separately in accordance with the vesting schedule determined by the Plan Administrator, which shall be set out in the applicable Award Agreement. Notwithstanding the foregoing, the Plan Administrator may accelerate the vesting schedule of any outstanding Stock Option to the extent the Plan Administrator determines, in its sole and absolute discretion, that such acceleration is not inconsistent with the purposes of this Plan.

6.5 Transferability of Option.

(a) Rights to Transfer. A Stock Option shall be transferable to the extent provided in the Award Agreement; provided, however, that an Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of Participant only by Participant. If the Award Agreement does not provide for transferability, then the Stock Option shall not be transferable except by will or by the laws of descent and distribution, and shall be exercisable during the lifetime of Participant only by Participant.

(b) Evidence of Rights. The transferee of a Stock Option shall not be permitted to exercise the Stock Option unless and until such transferee has provided the Plan Administrator a copy of the will and/or such other evidence as the Plan Administrator determines necessary to establish the validity of the transfer.

6.6 Qualification of Incentive Stock Options.

(a) Stockholder Approval of Plan. To the extent stockholder approval of this Plan is required by Section 422 of the Code, no Eligible Individual shall be granted an Incentive Stock Option unless this Plan is approved by the stockholders of the Company within twelve (12) months before or after the date this Plan is adopted (or, if applicable, amended pursuant to clause (iii) of subsection 16.1) by the Board.

(b) **Fair Market Value Restrictions.** To the extent that the aggregate Fair Market Value (determined on the Award Date) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars (\$100,000), the Stock Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Non-Qualified Stock Options.

(c) **Termination of Authority to Issue Incentive Stock Options.** Notwithstanding any provision of this Plan to the contrary, no Incentive Stock Option shall be granted to any Employee after the Expiration Date.

(d) **Qualification of Incentive Stock Option.** To the extent that a Stock Option designated as an Incentive Stock Option does not qualify as an Incentive Stock Option (whether because of its provisions, the failure of the stockholders of the Company to timely approve the Plan, or the time or manner of its exercise or otherwise) such Stock Option or the portion thereof that does not qualify as an Incentive Stock Option shall be deemed to constitute a Non-Qualified Stock Option under this Plan.

(e) **Failure to Qualify.** Notwithstanding any provision herein to the contrary, none of the Plan Administrator, the Company, any Affiliates, or the directors, officers or employees of the foregoing, shall have any liability to any Participant or any other Person if a Stock Option designated as an Incentive Stock Option fails to qualify as such at any time.

6.7 Payment in Lieu of Shares. Notwithstanding any provision to the contrary herein, upon exercise of any one or more Stock Options on or after Participant's Termination Date, the Company may, in its sole discretion, in lieu of the issuance of Shares, remit to Participant (or his legal representative, estate, heirs, or designated beneficiary, as the case may be) a lump sum cash payment equal to the Fair Market Value of the Common Stock that would otherwise be issued under the applicable Stock Option(s), less the aggregate Exercise Price; provided, however, that such payment shall not be made unless the Company has sufficient capital and liquidity, as determined by the Board, in its sole and absolute discretion, to make such cash payment.

SECTION 7. STOCK APPRECIATION RIGHTS

7.1 Grant of Stock Appreciation Rights. The Plan Administrator may grant Stock Appreciation Rights, whether alone or in addition to other Awards granted pursuant to this Plan, to any Eligible Individual. Each Stock Appreciation Right shall be evidenced by an Award Agreement, which shall include any conditions and restrictions as the Plan Administrator shall impose as are not inconsistent with the terms of the Plan.

7.2 Award Term. No Stock Appreciation Right shall be exercisable after the expiration of the Award Term determined by the Plan Administrator and set out in Participant's Award Agreement.

7.3 Exercise Price. The Exercise Price of each Stock Appreciation Right granted under this Section 7 shall be established by the Plan Administrator or shall be determined by a method established by the Plan Administrator as of the Award Date, but in no event shall the Exercise Price be less than the Fair Market Value of a Share on the Award Date.

7.4 Vesting of Stock Appreciation Rights. Except as may otherwise be provided in an Award Agreement, each Stock Appreciation Right granted pursuant to this Plan may only be exercised to the extent that Participant is vested in such Stock Appreciation Right. Except as otherwise provided under subsection 15.2 herein, each Stock Appreciation Right shall vest separately in accordance with the vesting schedule determined by the Plan Administrator and set out in the applicable Award Agreement. Notwithstanding the foregoing, the Plan Administrator may accelerate the vesting schedule of any outstanding Stock Appreciation Right to the extent the Plan Administrator determines, in its sole and absolute discretion, that such acceleration is not inconsistent with the purposes of this Plan.

7.5 Transferability

(a) Right to Transfer. Except to the extent otherwise provided in the applicable Award Agreement, a Stock Appreciation Right shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of Participant only by Participant.

(b) Designation of Beneficiary. Notwithstanding the foregoing, Participant may, by delivering written notice to the Plan Administrator, in a form satisfactory to the Plan Administrator, designate a third party who, in the event of the death of Participant, shall thereafter be entitled to exercise the Stock Appreciation Right.

(c) Evidence of Rights. The transferee of a Stock Appreciation Right shall not be evidenced on the books and records of the Company unless and until such transferee has provided the Plan Administrator a copy of the will and/or such other evidence as the Plan Administrator determines necessary to establish the validity of the transfer.

7.6 Payment of Benefit. Except as otherwise expressly provided in the applicable Award Agreement, Participant shall be paid for the value of the Stock Appreciation Right in cash, Shares, or a combination thereof, as determined by the Plan Administrator in its sole and absolute discretion.

SECTION 8. EXERCISE OF STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

Each Stock Option and Stock Appreciation Right shall be exercised subject to, and in accordance with, this Section 8.

8.1 Time of Exercise

(a) Termination of Service. Unless otherwise provided in the applicable Award Agreement, in the event Participant's Continuous Service terminates (other than upon Participant's death or Disability, for Cause or upon Retirement by a Director), Participant may exercise his Stock Option or Stock Appreciation Right (to the extent that Participant was entitled to exercise such Award as of the Termination Date) but only within such period of time ending on the earlier of (i) the day that is three (3) months from Participant's Termination Date or (ii) the expiration of the Award Term. Notwithstanding any provision in the Plan or an Award Agreement to the contrary, in the event of a change in capacity of Participant from an Employee of the Company to either a non-Employee Director or Consultant, if Participant fails to exercise an Incentive Stock Option within the 3-month period from such Termination Date, as provided herein, the Incentive Stock Option shall, upon expiration of such 3-month period, become a Non-Qualified Stock Option under the Plan.

(b) Death of Participant. Unless otherwise provided in the applicable Award Agreement, in the event Participant's Continuous Service terminates by reason of such Participant's death, Participant's estate, heirs or designated beneficiary may exercise Participant's Stock Option or Stock Appreciation Right (to the extent that Participant was entitled to exercise such Award as of the Termination Date) but only within such period of time ending on the earlier of (i) the day that is twelve (12) months from Participant's Termination Date or (ii) the expiration of the Award Term.

(c) Disability of Participant. Unless otherwise provided in the applicable Award Agreement, in the event Participant's Continuous Service terminates by reason of such Participant's Disability, Participant (or his legal representative) may exercise Participant's Stock Option or Stock Appreciation Right (to the extent that Participant was entitled to exercise such Award as of the Termination Date) but only within such period of time ending on the earlier of (i) the day that is twelve (12) months from the Participant's Termination Date or (ii) the expiration of the Award Term.

(d) Retirement of Directors. Unless otherwise provided in the applicable Award Agreement, in the event of the Retirement of a Participant who is a Director, such Participant's Stock Options or Stock Appreciation Rights will not terminate as a result of such Retirement, and such Participant shall be entitled to exercise such Stock Options or Stock Appreciation Rights (to the extent that Participant is entitled to exercise such Award as of the date of Retirement) during the applicable Award Term.

(e) **Discretion of Plan Administrator.** The Plan Administrator shall have the sole discretion, exercisable at any time while the Stock Option or Stock Appreciation Right remains outstanding, to extend the time during which such Award is to remain exercisable following Participant's Termination Date from the period otherwise in effect for that Award and set forth in the Award Agreement to such greater period of time as the Plan Administrator shall deem appropriate; provided, however, that the period in which the Award is exercisable shall not be extended to a date beyond the expiration of the Award Term. If the Plan Administrator extends the time during which an Incentive Stock Option will remain exercisable, then such extension shall be treated as the grant of a new Option as of the date of the extension.

(f) **Expiration of Award.** If Participant does not exercise his Stock Option or Stock Appreciation Right within the periods specified in this [Section 8](#), the Award shall terminate and will no longer be exercisable.

(g) **Lapsed and Cancelled Awards.** Nothing contained in this Plan will be deemed to extend the term of an Award or to revive any Award that has previously lapsed or been cancelled, terminated or surrendered.

8.2 Procedure for Exercise. Each exercise of a Stock Option or Stock Appreciation Right shall be evidenced by an Exercise Agreement in the form prescribed by the Plan Administrator and duly executed by Participant (or his legal representative, estate, heirs, or designated beneficiary, as the case may be) and shall be accompanied by payment, if applicable, of the Exercise Price and withholding taxes imposed upon exercise of the Award.

SECTION 9. RESTRICTED SHARES

9.1 Grants of Restricted Shares. The Plan Administrator may, in its sole and absolute discretion, grant Restricted Shares, whether alone or in addition to other Awards granted pursuant to this Plan, to any Eligible Individual. Each Eligible Individual granted Restricted Shares shall execute an Award Agreement setting forth the terms and conditions of such Restricted Shares, including, without limitation, the Purchase Price, if any; the Restriction Period, which shall in no event exceed ten (10) years from the Award Date; and conditions of forfeitability, whether based on period of service or otherwise.

9.2 Payment for Restricted Shares. Upon Participant's acceptance of an applicable Award Agreement for Restricted Shares, Participant shall pay to the Company the Purchase Price, if any, for the Restricted Shares. Such Purchase Price may be paid in any manner permitted under [Section 13](#) herein and set forth in the applicable Award Agreement. The Purchase Price, if any, shall be determined by the Plan Administrator, in its sole and absolute discretion, and set forth in the applicable Award Agreement.

9.3 Terms of Restricted Shares.

(a) **Forfeiture of Restricted Shares.** Subject to [subsection 9.3\(b\)](#) herein, and except as otherwise provided in the applicable Award Agreement, all Restricted Shares shall be forfeited and returned to the Company and all rights of Participant with respect to such Restricted Shares shall terminate unless Participant satisfies the requirements of the Award Agreement, which may include requirements for continuation of service and such other terms and conditions as the Plan Administrator, in its sole and absolute discretion, shall determine applicable with respect to the Restricted Shares.

(b) **Waiver of Restriction Period.** Notwithstanding anything contained in this [Section 9](#) to the contrary, the Plan Administrator may, in its sole and absolute discretion, waive the Restriction Period and any other conditions set forth in the applicable Award Agreement in the event of the death or Disability of Participant and may impose such terms and conditions (including forfeiture of a proportionate number of the Restricted Shares) as the Plan Administrator shall deem appropriate.

9.4 Transferability of Restricted Shares.

(a) **Rights to Transfer.** An Award of Restricted Shares shall be transferable to the extent provided in the Award Agreement. If the Award Agreement does not provide for transferability, then the Restricted Shares shall not be transferable except by will or by the laws of descent and distribution.

(b) Evidence of Rights. The transferee of an Award of Restricted Shares shall not be evidenced on the books and records of the Company unless and until such transferee has provided the Plan Administrator a copy of the will and/or such other evidence as the Plan Administrator determines necessary to establish the validity of the transfer.

SECTION 10. RESTRICTED SHARE UNITS

10.1 Grant of Restricted Share Units. The Plan Administrator may, in its sole and absolute discretion, grant Restricted Share Units, whether alone or in addition to other Awards granted pursuant to this Plan, to any Eligible Individual. Each Eligible Individual granted Restricted Share Units shall execute an Award Agreement, which shall set forth such terms and conditions applicable to the Restricted Share Units as the Plan Administrator shall determine are appropriate and consistent with the provisions of the Plan, including the Restriction Period, which shall in no event exceed ten (10) years from the Award Date, and conditions of forfeitability, whether based on period of service or otherwise. A Restricted Share Unit shall represent an unfunded, unsecured right to receive one Share or cash equal to the Fair Market Value of a Share, as provided in the Award Agreement.

10.2 Terms of Restricted Share Units.

(a) Forfeiture of Restricted Share Units. Subject to subsection 10.2(b) herein, and except as otherwise provided in the applicable Award Agreement, all Restricted Share Units shall be forfeited and all rights of a Participant with respect to such Restricted Share Units shall terminate unless the Participant satisfies the requirements of the Award Agreement, which may include requirements for continuation of service and such other terms and conditions as the Plan Administrator, in its sole and absolute discretion, shall determine to be applicable with respect to the Restricted Share Units.

(b) Waiver of Restriction Period. Notwithstanding anything contained in this Section 9 to the contrary, the Plan Administrator may, in its sole and absolute discretion, waive the Restriction Period and any other conditions set forth in the applicable Award Agreement in the event of the death or Disability of Participant and may impose such terms and conditions (including forfeiture of a proportionate number of the Restricted Share Units) as the Plan Administrator shall deem appropriate.

10.3 Settlement. Except as otherwise provided in an applicable Award Agreement, Restricted Share Units shall be settled no later than March 15th of the calendar year following the end of the calendar year in which such Restricted Share Units are no longer subject to a substantial risk of forfeiture. Notwithstanding the foregoing, settlement may occur after such date if (i) it is administratively impracticable to settle a Restricted Share Unit by such date and such impracticability was unforeseeable on the Award Date, provided that settlement occurs as soon as administratively practicable thereafter; or (ii) settlement by such date would jeopardize the ability of the Company to continue as a going concern, provided that settlement occurs as soon as doing so would not have such effect.

10.4 Transferability of Restricted Share Units.

(a) Rights to Transfer. An Award of Restricted Share Units shall be transferable to the extent provided in the Award Agreement. If the Award Agreement does not provide for transferability, then the Restricted Share Units shall not be transferable except by will or by the laws of descent and distribution.

(b) Evidence of Rights. The transferee of an Award of Restricted Share Units shall not be evidenced on the books and records of the Company unless and until such transferee has provided the Plan Administrator a copy of the will or such other evidence as the Plan Administrator determines necessary to establish the validity of the transfer.

SECTION 11. OTHER AWARDS

The Plan Administrator may grant to any Eligible Individual other forms of Awards based upon, payable in or otherwise related to, in whole or in part, the Common Stock, if the Plan Administrator, in its sole discretion, determines that such other form of Award is consistent with the purposes of this Plan. The terms and conditions of such other form of Award shall be specified in an Award Agreement that sets forth the terms and conditions of such Award, including, but not limited to, the price, if any, and the vesting schedule, if any, of such Award and shall include any conditions and restrictions as the Plan Administrator shall impose as are not inconsistent with the terms of the Plan. Such Awards may be granted for such minimum consideration, if any, as may be required by applicable law or for such other greater consideration as may be determined by the Plan Administrator, in its sole discretion.

SECTION 12. STOCKHOLDER RIGHTS

Except to the extent otherwise provided in the applicable Award Agreement, no Person shall have any rights as a stockholder of the Company with respect to any Shares of Common Stock subject to an Award unless and until such Person becomes the holder of record of such Shares pursuant to subsection 4.7 hereof, and except as otherwise permitted by subsection 15.1, no adjustment will be made for dividends or other distributions in respect of such Shares for which the record date is prior to the date on which such Person has become the holder of record. For these purposes, a Participant who receives a grant of Restricted Shares shall become a holder of record as of the Award Date or, if later, the date on which the applicable Purchase Price is paid, and shall thereafter be entitled to the voting and dividend rights appurtenant to such Shares (provided that such dividends shall continue to be subject to any restrictions applicable to the Restricted Shares themselves).

SECTION 13. PAYMENT OF CONSIDERATION FOR AWARDS

13.1 Consideration for Shares. Except as otherwise provided in this Plan, consideration for Shares purchased under Awards may be submitted only in such amounts and at such intervals of time as specified in the applicable Award Agreement:

- (a) by payment to the Company of the amount of such consideration by cash, wire transfer, certified check or bank draft;
- (b) by execution of a promissory note, to be submitted with a stock power, endorsed in blank relating to the Shares held as collateral for such note;
- (c) by "net exercise," pursuant to which the Company withholds from the Shares that would otherwise be issued upon exercise of an Award that number of Shares with a Fair Market Value equal to the Exercise Price for the Award;
- (d) through a broker-dealer acting on behalf of Participant if (i) the broker-dealer has received a fully and duly endorsed copy of the Award Agreement and a fully and duly endorsed notice of exercise or purchase, along with written instructions signed by Participant requesting that the Company deliver Shares to the broker-dealer to be held in a designated account on behalf of Participant; (ii) adequate provision has been made with respect to the payment of any withholding taxes due upon grant, exercise, or vesting; and (iii) the broker-dealer and Participant have otherwise complied with applicable securities laws;
- (e) through the delivery of unrestricted Shares having a Fair Market Value equal to the Exercise Price and owned by Participant for more than six (6) months (or such shorter or longer period of time as is necessary to avoid a charge to earnings on the Company's financial statements) or that otherwise meet the conditions established by the Company to avoid adverse accounting consequences (as determined by the Company);
- (f) any combination of one or more methods described herein; or
- (g) any other consideration deemed acceptable by the Plan Administrator, in its sole and absolute discretion.

Notwithstanding any provision herein to the contrary, Participant shall not be permitted to exercise an Incentive Stock Option pursuant to paragraphs (c) - (g) above unless the Award Agreement specifically permits such method of exercise on the Award Date.

13.2 Withholding Requirements. The amount, as determined by the Plan Administrator, of any federal, state or local tax required to be withheld by the Company due to the grant, exercise, or vesting of an Award must be submitted in such amounts and at such time as specified in the applicable Award Agreement:

- (a) by payment to the Company of the amount of such withholding obligation by cash, wire transfer, certified check or bank draft;
- (b) through either (i) the retention by the Company of a number of Shares out of the Shares being acquired through the Award or (ii) the delivery of unrestricted Shares owned by Participant for more than six (6) months (or such shorter or longer period as is necessary to avoid a charge to earnings on the Company's financial statements) and having a Fair Market Value equal to the minimum withholding obligation or that otherwise meet the conditions established by the Company to avoid adverse accounting consequences (as determined by the Company); or
- (c) pursuant to a written agreement between Participant and the Company authorizing the Company to withhold from such Participant's regular wages the amount of such withholding tax obligation.

If Participant elects to use and the Plan Administrator permits either method described in subsection 13.2(b) herein in full or partial satisfaction of any withholding tax liability resulting from the grant, exercise or vesting of an Award hereunder, the Company shall remit an amount equal to the Fair Market Value of the Shares so withheld or delivered, as the case may be, to the appropriate taxing authorities.

SECTION 14. COMPLIANCE WITH SECURITIES AND OTHER LAWS

14.1 Securities Laws. Notwithstanding any other provision of this Plan, the Company shall not be obligated to sell or issue any Shares pursuant to any Award granted under this Plan unless (a) the Shares have been registered under applicable Federal securities law, (b) the prior approval of such sale or issuance has been obtained from any state regulatory body having jurisdiction to the extent necessary to comply with applicable state securities laws, (c) the Shares have been duly listed or quoted on a national securities exchange or automated quotation system of a registered securities association in accordance with the procedures specified thereunder and (d) with respect to Participants subject to Section 16 of the Exchange Act, the Company determines that the Plan, the Award Agreement and the sale or issuance of Shares thereunder, comply with all applicable provisions of Rule 16b-3 of the Exchange Act (or any successor provision thereto). The Plan Administrator may modify or revoke all or any provision of an Award Agreement in order to comply with applicable federal and state securities laws and none of the Company, the Plan Administrator, or any Director, officer, employee, agent or representative thereof will have liability to any Person for refusing to issue, deliver or transfer any Award or any Share issuable in connection with such Award if such refusal is based upon the foregoing provisions of this subsection 14.1.

14.2 Prohibition on Deferred Compensation. Notwithstanding any provision herein to the contrary, any Award issued hereunder that constitutes a deferral of compensation under a "nonqualified deferred compensation plan", as such term is defined under Section 409A(d)(1) of the Code (or a successor provision thereto), shall be modified or cancelled to comply with the requirements of Section 409A of the Code (or a successor provision thereto) and applicable guidance published in the Internal Revenue Bulletin.

SECTION 15. ADJUSTMENTS TO AWARDS

15.1 Capitalization Adjustments. If any change is made in the Common Stock subject to the Plan, or subject to any Award, without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of Shares, exchange of Shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company), the Plan shall be appropriately adjusted in the class(es) and maximum number of Shares available for issuance under the Plan pursuant to subsection 4.1, and all outstanding Awards shall be appropriately adjusted in the class(es) and number of Shares and price per Share of Common Stock subject to such outstanding Awards. The Plan Administrator shall make such adjustments, and its determination shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a transaction "without receipt of consideration" by the Company).

15.2 Change in Control. In the event of a Change in Control, unless the Plan Administrator determines otherwise, then with respect to Awards held by Participants whose Continuous Service has not terminated:

(a) **Notice and Acceleration.** (i) The Company shall provide each Participant written notice of such Change in Control, (ii) all outstanding Stock Options and Stock Appreciation Rights of such Participant shall automatically accelerate and become fully exercisable, and (iii) the restrictions and conditions on all outstanding Restricted Shares and Restricted Share Units held by such Participant shall immediately lapse.

(b) **Assumption of Grants.** Upon a Change in Control where the Company is not the surviving corporation (or survives only as a subsidiary of another corporation), unless the Plan Administrator determines otherwise, all outstanding Stock Options and Stock Appreciation Rights that are not exercised shall be assumed by, or replaced with comparable options or rights, by the surviving corporation.

(c) **Other Alternatives.** Notwithstanding [Section 15.2\(b\)](#), in the event of a Change in Control, the Plan Administrator may take one or both of the following actions: the Plan Administrator may (i) require that Participants surrender their outstanding Stock Options and Stock Appreciation Rights in exchange for a payment by the Company, in cash or Common Stock as determined by the Plan Administrator, in an amount equal to the amount by which the then Fair Market Value of the shares of Common Stock subject to the Participant's unexercised Stock Options and Stock Appreciation Rights exceeds the Exercise Price of the Stock Options, or the Fair Market Value of the Stock Appreciation Rights on the Award Date, as applicable, or (ii) after giving Participants an opportunity to exercise their outstanding Stock Options and Stock Appreciation Rights, terminate any or all unexercised Stock Options and Stock Appreciation Rights at such time as the Plan Administrator deems appropriate. Such surrender or termination shall take place as of the date of the Change in Control or such other date as the Committee may specify.

15.3 Termination for Cause. Except to the extent otherwise provided in the applicable Award Agreement(s) or in Section 8.1, in the event a Participant's Continuous Service is terminated for Cause, all outstanding Awards held by such Participant, whether or not vested, shall immediately terminate without consideration to such Participant.

SECTION 16. AMENDMENT AND TERMINATION

16.1 Amendment of Plan. Notwithstanding anything contained in this Plan to the contrary, all provisions of this Plan may at any time, or from time to time, be modified or amended by the Board; provided, however, that no amendment or modification shall be made to the Plan that would (i) impair the rights of any Participant with respect to an outstanding Award issued to such Participant, unless the Participant impaired by the amendment or modification consents to such change in writing; (ii) expand the types of Awards available under the Plan or otherwise materially revise the Plan; or (iii) increase the number of Shares reserved for issuance under the Plan (other than in accordance with an adjustment pursuant to [subsection 15.1](#) hereof), modify the class of Persons eligible to receive Awards under the Plan, or change the identity of the granting company or the Shares issued upon exercise of Incentive Stock Options, unless an amendment under (ii) or (iii) above is approved by the stockholders of the Company within twelve (12) months before or after such amendment. In addition, the Plan Administrator shall be authorized, to the same extent as the Board, to correct any defect, omission or inconsistency in the Plan in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

16.2 Amendment of Award. The Plan Administrator may amend, modify or terminate any outstanding Award at any time prior to payment or exercise in any manner not inconsistent with the terms of this Plan; provided, however, that a Participant's rights under the Award shall not be impaired by such amendment unless (i) the Plan Administrator requests the consent of such Participant and (ii) Participant consents in writing.

16.3 Termination of Plan. The Board may suspend or terminate this Plan at any time, and such suspension or termination may be retroactive or prospective; provided that the termination of this Plan shall not impair or affect any Award previously granted hereunder and the rights of the holder thereof shall remain in effect until the Award has been exercised in its entirety or has expired or otherwise has been terminated by the terms of such Award. Absent any action by the Board to terminate or suspend the Plan, the Plan shall automatically terminate on the Expiration Date.

SECTION 17. GENERAL PROVISIONS

17.1 General Assets. The proceeds to be received by the Company upon exercise of any Award or purchase of Shares pursuant to any Award will constitute general assets of the Company and may be used for any proper purposes.

17.2 No Assignment or Alienation. Any attempted assignment, transfer, pledge, hypothecation or other disposition of an Award or Shares issued in connection with an Award contrary to the provisions of this Plan, the applicable Award Agreement, or the levy of any execution, attachment or similar process upon an Award or Shares issued in connection with an Award shall be null and void and without effect.

17.3 No Limit on Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Company from adopting or continuing in effect other compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

17.4 Tax Withholding. The Plan Administrator shall notify each Participant of any tax withholding obligations arising as a result of the grant, exercise or vesting of an Award. As a condition to Participant's exercise of an Award and, if applicable, the issuance of Shares, Participant must satisfy the applicable withholding obligation as may be required by law in a manner permitted under Section 13.2 hereof

17.5 No Right to Employment or Continuation of Relationship. Nothing in this Plan or in any Award Agreement, nor the grant of any Award, shall confer upon or be construed as giving any Participant any right to remain in the employ of the Company or an Affiliate or to continue as a Consultant or non-Employee Director. Further, the Company or an Affiliate may at any time dismiss a Participant from employment or terminate the relationship of any Consultant or non-Employee Director with the Company or any Affiliate, free from any liability or any claim pursuant to this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement. No Consultant, Director or Employee of the Company or any Affiliate shall have any claim to be granted an Award, and there is no obligation for uniformity of treatment of any Consultant, Director or Employee of the Company or any Affiliate, or of any Participant.

17.6 Indemnification of Plan Administrator. The Company shall indemnify each present and future member of the Committee or the Board acting in its capacity as Plan Administrator, as well as any officer or employee acting at the direction of the Plan Administrator or its authorized delegate, for all expenses (including the amount of judgments and the amount of approved settlements made with a view to the curtailment of costs of litigation, other than amounts paid to the Company itself) reasonably incurred by him in connection with or arising out of any action, suit, or proceeding in which he may be involved by reason of his performance of services in connection with the administration of this Plan, whether or not he continues to perform such services at the time of incurring such expenses; provided, however, that such indemnity shall not include any expenses incurred by such individual (a) in respect of matters as to which he shall be finally adjudged in any such action, suit, or proceeding to have been guilty of gross negligence or willful misconduct in the performance of his duties hereunder or (b) in respect of any matter in which any settlement is effected in an amount in excess of the amount approved by the Company on the advice of its legal counsel. The foregoing right of indemnification shall inure to the benefit of the heirs, executors, or administrators of the estate of each such member of the Committee or the Board, as well as any employee acting at the direction of the Plan Administrator or its authorized delegate, and shall be in addition to all other rights to which such member, officer or employee shall be entitled as a matter of law, contract, or otherwise.

17.7 No Limitation Upon the Rights of the Company. The grant of an Award pursuant to this Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, or changes of its capital or business structure; to merge, convert or consolidate; to dissolve or liquidate; or sell or transfer all or any part of its business or assets.

17.8 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to this Plan. If an Award vests or becomes exercisable with respect to a fractional Share, such installment will instead be rounded to the next highest whole number of Shares, except for the final installment, which will be for the balance of the total Shares subject to the Award. If a fractional Share is granted or issuable under an Award, the Plan Administrator shall pay cash to Participant in an amount equal to the proportional Fair Market Value of such fractional Share in lieu of any such fractional Share, and any rights with respect to such fractional Share shall be cancelled, terminated and otherwise eliminated.

17.9 Restriction on Repricing. Notwithstanding any provision in this Plan to the contrary, repricing of Stock Options and Stock Appreciation Rights shall not be permitted. For this purpose, a repricing means any of the following (or any other action that has the same effect as any of the following): (i) changing the terms of a Stock Option or a Stock Appreciation Right to lower its exercise price; (ii) any other action that is treated as a repricing under generally accepted accounting principles; and (iii) repurchasing or canceling a Stock Option or Stock Appreciation Right at a time when its exercise price is equal to or greater than the fair market value of the underlying Shares in exchange for cash, another Stock Option, Stock Appreciation Right, Restricted Shares or other equity award. Such cancellation and exchange would be considered a repricing regardless of whether it is treated as a repricing under generally accepted accounting principles and regardless of whether it is voluntary on the part of the Participant.

17.10 Clawback of Benefits. Notwithstanding any other provisions in this Plan or an Award Agreement to the contrary, the Company may cancel any Award, require the Participant to reimburse any or all amounts paid pursuant to an Award or under the terms of this Plan, and effect any other right of recoupment of equity or other compensation provided under the Plan in accordance with any Company policies that may be adopted and/or modified from time to time, or as necessary or appropriate to comply with applicable laws.

17.11 GOVERNING LAW. TO THE EXTENT NOT OTHERWISE PREEMPTED BY FEDERAL LAW, THE VALIDITY, CONSTRUCTION AND EFFECT OF THIS PLAN AND ANY RULES AND REGULATIONS RELATING TO THIS PLAN SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

17.12 Qualification of Plan. This Plan is not intended to be, and shall not be, qualified under Section 401(a) of the Code.

17.13 Unfunded Benefits. Each Award represents an unfunded, unsecured right to receive cash or Shares upon settlement of the Award. The Company shall not be obligated to set aside any amounts or establish a trust for the payment of benefits hereunder, unless otherwise specifically provided herein.

17.14 Compliance within Jurisdiction. Notwithstanding any provision herein to the contrary, this Plan shall not be effective in any jurisdiction, and no Awards shall be granted to residents thereof, unless the Plan has been properly qualified under the applicable securities laws, if any, of such jurisdiction, if such proper qualification is required pursuant to such securities laws, if any.

17.15 Severability. If any provision of this Plan or any Award is, or becomes, or is deemed to be, invalid, illegal or unenforceable in any jurisdiction or as to any individual or Award, or would cause this Plan or any Award to fail to comply under any law deemed applicable by the Plan Administrator, such provision shall be construed or deemed amended to conform to applicable law, or if it cannot be construed or deemed amended without, in the sole determination of the Plan Administrator, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, individual or Award and the remainder of this Plan and any such Award shall remain in full force and effect.

17.16 Headings. Headings are given throughout this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

17.17 Gender and Number. In construing the Plan, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

**BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN**

INCENTIVE STOCK OPTION AWARD AGREEMENT

This Incentive Stock Option Award Agreement (the “*Agreement*”) is made and entered into as of the award date set forth below (the “*Award Date*”) by and between Bio-Path Holdings, Inc., a Delaware corporation (the “*Company*”), and the participant named below (the “*Participant*”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company’s 2022 Stock Incentive Plan (the “*Plan*”).

Participant: _____

Total Award Shares: _____ Shares

Exercise Price Per Share: \$ _____ /Share

Award Date: _____, 20__

Expiration Date: _____, 20__

Section 1. Grant of Award. The Company hereby grants to Participant Incentive Stock Options (this “*Award*”) to purchase the total number of Shares of the Company set forth above as Total Award Shares (the “*Shares*”) at the Exercise Price Per Share set forth above (the “*Exercise Price*”), subject to all of the terms and conditions of this Agreement and the Plan. These stock options (the “*Stock Options*”) are intended to qualify as “incentive stock options” under Code Section 422.

Section 2. Vesting Schedule. The Award shall initially be unvested and unexercisable. The Award shall become exercisable upon vesting in accordance with the following schedule, provided the Participant is in Continuous Service with the Company (or an Affiliate) on the applicable Vesting Date. The Award shall vest over a four-year period, with one-fourth (1/4) of the Shares vesting on the first anniversary hereof (i.e., approximately [] Shares) and the remaining Shares vesting thereafter in equal monthly increments equal to one-forty-eighth (1/48) of the Shares (i.e., approximately [] Shares per month)(each such date, a “Vesting Date”).

Notwithstanding the foregoing, the Plan Administrator may, in its sole discretion, provide that the vesting of any or all Stock Options granted pursuant to this Agreement will accelerate immediately prior to the consummation of a Change in Control, provided the Participant remains in Continuous Service as of such date. If the Plan Administrator exercises such discretion with respect to the Stock Options, the Stock Options will become exercisable to the extent provided by the Plan Administrator prior to the consummation of the Change in Control at such time and on such conditions as the Plan Administrator determines, and any vested Stock Options not exercised prior to the consummation of such event shall terminate at such time as determined by the Plan Administrator.

Section 3. **Exercise of Stock Options.** Each Stock Option shall be exercisable during the Award Term to the extent provided under this Section 3.

3.1 **Exercise Period.**

(i) **Voluntary Termination of Service.** In the event Participant is terminated for any reason (other than upon Participant's death, Disability, Retirement by a Director, or for Cause, or upon occurrence of a Breach Event), Participant may thereafter exercise the vested portion of this Award (to the extent that Participant was entitled to exercise this Award as of the Termination Date) but only within such period of time ending on the earlier of (A) the date that is three (3) months following Participant's Termination Date and (B) the Expiration Date. If, after termination, Participant does not exercise this Award within the time specified herein, this Award shall terminate and will no longer be exercisable. Notwithstanding the foregoing, in the event a Participant has a change in capacity from an Employee of the Company to either a non-Employee Director or Consultant and the Participant fails to exercise this Award within the three (3)-month period following such Termination Date, the Incentive Stock Options granted hereunder shall become Non-Qualified Stock Options upon expiration of such three (3)-month period.

(ii) **Death of Participant.** In the event Participant is terminated by reason of Participant's death, Participant's estate, heirs or designated beneficiary, as applicable, may thereafter exercise this Award (to the extent that Participant was entitled to exercise this Award as of the Termination Date) but only within such period of time ending on the earlier of (A) twelve (12) months following the Participant's death and (B) the Expiration Date. If, after Participant's death, Participant's estate, heirs or designated beneficiary has not exercised this Award within the time specified herein, this Award shall terminate and will no longer be exercisable.

(iii) **Disability of Participant.** In the event Participant is terminated by reason of Participant's Disability, Participant (or his legal representative) may thereafter exercise this Award (to the extent that Participant was entitled to exercise this Award as of the Termination Date) but only within such period of time ending on the earlier of (A) twelve (12) months following the Participant's Termination Date and (B) the Expiration Date. If, after termination, Participant, or his legal representative, has not exercised this Award within the time specified herein, this Award shall terminate and will no longer be exercisable.

(iv) **Termination for Cause or Occurrence of a Breach Event.** Notwithstanding any provision herein to the contrary, in the event Participant is terminated for Cause or upon the occurrence of a Breach Event, this Stock Option, whether or not vested, shall immediately terminate and will no longer be exercisable.

(v) Retirement of Director. In the event of the Retirement of a Participant who is a Director, such Participant shall be entitled to exercise this Award (to the extent that Participant was entitled to exercise this Award as of the date of Retirement) until the Expiration Date.

(vi) Expiration of Stock Option. This Award will expire on the Expiration Date set forth above, or earlier as provided in this Agreement or the Plan.

3.2 Manner of Exercise.

(i) Stock Option Exercise Agreement. To exercise this Award, Participant (or his legal representative, estate, heirs, or designated beneficiary, as the case may be) must deliver to the Company an executed Exercise Agreement in the form attached hereto as Appendix I, and, if applicable, spousal consent, and such other documents as may be required by the Company and the Plan Administrator. If someone other than Participant exercises this Stock Option, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise this Award under the Plan. The Award shall be deemed exercised as of the date: (i) the Company receives (A) the fully executed Exercise Agreement, including spousal consent if applicable and (B) payment of the aggregate Exercise Price, and (ii) all other applicable terms and conditions of this Agreement and the Plan are satisfied, as determined in the sole discretion of the Plan Administrator.

(ii) Limitations on Exercise. This Award must be exercised in whole Shares and may not be exercised for less than one (1) Share.

(iii) Payment. Except as otherwise permitted by the Plan Administrator, the Exercise Price for the Shares being purchased may be paid pursuant to the following methods:

(A) by cash, wire transfer, certified check or bank draft;

(B) by execution of a promissory note, to be submitted with a stock power, endorsed in blank relating to the Shares held as collateral for such note;

(C) by “net exercise”, pursuant to which the Company withholds from the Shares that would otherwise be issued upon exercise of an Award that number of Shares with a Fair Market Value equal to the Exercise Price for the Award;

(D) through a broker-dealer acting on behalf of Participant if (i) the broker-dealer has received a fully and duly endorsed copy of the Award Agreement and a fully and duly endorsed notice of exercise or purchase, along with written instructions signed by Participant requesting that the Company deliver Shares to the broker-dealer to be held in a designated account on behalf of Participant; (ii) adequate provision has been made with respect to the payment of any withholding taxes due upon grant, exercise, or vesting; and (iii) the broker-dealer and Participant have otherwise complied with applicable securities laws;

(E) through the delivery of unrestricted Shares having a Fair Market Value equal to the Exercise Price and owned by Participant for more than six (6) months (or such shorter or longer period of time as is necessary to avoid a charge to earnings on the Company's financial statements) or that otherwise meet the conditions established by the Company to avoid adverse accounting consequences (as determined by the Company);

(F) by any combination of the foregoing or other methods authorized by the Plan Administrator.

(iv) Issuance of Shares. Upon satisfaction of the foregoing provisions of this subsection 3.2, Participant shall become a stockholder of record. The Company may, but is not required to, issue certificated Shares registered in the name of Participant, which may include the appropriate legends affixed thereto.

Section 4. Consent of Spouse. If the Participant is married as of the date of this Agreement, the Participant's spouse shall execute and deliver to the Company a Consent of Spouse in the form attached hereto as Appendix II, effective on the date hereof. Notwithstanding the execution and delivery thereof, such consent shall not be deemed to confer or convey to the spouse any rights in the Restricted Shares that do not otherwise exist by operation of law or the agreement of the parties. If the Participant should marry or remarry subsequent to the date of this Agreement, the Participant shall within 60 days thereafter obtain his or her new spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by such spouse's executing and delivering a Consent of Spouse in the form of Appendix II.

Section 5. Restrictions on Transfer. The Award may not be transferred in any manner other than by will or by the laws of descent and distribution and, during the lifetime of Participant, only Participant (or, in the event of Participant's incapacity, Participant's legal representative) may exercise this Stock Option.

Section 6. No Obligation to Employ. Nothing in the Plan or this Agreement shall confer on Participant any right to continue in the employ of, or other relationship with, the Company or any Affiliate, or limit in any way the right of the Company or any Affiliate to terminate Participant's employment or other relationship at any time, with or without Cause.

Section 7. Rights as a Stockholder. Participant shall not have any of the rights of a stockholder as a result of the grant of this Award or the vesting of the Stock Options. Upon exercise of vested Stock Options, Participant shall become a stockholder of record and will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Participant until such time as Participant disposes of the Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date on which the SARs are exercised.

Section 8. Compliance with Laws and Regulations. The exercise of a Stock Option and the issuance and transfer of Shares shall be subject to compliance by the Company and Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's Common Stock may be listed at the time of such issuance or transfer.

Section 9. Tax Consequences. Set forth below is a brief summary as of the effective date of the Plan of some of the federal and state tax consequences upon exercise of a Stock Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. PARTICIPANT SHOULD CONSULT A TAX ADVISOR.

9.1 Grant of Award. There will be no regular federal or state income tax liability upon the grant of the Award.

9.2 Vesting of Award. There will be no regular federal or state income tax liability upon vesting of the Award. However, there may be federal and state employment taxes due upon vesting of the Award.

9.3 Exercise of Stock Option. There will be no regular federal or state income tax liability upon the exercise of the Stock Option, although the excess, if any, of the Fair Market Value of the Shares on the exercise date over the Exercise Price will be treated as a tax preference item for federal alternative minimum tax purposes and may subject the Participant to the alternative minimum tax in the year of exercise.

9.4 Disposition of Shares. If the Shares are held for more than one (1) year after the date of the transfer of the Shares pursuant to the exercise of a Stock Option and more than two (2) years after the Award Date, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal and state income tax purposes. If Shares purchased hereunder are disposed of within the applicable one (1) year or (2) year periods, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the excess, if any, of the Fair Market Value of the Shares on the exercise date over the Exercise Price.

9.5 Tax Liability and Withholding. Notwithstanding any action the Company takes with respect to any or all income tax, social security, payroll tax, or other tax-related withholding ("*Tax-Related Items*"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or exercise of the Stock Options under this Award or the subsequent sale of any Shares acquired upon exercise of a Stock Option; and (ii) does not commit to structure this Award to reduce or eliminate the Participant's liability for Tax-Related Items.

9.6 **Non-Qualification of Stock Options.** To the extent the Stock Options granted under this Award do not qualify as Incentive Stock Option (whether because of its provisions, the failure of the shareholders of the Company to authorize the issuance of Incentive Stock Options, the time or manner of its exercise or otherwise), such Stock Options, or the portion thereof which do not qualify as Incentive Stock Options, shall be deemed to constitute Non-Qualified Stock Options under the Plan, and shall be subject to tax treatment applicable to such types of Awards.

Section 10. Notices. Any notice required to be given or delivered to the Plan Administrator or the Company under the terms of this Agreement shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to the Plan Administrator at the principal corporate office of the Company. Any notice required to be given or delivered to Participant shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to Participant at the address indicated above or to such other address as such party may designate in writing from time to time to the Plan Administrator. All notices shall be deemed to have been given or delivered upon: (a) personal delivery; (b) five (5) days after deposit in the United States mail by certified or registered mail (return receipt requested); (c) one (1) business day after deposit with any return receipt express courier (prepaid); or (d) when receipt is acknowledged after transmission by facsimile or electronic mail.

Section 11. Interpretation. Any dispute regarding the interpretation of this Agreement shall be resolved by the Plan Administrator, which decision shall be final and binding on the Company and Participant. In the event of an ambiguity, the Plan Administrator shall, to the extent necessary, interpret this Agreement in a manner that is intended to ensure that the Award is exempt from or compliant with Code Section 409A.

Section 12. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to applicable restrictions on transfer, this Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, legal representatives and designated beneficiary.

Section 13. Governing Law. To the extent not otherwise preempted by federal law, the validity, construction and effect of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its conflict of law principles.

Section 14. Choice of Forum. Participant hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Exercise Agreement, the Shares issued in connection herewith or for recognition or enforcement of any judgment relating thereto, and Participant hereby (i) agrees not commence any such action or proceeding except in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and (iv) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware).

Section 15. Waiver of Jury Trial. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE ARISING OUT OF OR RELATING TO THIS EXERCISE AGREEMENT AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

Section 16. Amendment of Award. The Plan Administrator may amend, modify or terminate this Agreement at any time prior to payment or exercise in any manner not inconsistent with the terms of this Plan; provided, however, that Participant's rights under this Award shall not be impaired by such amendment unless (i) Participant consents in writing or (ii) the Plan Administrator determines that the amendment is required to ensure that the Award is exempt from or compliant with Code Section 409A.

Section 17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Section 18. Discretionary Nature of Plan. The grant of this Award does not create any contractual right or other right to receive any Awards in the future. Future Awards, if any, will be at the sole discretion of the Plan Administrator. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment or other service relationship with the Company (or any Subsidiary or Affiliate).

Section 19. Severability. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

Section 20. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Award Agreement.

Section 21. Headings. The captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement.

Section 22. Gender and Number. In construing this Agreement, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

Section 23. Entire Agreement. The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof. If any inconsistency should exist between the nondiscretionary terms and conditions of this Agreement and the Plan, the Plan shall govern and control.

Section 24. Acceptance. Participant hereby acknowledges that he has read and understands the terms and provisions of this Agreement, and accepts the Award subject to all the terms and conditions of the Plan and this Agreement. Participant has had an opportunity to obtain the advice of legal counsel prior to executing this Agreement. Participant acknowledges that there may be adverse tax consequences upon exercise of this Award and disposition of the Shares, and that Participant should consult a tax advisor prior to such exercise or disposition. Participant attests that he is relying solely on such advisors and not on any statements or representations of the Plan Administrator, the Company, or any Affiliate, or any agents thereof. Further, Participant hereby acknowledges and understands that he (and not the Company) shall be solely responsible for his tax liability that may arise as a result of receiving this Award Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and Participant have caused this Agreement to be executed in duplicate, effective as of the Award Date.

BIO-PATH HOLDINGS, INC.

By: _____

(Please print name)

(Please print title)

PARTICIPANT

(Signature)

(Please print name)

Address:

Facsimile: _____

E-mail: _____

[Signature Page to Incentive Stock Option Award Agreement]

APPENDIX I

INCENTIVE STOCK OPTION EXERCISE AGREEMENT

BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN

INCENTIVE STOCK OPTION EXERCISE AGREEMENT

This Incentive Stock Option Exercise Agreement (the "*Exercise Agreement*") is made and entered into as of _____ (the "*Effective Date*") by and between Bio-Path Holdings, Inc., a Delaware corporation (the "*Company*"), and the individual named below (the "*Participant*") pursuant to the Bio-Path Holdings, Inc., 2022 Stock Incentive Plan (the "*Plan*"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan or this Award Agreement.

Participant: _____

Social Security Number: _____

Address: _____

Email: _____

Telephone Number: _____

Fax Number: _____

Total Shares to be Purchased: [_____]

Per Share Exercise Price: [_____]

Aggregate Exercise Price: [_____]

Award Date: [_____]

Expiration Date: [_____]

1. Exercise of Stock Options.

1.1 Exercise. Pursuant to the exercise of those certain stock options (the "*Stock Options*") granted to Participant under the Plan and the applicable Award Agreement and subject to the terms and conditions of this Exercise Agreement, Participant hereby purchases from the Company, and the Company hereby sells to Participant, the Total Shares to be Purchased set forth above (the "*Shares*") for the Aggregate Exercise Price set forth above.

1.2 **Payment.** Participant hereby delivers payment of the Exercise Price in a form permitted under the applicable Award Agreement and the terms of the Plan, in the amount of \$ _____, receipt of which is acknowledged by the Company.

2. Delivery.

2.1 **Deliveries by Participant.** Participant hereby delivers to the Plan Administrator (a) this Exercise Agreement, executed by the Participant, (b) the Exercise Price for the purchase of the Total Shares set forth above and payment or other provision for any applicable tax obligations in the form of a check or other method permitted under the applicable Award Agreement and the terms of the Plan, and (c) such other documents as required by the Company or Plan Administrator.

2.2 **Shares Issued.** Upon receipt of the items described in Section 2.1, the Company shall evidence the issuance of the Shares to the Participant. If the Company desires to evidence these Shares by means of certificated shares, the Company shall issue a certificate in the name of Participant for the number of Shares purchased upon exercise of the Stock Option in accordance with this Exercise Agreement.

3. Rights as a Stockholder. Upon becoming a stockholder of record, Participant will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Participant until such time as Participant disposes of the Shares.

4. Compliance with Laws and Regulations. The issuance and transfer of the Shares will be subject to, and conditioned upon compliance by the Company and the Participant with, all applicable federal, state and local laws and regulations and all applicable requirements of any stock exchange or automated quotation system on which the Shares may be listed or quoted at the time of such issuance or transfer.

5. Tax Consequences. Set forth below is a brief summary as of the effective date of the Plan of some of the federal and state tax consequences of exercise of a Stock Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. RECIPIENT SHOULD CONSULT A TAX ADVISOR BEFORE EXERCISING A STOCK OPTION OR DISPOSING OF THE SHARES.

5.1 **Exercise of Stock Option.** There will be no regular federal or state income tax liability upon the exercise of the Stock Option, although the excess, if any, of the Fair Market Value of the Shares on the exercise date over the Exercise Price will be treated as a tax preference item for federal alternative minimum tax purposes and may subject the Participant to the alternative minimum tax in the year of exercise.

5.2 **Disposition of Shares.** If the Shares are held for more than one (1) year after the date of the transfer of the Shares pursuant to the exercise of a Stock Option and more than two (2) years after the Award Date, any gain realized on disposition of the Shares will be treated as long-term capital gain for federal and state income tax purposes. If Shares purchased hereunder are disposed of within the applicable one (1) year or (2) year periods, any gain realized on such disposition will be treated as compensation income (taxable at ordinary income rates) to the extent of the excess, if any, of the Fair Market Value of the Shares on the exercise date over the Exercise Price.

5.3 **Tax Liability and Withholding.** Notwithstanding any action the Company takes with respect to any or all income tax, social security, payroll tax, or other tax-related withholding (“*Tax-Related Items*”), the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or exercise of this Stock Option or the subsequent sale of any Shares acquired upon exercise of this Stock Option; and (b) does not commit to structure this Stock Option to reduce or eliminate the Participant’s liability for Tax-Related Items.

5.4 **Non-Qualification of Stock Options.** To the extent this Stock Option does not qualify as an Incentive Stock Option (whether because of its provisions, the failure of the shareholders of the Company to authorize the issuance of Incentive Stock Options, the time or manner of its exercise or otherwise), such Stock Option, or the portion thereof which does not qualify as an Incentive Stock Option, shall be deemed to constitute a Non-Qualified Stock Option under the Plan, and shall be subject to tax treatment applicable to such types of Awards.

6. **Notices.** Any notice required to be given or delivered to the Plan Administrator or the Company under the terms of this Exercise Agreement shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to the Plan Administrator at the principal corporate office of the Company. Any notice required to be given or delivered to Participant shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to Participant at the address indicated above or to such other address as such party may designate in writing from time to time to the Plan Administrator. All notices shall be deemed to have been given or delivered upon: (a) personal delivery; (b) five (5) days after deposit in the United States mail by certified or registered mail (return receipt requested); (c) one (1) business day after deposit with any return receipt express courier (prepaid); or (d) when receipt is acknowledged after transmission by facsimile or electronic mail.

7. **Interpretation.** Any dispute regarding the interpretation of this Exercise Agreement shall be resolved by the Plan Administrator, which decision shall be final and binding on the Company and Participant.

8. **Successors and Assigns.** The Company may assign any of its rights under this Exercise Agreement. This Exercise Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to applicable restrictions on transfer, this Exercise Agreement shall be binding upon Participant and Participant’s heirs, executors, administrators, legal representatives and designated beneficiary.

9. **Governing Law.** TO THE EXTENT NOT OTHERWISE PREEMPTED BY FEDERAL LAW, THE VALIDITY, CONSTRUCTION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAW PRINCIPLES.

10. **Choice of Forum.** Participant hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Exercise Agreement, the Shares issued in connection herewith or for recognition or enforcement of any judgment relating thereto, and Participant hereby (i) agrees not commence any such action or proceeding except in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and (iv) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware).

11. **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE ARISING OUT OF OR RELATING TO THIS EXERCISE AGREEMENT AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

12. **Counterparts.** This Exercise Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

13. **Severability.** If any provision of this Exercise Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

14. **Further Instruments.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Award Agreement.

15. **Headings.** The captions and headings of this Exercise Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Exercise Agreement.

16. **Gender and Number.** In construing this Exercise Agreement, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

17. **Entire Agreement.** The Plan is incorporated herein by reference. This Exercise Agreement, the Award Agreement, and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof. If any inconsistency should exist between the nondiscretionary terms and conditions of this Exercise Agreement and the Plan, the Plan shall govern and control.

IN WITNESS WHEREOF, the Company and the Participant have caused this Exercise Agreement to be executed in duplicate as of the Effective Date first above written.

BIO-PATH HOLDINGS, INC.

By: _____

(Please print name)

(Please print title)

PARTICIPANT

(Signature)

(Please print name)

APPENDIX II

CONSENT OF SPOUSE TO AWARD AGREEMENT

I, _____, the spouse of Participant (as defined in the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement to which this consent is attached), have read, understand, and hereby approve all the terms and conditions of (a) such Award Agreement to which this consent is attached and (b) the Plan (as defined therein).

I hereby agree to be irrevocably bound by all the terms and conditions of Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement and the Plan and further agree that any community property interest I may have in the Award or any Common Stock that is ultimately held by Participant will be similarly bound by the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement and the Plan.

I hereby appoint Participant, with unrestricted power of substitution and resubstitution, as my attorney-in-fact, to act in my name, place, and stead with respect to any amendment of the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement or the Plan or the exercise of any rights or satisfaction of any obligations thereunder. This grant of power of attorney is irrevocable, shall not be affected by my subsequent death, disability or incapacity, is binding upon each of my legatees, heirs, personal representatives and administrators and is coupled with an interest.

Dated: _____, _____

Signature: _____

**BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN**

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

This Non-Qualified Stock Option Award Agreement (the “*Agreement*”) is made and entered into as of the award date set forth below (the “*Award Date*”) by and between Bio-Path Holdings, Inc., a Delaware corporation (the “*Company*”), and the participant named below (the “*Participant*”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company’s 2022 Stock Incentive Plan (the “*Plan*”).

Participant: _____

Total Award Shares: _____ Shares

Exercise Price Per Share: \$ _____ /Share

Award Date: _____, 20__

Expiration Date: _____, 20__

Section 1. Grant of Award. The Company hereby grants to Participant Non-Qualified Stock Options (this “*Award*”) to purchase the total number of Shares of the Company set forth above as Total Award Shares (the “*Shares*”) at the Exercise Price Per Share set forth above (the “*Exercise Price*”), subject to all of the terms and conditions of this Agreement and the Plan. These stock options (the “*Stock Options*”) are not intended to qualify as “incentive stock options” under Code Section 422.

Section 2. Vesting Schedule. The Award shall initially be unvested and unexercisable. The Award shall become exercisable upon vesting in accordance with the following schedule, provided the Participant is in Continuous Service with the Company (or an Affiliate) on the applicable Vesting Date. The Award shall vest over a four-year period, with one-fourth (1/4) of the Shares vesting on the first anniversary hereof (i.e., approximately [] Shares) and the remaining Shares vesting thereafter in equal monthly increments equal to one-forty-eighth (1/48) of the Shares (i.e., approximately [] Shares per month)(each such date, a “Vesting Date”).

Notwithstanding the foregoing, the Plan Administrator may, in its sole discretion, provide that the vesting of any or all Stock Options granted pursuant to this Agreement will accelerate immediately prior to the consummation of a Change in Control, provided the Participant remains in Continuous Service as of such date. If the Plan Administrator exercises such discretion with respect to the Stock Options, the Stock Options will become exercisable to the extent provided by the Plan Administrator prior to the consummation of the Change in Control at such time and on such conditions as the Plan Administrator determines, and any vested Stock Options not exercised prior to the consummation of such event shall terminate at such time as determined by the Plan Administrator.

Section 3. **Exercise of Stock Options.** Each Stock Option shall be exercisable during the Award Term to the extent provided under this Section 3.

3.1 **Exercise Period.**

(i) **Voluntary Termination of Service.** In the event Participant is terminated for any reason (other than upon Participant's death, Disability, Retirement by a Director, or for Cause, or upon occurrence of a Breach Event), Participant may thereafter exercise the vested portion of this Award (to the extent that Participant was entitled to exercise this Award as of the Termination Date) but only within such period of time ending on the earlier of (A) the date that is three (3) months following Participant's Termination Date and (B) the Expiration Date. If, after termination, Participant does not exercise this Award within the time specified herein, this Award shall terminate and will no longer be exercisable.

(ii) **Death of Participant.** In the event Participant is terminated by reason of Participant's death, Participant's estate, heirs or designated beneficiary, as applicable, may thereafter exercise this Award (to the extent that Participant was entitled to exercise this Award as of the Termination Date) but only within such period of time ending on the earlier of (A) twelve (12) months following the Participant's death and (B) the Expiration Date. If, after Participant's death, Participant's estate, heirs or designated beneficiary has not exercised this Award within the time specified herein, this Award shall terminate and will no longer be exercisable.

(iii) **Disability of Participant.** In the event Participant is terminated by reason of Participant's Disability, Participant (or his legal representative) may thereafter exercise this Award (to the extent that Participant was entitled to exercise this Award as of the Termination Date) but only within such period of time ending on the earlier of (A) twelve (12) months following the Participant's Termination Date and (B) the Expiration Date. If, after termination, Participant, or his legal representative, has not exercised this Award within the time specified herein, this Award shall terminate and will no longer be exercisable.

(iv) **Termination for Cause or Occurrence of a Breach Event.** Notwithstanding any provision herein to the contrary, in the event Participant is terminated for Cause or upon the occurrence of a Breach Event, this Stock Option, whether or not vested, shall immediately terminate and will no longer be exercisable.

(v) **Retirement of Director.** In the event of the Retirement of a Participant who is a Director, such Participant shall be entitled to exercise this Award (to the extent that Participant was entitled to exercise this Award as of the date of Retirement) until the Expiration Date.

(vi) Expiration of Stock Option. This Award will expire on the Expiration Date set forth above, or earlier as provided in this Agreement or the Plan.

3.2 Manner of Exercise.

(i) Stock Option Exercise Agreement. To exercise this Award, Participant (or his legal representative, estate, heirs, or designated beneficiary, as the case may be) must deliver to the Company an executed Exercise Agreement in the form attached hereto as Appendix I, and, if applicable, spousal consent, and such other documents as may be required by the Company and the Plan Administrator. If someone other than Participant exercises this Stock Option, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise this Award under the Plan. The Award shall be deemed exercised as of the date: (i) the Company receives (A) the fully executed Exercise Agreement, including spousal consent if applicable and (B) payment of the aggregate Exercise Price, and (ii) all other applicable terms and conditions of this Agreement and the Plan are satisfied including applicable tax withholding), as determined in the sole discretion of the Plan Administrator.

(ii) Limitations on Exercise. This Award must be exercised in whole Shares and may not be exercised for less than one (1) Share.

(iii) Payment. Except as otherwise permitted by the Plan Administrator, the Exercise Price for the Shares being purchased and the amount of the applicable federal, state and local tax withholding imposed upon exercise of this Stock Option may be paid pursuant to the following methods:

(A) by cash, wire transfer, certified check or bank draft;

(B) by execution of a promissory note, to be submitted with a stock power, endorsed in blank relating to the Shares held as collateral for such note;

(C) by “net exercise”, pursuant to which the Company withholds from the Shares that would otherwise be issued upon exercise of an Award that number of Shares with a Fair Market Value equal to the Exercise Price for the Award;

(D) through a broker-dealer acting on behalf of Participant if (i) the broker-dealer has received a fully and duly endorsed copy of the Award Agreement and a fully and duly endorsed notice of exercise or purchase, along with written instructions signed by Participant requesting that the Company deliver Shares to the broker-dealer to be held in a designated account on behalf of Participant; (ii) adequate provision has been made with respect to the payment of any withholding taxes due upon grant, exercise, or vesting; and (iii) the broker-dealer and Participant have otherwise complied with applicable securities laws;

(E) through the delivery of unrestricted Shares having a Fair Market Value equal to the Exercise Price and owned by Participant for more than six (6) months (or such shorter or longer period of time as is necessary to avoid a charge to earnings on the Company's financial statements) or that otherwise meet the conditions established by the Company to avoid adverse accounting consequences (as determined by the Company);

(F) by any combination of the foregoing or other methods authorized by the Plan Administrator.

(iv) Issuance of Shares. Upon satisfaction of the foregoing provisions of this subsection 3.2, Participant shall become a stockholder of record. The Company may, but is not required to, issue certificated Shares registered in the name of Participant, which may include the appropriate legends affixed thereto.

Section 4. Consent of Spouse. If the Participant is married as of the date of this Agreement, the Participant's spouse shall execute and deliver to the Company a Consent of Spouse in the form attached hereto as Appendix II, effective on the date hereof. Notwithstanding the execution and delivery thereof, such consent shall not be deemed to confer or convey to the spouse any rights in the Restricted Shares that do not otherwise exist by operation of law or the agreement of the parties. If the Participant should marry or remarry subsequent to the date of this Agreement, the Participant shall within 60 days thereafter obtain his or her new spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by such spouse's executing and delivering a Consent of Spouse in the form of Appendix II.

Section 5. Restrictions on Transfer. Absent the written approval of the Plan Administrator, the Award may not be transferred in any manner other than by will or by the laws of descent and distribution and, during the lifetime of Participant, only Participant (or, in the event of Participant's incapacity, Participant's legal representative) may exercise this Stock Option.

Section 6. No Obligation to Employ. Nothing in the Plan or this Agreement shall confer on Participant any right to continue in the employ of, or other relationship with, the Company or any Affiliate, or limit in any way the right of the Company or any Affiliate to terminate Participant's employment or other relationship at any time, with or without Cause.

Section 7. Rights as a Stockholder. Participant shall not have any of the rights of a stockholder as a result of the grant of this Award or the vesting of the Stock Options. Upon exercise of vested Stock Options, Participant shall become a stockholder of record and will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Participant until such time as Participant disposes of the Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date on which the SARs are exercised.

Section 8. Compliance with Laws and Regulations. The exercise of a Stock Option and the issuance and transfer of Shares shall be subject to compliance by the Company and Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's Common Stock may be listed at the time of such issuance or transfer.

Section 9. Tax Consequences. Set forth below is a brief summary as of the effective date of the Plan of some of the federal and state tax consequences upon exercise of a Stock Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. PARTICIPANT SHOULD CONSULT A TAX ADVISOR.9.1

9.1 Grant of Award. There will be no regular federal or state income tax liability upon the grant of the Award.

9.2 Vesting of Award. There will be no regular federal or state income tax liability upon vesting of the Award. However, there may be federal and state employment taxes due upon vesting of the Award.

9.3 Exercise of Stock Option. There may be regular U.S. Federal and state income tax liability upon the exercise of this Stock Option. Participant will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If Participant is a current or former employee of the Company or a Subsidiary or an Affiliate, the Company or such Subsidiary or Affiliate may be required to withhold from Participant's compensation or collect from Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

9.4 Disposition of Shares. If the Shares are held for one (1) year or less following the date of the purchase of the Shares pursuant to the exercise of this Stock Option, any gain realized on disposition of the Shares will be treated as short-term capital gain. If the Shares are held for more than one (1) year after the date of the purchase of the Shares pursuant to the exercise of this Stock Option, any gain realized on disposition of the Shares will be treated as long-term capital gain.

9.5 Tax Liability and Withholding. Notwithstanding any action the Company takes with respect to any or all income tax, social security, payroll tax, or other tax-related withholding ("*Tax-Related Items*"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or exercise of the Stock Options under this Award or the subsequent sale of any Shares acquired upon exercise of a Stock Option; and (ii) does not commit to structure this Award to reduce or eliminate the Participant's liability for Tax-Related Items.

Section 10. Notices. Any notice required to be given or delivered to the Plan Administrator or the Company under the terms of this Agreement shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to the Plan Administrator at the principal corporate office of the Company. Any notice required to be given or delivered to Participant shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to Participant at the address indicated above or to such other address as such party may designate in writing from time to time to the Plan Administrator. All notices shall be deemed to have been given or delivered upon: (a) personal delivery; (b) five (5) days after deposit in the United States mail by certified or registered mail (return receipt requested); (c) one (1) business day after deposit with any return receipt express courier (prepaid); or (d) when receipt is acknowledged after transmission by facsimile or electronic mail.

Section 11. Interpretation. Any dispute regarding the interpretation of this Agreement shall be resolved by the Plan Administrator, which decision shall be final and binding on the Company and Participant. In the event of an ambiguity, the Plan Administrator shall, to the extent necessary, interpret this Agreement in a manner that is intended to ensure that the Award is exempt from or compliant with Code Section 409A.

Section 12. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to applicable restrictions on transfer, this Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, legal representatives and designated beneficiary.

Section 13. Governing Law. To the extent not otherwise preempted by federal law, the validity, construction and effect of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its conflict of law principles.

Section 14. Choice of Forum. Participant hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Exercise Agreement, the Shares issued in connection herewith or for recognition or enforcement of any judgment relating thereto, and Participant hereby (i) agrees not commence any such action or proceeding except in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and (iv) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware).

Section 15. Waiver of Jury Trial. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE ARISING OUT OF OR RELATING TO THIS EXERCISE AGREEMENT AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

Section 16. Amendment of Award. The Plan Administrator may amend, modify or terminate this Agreement at any time prior to payment or exercise in any manner not inconsistent with the terms of this Plan; provided, however, that Participant's rights under this Award shall not be impaired by such amendment unless (i) Participant consents in writing or (ii) the Plan Administrator determines that the amendment is required to ensure that the Award is exempt from or compliant with Code Section 409A.

Section 17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Section 18. Discretionary Nature of Plan. The grant of this Award does not create any contractual right or other right to receive any Awards in the future. Future Awards, if any, will be at the sole discretion of the Plan Administrator. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment or other service relationship with the Company (or any Subsidiary or Affiliate).

Section 19. Severability. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

Section 20. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Award Agreement.

Section 21. Headings. The captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement.

Section 22. Gender and Number. In construing this Agreement, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

Section 23. Entire Agreement. The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof. If any inconsistency should exist between the nondiscretionary terms and conditions of this Agreement and the Plan, the Plan shall govern and control.

Section 24. Acceptance. Participant hereby acknowledges that he has read and understands the terms and provisions of this Agreement, and accepts the Award subject to all the terms and conditions of the Plan and this Agreement. Participant has had an opportunity to obtain the advice of legal counsel prior to executing this Agreement. Participant acknowledges that there may be adverse tax consequences upon exercise of this Award and disposition of the Shares, and that Participant should consult a tax advisor prior to such exercise or disposition. Participant attests that he is relying solely on such advisors and not on any statements or representations of the Plan Administrator, the Company, or any Affiliate, or any agents thereof. Further, Participant hereby acknowledges and understands that he (and not the Company) shall be solely responsible for his tax liability that may arise as a result of receiving this Award Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and Participant have caused this Agreement to be executed in duplicate, effective as of the Award Date.

BIO-PATH HOLDINGS, INC.

By: _____

(Please print name)

(Please print title)

PARTICIPANT

(Signature)

(Please print name)

Address:

Facsimile: _____

E-mail: _____

[Signature Page to Non-Qualified Stock Option Award Agreement]

APPENDIX I

NON-QUALIFIED STOCK OPTION EXERCISE AGREEMENT

BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION EXERCISE AGREEMENT

This Non-Qualified Stock Option Exercise Agreement (the "*Exercise Agreement*") is made and entered into as of _____ (the "*Effective Date*") by and between Bio-Path Holdings, Inc., a Delaware corporation (the "*Company*"), and the individual named below (the "*Participant*") pursuant to the Bio-Path Holdings, Inc., 2022 Stock Incentive Plan (the "*Plan*"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan or this Award Agreement.

Participant: _____

Social Security Number: _____

Address: _____

Email: _____

Telephone Number: _____

Fax Number: _____

Total Shares to be Purchased: [_____]

Per Share Exercise Price: [_____]

Aggregate Exercise Price: [_____]

Award Date: [_____]

Expiration Date: [_____]

1. Exercise of Stock Options.

1.1 Exercise. Pursuant to the exercise of those certain stock options (the "*Stock Options*") granted to Participant under the Plan and the applicable Award Agreement and subject to the terms and conditions of this Exercise Agreement, Participant hereby purchases from the Company, and the Company hereby sells to Participant, the Total Shares to be Purchased set forth above (the "*Shares*") for the Aggregate Exercise Price set forth above.

1.2 **Payment.** Participant hereby delivers payment of the Exercise Price in a form permitted under the applicable Award Agreement and the terms of the Plan, in the amount of \$ _____, receipt of which is acknowledged by the Company.

2. Delivery.

2.1 **Deliveries by Participant.** Participant hereby delivers to the Plan Administrator (a) this Exercise Agreement, executed by the Participant, (b) the Exercise Price for the purchase of the Total Shares set forth above and payment or other provision for any applicable tax obligations in the form of a check or other method permitted under the applicable Award Agreement and the terms of the Plan, and (c) such other documents as required by the Company or Plan Administrator.

2.2 **Shares Issued.** Upon receipt of the items described in Section 2.1, the Company shall evidence the issuance of the Shares to the Participant. If the Company desires to evidence these Shares by means of certificated shares, the Company shall issue a certificate in the name of Participant for the number of Shares purchased upon exercise of the Stock Option in accordance with this Exercise Agreement.

3. Rights as a Stockholder. Upon becoming a stockholder of record, Participant will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Participant until such time as Participant disposes of the Shares.

4. Compliance with Laws and Regulations. The issuance and transfer of the Shares will be subject to, and conditioned upon compliance by the Company and the Participant with, all applicable federal, state and local laws and regulations and all applicable requirements of any stock exchange or automated quotation system on which the Shares may be listed or quoted at the time of such issuance or transfer.

5. Tax Consequences. Set forth below is a brief summary as of the effective date of the Plan of some of the federal and state tax consequences of exercise of a Stock Option and disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. RECIPIENT SHOULD CONSULT A TAX ADVISOR BEFORE EXERCISING A STOCK OPTION OR DISPOSING OF THE SHARES.

5.1 **Exercise of Stock Option.** There may be regular federal and state income tax liability upon the exercise of this Stock Option. Participant will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Shares on the date of exercise over the Exercise Price. If Participant is a current or former employee of the Company or an Affiliate, the Company or such Affiliate may be required to withhold from Participant's compensation or collect from Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

5.2 **Disposition of Shares.** If the Shares are held for one (1) year or less following the date of the purchase of the Shares pursuant to the exercise of this Stock Option, any gain realized on disposition of the Shares will be treated as short-term capital gain. If the Shares are held for more than one (1) year after the date of the purchase of the Shares pursuant to the exercise of this Stock Option, any gain realized on disposition of the Shares will be treated as long-term capital gain.

5.3 **Tax Liability and Withholding.** Notwithstanding any action the Company takes with respect to any or all income tax, social security, payroll tax, or other tax-related withholding (“***Tax-Related Items***”), the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or exercise of this Stock Option or the subsequent sale of any Shares acquired upon exercise of this Stock Option; and (b) does not commit to structure this Stock Option to reduce or eliminate the Participant’s liability for Tax-Related Items.

6. **Notices.** Any notice required to be given or delivered to the Plan Administrator or the Company under the terms of this Exercise Agreement shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to the Plan Administrator at the principal corporate office of the Company. Any notice required to be given or delivered to Participant shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to Participant at the address indicated above or to such other address as such party may designate in writing from time to time to the Plan Administrator. All notices shall be deemed to have been given or delivered upon: (a) personal delivery; (b) five (5) days after deposit in the United States mail by certified or registered mail (return receipt requested); (c) one (1) business day after deposit with any return receipt express courier (prepaid); or (d) when receipt is acknowledged after transmission by facsimile or electronic mail.

7. **Interpretation.** Any dispute regarding the interpretation of this Exercise Agreement shall be resolved by the Plan Administrator, which decision shall be final and binding on the Company and Participant.

8. **Successors and Assigns.** The Company may assign any of its rights under this Exercise Agreement. This Exercise Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to applicable restrictions on transfer, this Exercise Agreement shall be binding upon Participant and Participant’s heirs, executors, administrators, legal representatives and designated beneficiary.

9. **Governing Law.** TO THE EXTENT NOT OTHERWISE PREEMPTED BY FEDERAL LAW, THE VALIDITY, CONSTRUCTION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAW PRINCIPLES.

10. Choice of Forum. Participant hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Exercise Agreement, the Shares issued in connection herewith or for recognition or enforcement of any judgment relating thereto, and Participant hereby (i) agrees not commence any such action or proceeding except in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and (iv) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware).

11. Waiver of Jury Trial. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE ARISING OUT OF OR RELATING TO THIS EXERCISE AGREEMENT AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

12. Counterparts. This Exercise Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

13. Severability. If any provision of this Exercise Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

14. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Award Agreement.

15. Headings. The captions and headings of this Exercise Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Exercise Agreement.

16. **Gender and Number.** In construing this Exercise Agreement, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

17. **Entire Agreement.** The Plan is incorporated herein by reference. This Exercise Agreement, the Award Agreement, and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof. If any inconsistency should exist between the nondiscretionary terms and conditions of this Exercise Agreement and the Plan, the Plan shall govern and control.

IN WITNESS WHEREOF, the Company and the Participant have caused this Exercise Agreement to be executed in duplicate as of the Effective Date first above written.

BIO-PATH HOLDINGS, INC.

By: _____

(Please print name)

(Please print title)

PARTICIPANT

(Signature)

(Please print name)

APPENDIX II

CONSENT OF SPOUSE TO AWARD AGREEMENT

I, _____, the spouse of Participant (as defined in the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement to which this consent is attached), have read, understand, and hereby approve all the terms and conditions of (a) such Award Agreement to which this consent is attached and (b) the Plan (as defined therein).

I hereby agree to be irrevocably bound by all the terms and conditions of Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement and the Plan and further agree that any community property interest I may have in the Award or any Common Stock that is ultimately held by Participant will be similarly bound by the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement and the Plan.

I hereby appoint Participant, with unrestricted power of substitution and resubstitution, as my attorney-in-fact, to act in my name, place, and stead with respect to any amendment of the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement or the Plan or the exercise of any rights or satisfaction of any obligations thereunder. This grant of power of attorney is irrevocable, shall not be affected by my subsequent death, disability or incapacity, is binding upon each of my legatees, heirs, personal representatives and administrators and is coupled with an interest.

Dated: _____, _____

Signature: _____

**BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN**

RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (the “*Agreement*”) is made and entered into as of the award date set forth below (the “*Award Date*”) by and between Bio-Path Holdings, Inc., a Delaware corporation (the “*Company*”), and the participant named below (the “*Participant*”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company’s 2022 Stock Incentive Plan (the “*Plan*”).

Participant: _____

Award Date: _____

Number of Restricted Stock Units: _____

1. Award of Restricted Share Units. The Company hereby issues to Participant an Award of the Number of Restricted Share Units set forth above (the “*RSUs*”), subject to the terms and conditions set forth in this Agreement. An RSU represents an unfunded, unsecured right to receive a Share of Common Stock of the Company or cash equal to the Fair Market Value of a Share.

2. Restrictions on RSUs. Except as otherwise provided in the Plan and this Agreement, the restrictions on Participant’s unvested RSUs are that the RSUs shall be subject to forfeiture by Participant if Participant fails to satisfy the vesting conditions set forth below.

3. Vesting of RSUs. The RSUs awarded hereunder shall vest, and the restrictions on such RSUs shall lapse, only if Participant remains in Continuous Service with the Company or an Affiliate until the applicable anniversary of the Award Date, as set forth below (each, a “*Vesting Date*”):

Vesting Percentage

Vesting Date

Notwithstanding the foregoing, a Participant who dies or becomes Disabled shall become immediately 100% vested in the RSUs. Furthermore, the Plan Administrator may, in its sole discretion, provide that the restrictions on all or any portion of the outstanding RSUs granted pursuant to this Agreement will immediately lapse prior to the consummation of a Change in Control. If the Plan Administrator exercises such discretion with respect to the RSUs, the vested RSUs will be settled prior to the consummation of the Change in Control at such time and on such conditions as the Plan Administrator determines.

4. **Settlement of RSUs.** Each vested RSU shall be settled during the period beginning on the applicable Vesting Date and ending on the later of: (a) the last day of the calendar year in which such Vesting Date occurs or (b) March 15th of the calendar year following the end of the calendar year in which such Vesting Date occurs (the “***Settlement Date***”). The Company will settle vested RSUs by issuing to Participant, on a one-for-one basis, Shares of Common Stock of the Company or cash equal to the Fair Market Value of such Shares. In no event shall Participant be permitted to designate the taxable year in which settlement of an RSU shall occur.

5. **Restrictions on Transfer.** Participant may not sell, assign, pledge as security or otherwise transfer or encumber the unvested RSUs, whether voluntary or involuntary, and if involuntary, whether by process of law in any civil or criminal suit, action or proceeding, whether in the nature of an insolvency or bankruptcy proceeding or otherwise.

6. **No Obligation to Employ.** Nothing in the Plan or this Agreement shall confer on Participant any right to continue in the employ of, or other relationship with, the Company or any Affiliate, or limit in any way the right of the Company, or as applicable, an Affiliate to terminate Participant's employment or other relationship at any time, with or without Cause.

7. **Rights as a Stockholder.** Participant shall not have any rights of a stockholder as a result of the grant of this Award or the vesting of the RSUs. If Shares are issued upon settlement of vested RSUs, Participant shall become a stockholder of record and will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Participant until such time as Participant disposes of the Shares.

8. **Compliance with Laws and Regulations.** Notwithstanding any other provision of the Plan or the Agreement to the contrary, the grant, vesting and holding of the Shares by Participant is expressly conditioned upon compliance with the Securities Act and all applicable state securities laws. Participant agrees to cooperate with the Company to ensure compliance with such laws.

9. **Tax Consequences.** Set forth below is a brief summary as of the effective date of the Plan of some of the federal and state tax consequences of the grant and vesting of the RSU and, where applicable, the disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. RECIPIENT SHOULD CONSULT A TAX ADVISOR BEFORE ACCEPTING THIS AWARD.

9.1 **Grant of Award.** There will be no regular federal or state income tax liability upon the grant of the Award.

9.2 **Vesting of Award.** There will be no regular federal or state income tax liability upon vesting of the Award. However, there may be federal and state employment taxes due upon vesting of the Award.

9.3 **Settlement of Award.** There may be regular federal and state income tax liability upon settlement of the Award. Participant will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the cash or Fair Market Value of the Shares issued to Participant. If Participant is a current or former employee of the Company or an Affiliate, the Company or such Affiliate may be required to withhold from Participant's compensation or collect from Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of settlement.

9.4 **Disposition of Shares.** If Shares are issued to Participant and the Shares are held for one (1) year or less following the Settlement Date, any gain realized on disposition of the Shares will be treated as short-term capital gain. If the Shares are held for more than one (1) year following the Settlement Date, any gain realized on disposition of the Shares will be treated as long-term capital gain.

9.5 **Tax Liability and Withholding.** Notwithstanding any action the Company takes with respect to any or all income tax, social security, payroll tax, or other tax-related withholding (“*Tax-Related Items*”), the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement of the RSUs; and (b) does not commit to structure the RSUs to reduce or eliminate the Participant’s liability for Tax-Related Items.

10. **Notices.** Any notice required to be given or delivered to the Plan Administrator or the Company under the terms of this Agreement shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to the Plan Administrator at the principal corporate office of the Company. Any notice required to be given or delivered to Participant shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to Participant at the address indicated above or to such other address as such party may designate in writing from time to time to the Plan Administrator. All notices shall be deemed to have been given or delivered upon: (a) personal delivery; (b) five (5) days after deposit in the United States mail by certified or registered mail (return receipt requested); (c) one (1) business day after deposit with any return receipt express courier (prepaid); or (d) when receipt is acknowledged after transmission by facsimile or electronic mail.

11. **Interpretation.** Any dispute regarding the interpretation of this Agreement shall be submitted by Participant or the Company to the Plan Administrator for review. The resolution of such a dispute by the Plan Administrator shall be final and binding on the Company and Participant.

12. **Successors and Assigns.** The Company may assign any of its rights or obligations under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon Participant and Participant’s heirs, executors, administrators, and legal representatives.

13. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to its conflict of law principles. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

14. Choice of Forum. Participant hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Award Agreement, the Shares issued in connection herewith or for recognition or enforcement of any judgment relating thereto, and Participant hereby (i) agrees not commence any such action or proceeding except in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and (iv) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware).

15. Waiver of Jury Trial. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE ARISING OUT OF OR RELATING TO THIS AWARD AGREEMENT AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

16. Counterparts. This Award Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

17. Severability. If any provision of this Award Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

18. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Award Agreement.

19. Headings. The captions and headings of this Award Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Award Agreement.

20. Gender and Number. In construing this Award Agreement, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

21. **Entire Agreement.** The Plan is incorporated herein by reference. This Award Agreement and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof. If any inconsistency should exist between the nondiscretionary terms and conditions of this Award Agreement and the Plan, the Plan shall govern and control.

22. **Acceptance.** Participant hereby acknowledges that he has read and understands the terms and provisions of this Agreement, and accepts the Award subject to all the terms and conditions of the Plan and this Agreement. Participant has had an opportunity to obtain the advice of legal counsel prior to executing this Agreement. Participant acknowledges that there may be adverse tax consequences upon exercise of this Award and disposition of the Shares, and that Participant should consult a tax advisor prior to such exercise or disposition. Participant attests that he is relying solely on such advisors and not on any statements or representations of the Plan Administrator, the Company, or any Affiliate, or any agents thereof. Further, Participant hereby acknowledges and understands that he (and not the Company) shall be solely responsible for his tax liability that may arise as a result of receiving this Award Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed duplicate by its duly authorized representative and Participant has executed this Agreement in duplicate, effective as of the Award Date.

BIO-PATH HOLDINGS, INC.

By: _____

PARTICIPANT

(Signature)

(Please print name)

Address: _____

Facsimile: _____

E-mail: _____

**BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN**

RESTRICTED SHARE UNIT AWARD AGREEMENT

This Restricted Share Unit Award Agreement (the "**Agreement**") is made and entered into as of the award date set forth below (the "**Award Date**") by and between Bio-Path Holdings, Inc., a Delaware corporation (the "**Company**"), and the participant named below (the "**Participant**"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company's 2022 Stock Incentive Plan (the "**Plan**").

Participant: _____

Award Date: _____

Number of Restricted Stock Units: _____

1. Award of Restricted Share Units. The Company hereby issues to Participant an Award of the Number of Restricted Share Units set forth above (the "**RSUs**"), subject to the terms and conditions set forth in this Agreement. An RSU represents an unfunded, unsecured right to receive a Share of Common Stock of the Company or cash equal to the Fair Market Value of a Share.

2. Restrictions on RSUs. Except as otherwise provided in the Plan and this Agreement, the restrictions on Participant's unvested RSUs are that the RSUs shall be subject to forfeiture by Participant if Participant fails to satisfy the vesting conditions set forth below.

3. Vesting of RSUs. The RSUs awarded hereunder shall vest, and the restrictions on such RSUs shall lapse, on the date the Plan Administrator certifies the achievement of the Performance Goal(s), subject to (a) the achievement during the Performance Period of the minimum threshold Performance Goal(s) for the payout set forth in Exhibit A attached hereto, and (b) the Participant's Continuous Service with the Company or an Affiliate from the Award Date through the date that the Plan Administrator certifies the achievement of the Performance Goal(s) (the "**Vesting Date**"). The Continuous Service requirement shall not apply to a Participant who dies or becomes Disabled before the Vesting Date. The number of RSUs that vest and become payable under this Agreement shall be determined by the Plan Administrator based on the level of achievement of the Performance Goal(s) set forth in Exhibit A and shall be rounded up to the nearest whole RSU. All determinations of the level of Performance Goal(s) that have been achieved, the number of RSUs earned by the Participant, and all other matters related to this certification process shall be made by the Plan Administrator in its sole discretion.

Notwithstanding the foregoing, the Plan Administrator may, in its sole discretion, provide that the restrictions on all or any portion of the outstanding RSUs granted pursuant to this Agreement will immediately lapse prior to the consummation of a Change in Control. If the Plan Administrator exercises such discretion with respect to the RSUs, such vested RSUs will be settled prior to the consummation of the Change in Control at such time and on such conditions as the Plan Administrator determines.

4. **Performance Period.** For purposes of this Agreement, the “*Performance Period*” shall be the period commencing on _____ and ending on _____.

5. **Performance Goal(s).** The Performance Goal(s) are set forth in Exhibit A. Within sixty (60) days following the end of the Performance Period, the Plan Administrator will review and certify in writing (a) whether, and to what extent, the Performance Goals(s) for the Performance Period [has/have] been achieved, and (b) the number of RSUs that the Participant shall earn, if any, subject to the Continuous Service requirement described in Section 3. Such certification shall be final, conclusive and binding on the Participant, and on all other persons, to the maximum extent permitted by law.

6. **Settlement of RSUs.** Each vested RSU shall be settled during the period beginning on the applicable Vesting Date and ending on the later of: (a) the last day of the calendar year in which such Vesting Date occurs or (b) March 15th of the calendar year following the end of the calendar year in which such Vesting Date occurs (the “*Settlement Date*”). The Company will settle vested RSUs by issuing to Participant, on a one-for-one basis, Shares of Common Stock of the Company or cash equal to the Fair Market Value of such Shares. In no event shall Participant be permitted to designate the taxable year in which settlement of an RSU shall occur.

7. **Restrictions on Transfer.** Participant may not sell, assign, pledge as security or otherwise transfer or encumber the unvested RSUs, whether voluntary or involuntary, and if involuntary, whether by process of law in any civil or criminal suit, action or proceeding, whether in the nature of an insolvency or bankruptcy proceeding or otherwise.

8. **No Obligation to Employ.** Nothing in the Plan or this Agreement shall confer on Participant any right to continue in the employ of, or other relationship with, the Company or any Affiliate, or limit in any way the right of the Company, or as applicable, an Affiliate to terminate Participant's employment or other relationship at any time, with or without Cause.

9. **Rights as a Stockholder.** Participant shall not have any rights of a stockholder as a result of the grant of this Award or the vesting of the RSUs. If Shares are issued upon settlement of vested RSUs, Participant shall become a stockholder of record and will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Participant until such time as Participant disposes of the Shares.

10. **Compliance with Laws and Regulations.** Notwithstanding any other provision of the Plan or the Agreement to the contrary, the grant, vesting and holding of the Shares by Participant is expressly conditioned upon compliance with the Securities Act and all applicable state securities laws. Participant agrees to cooperate with the Company to ensure compliance with such laws.

11. **Tax Consequences.** Set forth below is a brief summary as of the effective date of the Plan of some of the federal and state tax consequences of the grant and vesting of the RSU and, where applicable, the disposition of the Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. RECIPIENT SHOULD CONSULT A TAX ADVISOR BEFORE ACCEPTING THIS AWARD.

11.1 Grant of Award. There will be no regular federal or state income tax liability upon the grant of the Award.

11.2 Vesting of Award. There will be no regular federal or state income tax liability upon vesting of the Award. However, there may be federal and state employment taxes due upon vesting of the Award.

11.3 Settlement of Award. There may be regular federal and state income tax liability upon settlement of the Award. Participant will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the cash or Fair Market Value of the Shares issued to Participant. If Participant is a current or former employee of the Company or an Affiliate, the Company or such Affiliate may be required to withhold from Participant's compensation or collect from Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of settlement.

11.4 Disposition of Shares. If Shares are issued to Participant and the Shares are held for one (1) year or less following the Settlement Date, any gain realized on disposition of the Shares will be treated as short-term capital gain. If the Shares are held for more than one (1) year following the Settlement Date, any gain realized on disposition of the Shares will be treated as long-term capital gain.

11.5 Tax Liability and Withholding. Notwithstanding any action the Company takes with respect to any or all income tax, social security, payroll tax, or other tax-related withholding ("*Tax-Related Items*"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement of the RSUs; and (b) does not commit to structure the RSUs to reduce or eliminate the Participant's liability for Tax-Related Items.

12. Notices. Any notice required to be given or delivered to the Plan Administrator or the Company under the terms of this Agreement shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to the Plan Administrator at the principal corporate office of the Company. Any notice required to be given or delivered to Participant shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to Participant at the address indicated above or to such other address as such party may designate in writing from time to time to the Plan Administrator. All notices shall be deemed to have been given or delivered upon: (a) personal delivery; (b) five (5) days after deposit in the United States mail by certified or registered mail (return receipt requested); (c) one (1) business day after deposit with any return receipt express courier (prepaid); or (d) when receipt is acknowledged after transmission by facsimile or electronic mail.

13. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by Participant or the Company to the Plan Administrator for review. The resolution of such a dispute by the Plan Administrator shall be final and binding on the Company and Participant.

14. **Successors and Assigns.** The Company may assign any of its rights or obligations under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, and legal representatives.

15. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to its conflict of law principles. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

16. **Choice of Forum.** Participant hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Award Agreement, the Shares issued in connection herewith or for recognition or enforcement of any judgment relating thereto, and Participant hereby (i) agrees not commence any such action or proceeding except in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and (iv) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware).

17. **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE ARISING OUT OF OR RELATING TO THIS AWARD AGREEMENT AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

18. **Counterparts.** This Award Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

19. **Severability.** If any provision of this Award Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

20. **Further Instruments.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Award Agreement.

21. **Headings.** The captions and headings of this Award Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Award Agreement.

22. **Gender and Number.** In construing this Award Agreement, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

23. **Entire Agreement.** The Plan is incorporated herein by reference. This Award Agreement and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof. If any inconsistency should exist between the nondiscretionary terms and conditions of this Award Agreement and the Plan, the Plan shall govern and control.

24. **Acceptance.** Participant hereby acknowledges that he has read and understands the terms and provisions of this Agreement, and accepts the Award subject to all the terms and conditions of the Plan and this Agreement. Participant has had an opportunity to obtain the advice of legal counsel prior to executing this Agreement. Participant acknowledges that there may be adverse tax consequences upon exercise of this Award and disposition of the Shares, and that Participant should consult a tax advisor prior to such exercise or disposition. Participant attests that he is relying solely on such advisors and not on any statements or representations of the Plan Administrator, the Company, or any Affiliate, or any agents thereof. Further, Participant hereby acknowledges and understands that he (and not the Company) shall be solely responsible for his tax liability that may arise as a result of receiving this Award Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed duplicate by its duly authorized representative and Participant has executed this Agreement in duplicate, effective as of the Award Date.

BIO-PATH HOLDINGS, INC.

By: _____

PARTICIPANT

(Signature)

(Please print name)

Address: _____

Facsimile: _____

E-mail: _____

Exhibit A

Performance Goal(s)

**BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN**

RESTRICTED SHARE AWARD AGREEMENT

This Restricted Share Award Agreement (the “*Agreement*”) is made and entered into as of the award date set forth below (the “*Award Date*”) by and between Bio-Path Holdings, Inc., a Delaware corporation (the “*Company*”), and the participant named below (the “*Participant*”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company’s 2022 Stock Incentive Plan (the “*Plan*”).

Participant: _____

Award Date: _____

Number of Restricted Shares: _____ **Shares**

Purchase Price per Restricted Share: \$ _____

1. Award of Restricted Shares. The Company hereby grants to Participant this Award for the Number of Restricted Shares set forth above (the “*Restricted Shares*”), subject to the terms and conditions as set forth in the Plan and this Award Agreement.

2. Restrictions on Shares. Except as provided in the Plan or this Agreement, the Participant’s unvested Restricted Shares shall be subject to forfeiture by the Participant if the Participant ceases to provide Continuous Service to the Company or an Affiliate, whether as an Employee, Director or Consultant.

3. Vesting Schedule. The Award shall initially be unvested. The Award shall vest, and the restrictions on the Restricted Shares shall lapse, in accordance with the following schedule, provided Participant is in Continuous Service with the Company (or an Affiliate) on the applicable Vesting Date:

<u>Vesting Percentage</u>	<u>Vesting Date</u>
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Notwithstanding the foregoing, the Plan Administrator may, in its sole discretion, provide that the restrictions on all outstanding Restricted Shares granted pursuant to this Agreement will immediately lapse prior to the consummation of a Change in Control, provided the Participant remains in Continuous Service as of such date. If the Plan Administrator exercises such discretion with respect to the Restricted Shares, the Restricted Shares will vest to the extent provided by the Plan Administrator prior to the consummation of the Change in Control at such time and on such conditions as the Plan Administrator determines.

4. **Shares Issued.** If the Company desires to evidence this Award by means of certificated shares, the Company shall issue a certificate in the name of Participant for the number of Restricted Shares granted or purchased, as applicable, which certificate shall be deposited with the Company (or an escrow agent designated by the Company) (the "***Escrow Holder***"), together with a stock power, in the form attached hereto as Appendix I, endorsed in blank. Upon the lapse of the restrictions, the Escrow Holder shall deliver to Participant (or his or her personal representative, estate or heirs, as the case may be) Share certificates for the Shares of the Company deposited with it without any legend, except as otherwise provided by the Plan, this Agreement, or as otherwise required by applicable law, or as counsel to the Company may deem appropriate. Notwithstanding the foregoing, the Plan Administrator, in its discretion, may require the Company to retain possession of any certificate evidencing Shares issued under this Award, if those Shares remain subject to repurchase or redemption under the provisions of this Agreement or any other agreement between the Company and the Participant.

5. **Consent of Spouse.** If the Participant is married as of the date of this Agreement, the Participant's spouse shall execute and deliver to the Company a Consent of Spouse in the form attached hereto as Appendix II, effective on the date hereof. Notwithstanding the execution and delivery thereof, such consent shall not be deemed to confer or convey to the spouse any rights in the Restricted Shares that do not otherwise exist by operation of law or the agreement of the parties. If the Participant should marry or remarry subsequent to the date of this Agreement, the Participant shall within 60 days thereafter obtain his or her new spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by such spouse's executing and delivering a Consent of Spouse in the form of Appendix II.

6. **Restrictions on Transfer.** Prior to vesting, Participant may not transfer his or her rights with respect to the Shares, whether voluntary or involuntary, by operation of law or otherwise, unless approved by the Plan Administrator. Immediately upon any attempt to make an unapproved transfer of such rights, such Shares, and all of the rights related thereto, shall be forfeited by Participant.

7. **No Obligation to Employ.** Nothing in the Plan or this Agreement shall confer on Participant any right to continue in the employ of, or other relationship with, the Company or any Affiliate, or limit in any way the right of the Company, or as applicable, an Affiliate to terminate Participant's employment or other relationship at any time, with or without Cause.

8. **Rights as a Stockholder.** Except as otherwise provided herein, commencing upon the date the Company transfers Restricted Shares to Participant, Participant shall have all the rights of a shareholder of the Company with respect to the Restricted Shares registered in his or her name, including the right to vote such Restricted Shares and receive dividends and other distributions paid or made with respect to such Restricted Shares.

9. **Compliance with Laws and Regulations.** The issuance and transfer of the Shares will be subject to, and conditioned upon compliance by the Company and the Participant with, all applicable federal, state and local laws and regulations and all applicable requirements of any stock exchange or automated quotation system on which the Shares may be listed or quoted at the time of such issuance or transfer.

10. Tax Consequences. Set forth below is a brief summary as of the Effective Date of the Plan of some of the federal and state tax consequences of holding Restricted Shares. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. PARTICIPANT SHOULD CONSULT A TAX ADVISOR BEFORE ACCEPTING THIS AWRD.

10.1 **Grant of Award.** There will be no regular federal or state income tax liability upon the grant of the Award.

10.2 **Lapse of Restrictions.** Except to the extent a proper election under Section 83(b) of the Code has been made, the excess of the Fair Market Value of the Shares on the date on which the restrictions lapse over the amount paid for the Restricted Shares, if any, shall be includible as compensation income (taxable at ordinary income tax rates) in the Participant's taxable income for the calendar year in which the restrictions lapse. In the event a proper Section 83(b) election has been made, the Participant shall include as compensation income in the Participant's taxable income for the calendar year in which the Restricted Shares were transferred to Participant an amount equal to the excess of the Fair Market Value of the Shares on the date on which the Shares were transferred over the aggregate Purchase Price paid for the Shares, if any. If Participant is a current or former Employee of the Company, the Company may be required to withhold from Participant's compensation, or collect from Participant, and pay to the applicable taxing authorities an amount equal to a percentage of this income at the time of payment.

10.3 **Holding Restricted Shares.** There may be a regular federal and state income tax liability resulting from holding Restricted Shares. Participant will be treated as having received income (taxable at ordinary income tax rates) equal to the dividends or other income paid with respect to Restricted Shares granted under this Agreement. If Participant is a current or former employee of the Company, the Company may be required to withhold from Participant's compensation, or collect from Participant, and pay to the applicable taxing authorities an amount equal to a percentage of this income at the time of payment. In the event a proper Section 83(b) election has been made, or following the lapse of the restrictions described in this Agreement, the Participant shall be treated as having received income (taxable at income tax rates applicable to dividends) equal to the dividends or other income paid with respect to Restricted Shares granted under this Agreement.

10.4 **Disposition of Restricted Shares.** If the Restricted Shares are held for more than twelve (12) months following the Award Date, any gain realized on disposition of the Restricted Shares to the Company will be treated as long-term capital gain.

10.5 **Tax Liability and Withholding.**

(i) **Withholding Upon Lapse of Restrictions.** No later than the date as of which the restrictions in Section 3 hereof lapse with respect to all or any portion of the Restricted Shares awarded under this Agreement, Participant shall pay to the Company (in cash, including check, bank draft or money order, or such other method approved by the Company) any applicable federal, state and local taxes of any kind required by law to be withheld by the Company, if any, with respect to the Shares for which the restrictions have lapsed. Subject to the Plan Administrator's authorization, Participant may provide for payment of the Company's withholding obligation by submitting Shares, the Fair Market Value of which equals the minimum amount of taxes required to be withheld by the Company. The Company (or any Affiliate) shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to Participant any federal, state or local taxes of any kind required by law to be withheld with respect to such Shares.

(ii) Withholding Upon Section 83(b) Election. If Participant properly elects, in the form attached hereto as Appendix III, within thirty (30) days of the date on which Company transfers Shares to Participant in accordance with this Agreement, to include in gross income for federal income tax purposes an amount equal to the Fair Market Value of the Restricted Shares awarded hereunder pursuant to Section 83(b) of the Code, Participant shall pay to the Company (in cash, including check, bank draft or money order, or such other method approved by the Company) any applicable federal, state and local taxes of any kind required by law to be withheld by the Company, if any, with respect to the Shares for which such election was made. If Participant fails to make such payments, the Company (or any Affiliate) shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to Participant any federal, state or local taxes of any kind required by law to be withheld with respect to such Shares.

11. Notices. Any notice required to be given or delivered to the Plan Administrator or the Company under the terms of this Agreement shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to the Plan Administrator at the principal corporate office of the Company. Any notice required to be given or delivered to Participant shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to Participant at the address indicated above or to such other address as such party may designate in writing from time to time to the Plan Administrator. All notices shall be deemed to have been given or delivered upon: (a) personal delivery; (b) five (5) days after deposit in the United States mail by certified or registered mail (return receipt requested); (c) one (1) business day after deposit with any return receipt express courier (prepaid); or (d) when receipt is acknowledged after transmission by facsimile or electronic mail.

12. Interpretation. Any dispute regarding the interpretation of this Agreement shall be resolved by the Plan Administrator, which decision shall be final and binding on the Company and Participant.

13. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to applicable restrictions on transfer, this Agreement shall be binding upon Participant and Participant's heirs, executors, administrators, legal representatives and designated beneficiary.

14. **Governing Law.** To the extent not otherwise preempted by federal law, the validity, construction and effect of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its conflict of law principles.

15. **Choice of Forum.** Participant hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Award Agreement, the Shares issued in connection herewith or for recognition or enforcement of any judgment relating thereto, and Participant hereby (i) agrees not commence any such action or proceeding except in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and (iv) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware).

16. **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE ARISING OUT OF OR RELATING TO THIS AWARD AGREEMENT AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

17. **Amendment of Award.** The Plan Administrator may amend, modify or terminate this Agreement at any time prior to vesting in any manner not inconsistent with the terms of this Plan; provided, however, that Participant's rights under this Award shall not be impaired by such amendment unless Participant consents in writing.

18. **Counterparts.** This Award Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

19. **Severability.** If any provision of this Award Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

20. **Further Instruments.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Award Agreement.

21. **Headings.** The captions and headings of this Award Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Award Agreement.

22. **Gender and Number.** In construing this Award Agreement, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

23. **Entire Agreement.** The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof. If any inconsistency should exist between the nondiscretionary terms and conditions of this Agreement and the Plan, the Plan shall govern and control.

24. **Acceptance.** Participant hereby acknowledges that he has read and understands the terms and provisions of this Agreement, and accepts the Award subject to all the terms and conditions of the Plan and this Agreement. Participant has had an opportunity to obtain the advice of legal counsel prior to executing this Agreement. Participant acknowledges that there may be adverse tax consequences upon exercise of this Award and disposition of the Shares, and that Participant should consult a tax advisor prior to such exercise or disposition. Participant attests that he is relying solely on such advisors and not on any statements or representations of the Plan Administrator, the Company, or any Affiliate, or any agents thereof. Further, Participant hereby acknowledges and understands that he (and not the Company) shall be solely responsible for his tax liability that may arise as a result of receiving this Award Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in triplicate by its duly authorized representative and Participant has executed this Agreement in triplicate, effective as of the Award Date.

BIO-PATH HOLDINGS, INC.

By: _____

PARTICIPANT

(Signature)

(Please print name)

Address: _____

Facsimile: _____

E-mail: _____

APPENDIX I

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, I, _____, in my capacity as owner of those certain shares of Common Stock of Bio-Path Holdings, Inc. (the "**Company**") awarded pursuant to the Restricted Share Award Agreement, dated as of _____ (the "**Award Agreement**"), hereby sell, assign and transfer to the Company _____ (_____) Shares standing in my name, on the books of the Company represented by Certificate No. _____, and do hereby irrevocably constitute and appoint _____ as attorney to transfer said stock on the books of the Company with full power of substitution in the premises.

This Assignment Separate from Certificate may only be used in accordance with the Award Agreement.

PARTICIPANT

Dated: _____

APPENDIX II

CONSENT OF SPOUSE TO AWARD AGREEMENT

I, _____, the spouse of Participant (as defined in the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement to which this consent is attached), have read, understand, and hereby approve all the terms and conditions of (a) such Award Agreement to which this consent is attached and (b) the Plan (as defined therein).

I hereby agree to be irrevocably bound by all the terms and conditions of Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement and the Plan and further agree that any community property interest I may have in the Award or any Common Stock that is ultimately held by Participant will be similarly bound by the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement and the Plan.

I hereby appoint Participant, with unrestricted power of substitution and resubstitution, as my attorney-in-fact, to act in my name, place, and stead with respect to any amendment of the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement or the Plan or the exercise of any rights or satisfaction of any obligations thereunder. This grant of power of attorney is irrevocable, shall not be affected by my subsequent death, disability or incapacity, is binding upon each of my legatees, heirs, personal representatives and administrators and is coupled with an interest.

Dated: _____, _____

Signature: _____

APPENDIX III

ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE

The undersigned Taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include the excess of the fair market value of the property described below at the time of transfer over the amount paid for such property, as compensation for services in the calculation of the Taxpayer's federal taxable income.

1. TAXPAYER'S NAME: _____
TAXPAYER'S ADDRESS: _____

SOCIAL SECURITY NUMBER: _____

2. The property with respect to which the election is made is described as follows: ____ shares of common stock of Bio-Path Holdings, Inc. (the "**Company**"), which were [purchased/awarded] in accordance with the terms of a Restricted Share Award Agreement between the Company and the Taxpayer. The Company is the Taxpayer's employer or the corporation for whom the Taxpayer performs services.
3. The date on which the shares of common stock were transferred was _____, and this election is made for calendar year ____.
4. The unvested shares of common stock received are subject to forfeiture upon termination of Taxpayer's employment for any reason.
5. The fair market value of the shares of common stock (without regard to restrictions other than restrictions which by their terms will never lapse) was \$ ____ per share at the time of purchase.
6. The amount paid for the shares of common stock was \$ ____ per share.
7. The Taxpayer has submitted a copy of this statement to the Company.

THIS ELECTION MUST BE FILED WITH THE INTERNAL REVENUE SERVICE AT THE OFFICE WHERE THE TAXPAYER FILES ANNUAL INCOME TAX RETURNS, WITHIN 30 DAYS AFTER THE DATE OF TRANSFER OF THE SHARES OF COMMON STOCK. THE ELECTION CANNOT BE REVOKED WITHOUT THE CONSENT OF THE INTERNAL REVENUE SERVICE.

Dated: _____ Taxpayer's Signature _____

**BIO-PATH HOLDINGS, INC.
2022 STOCK INCENTIVE PLAN**

STOCK APPRECIATION RIGHT AWARD AGREEMENT

This Stock Appreciation Right Award Agreement (the “*Agreement*”) is made and entered into as of the award date set forth below (the “*Award Date*”) by and between Bio-Path Holdings, Inc., a Delaware corporation (the “*Company*”), and the participant named below (the “*Participant*”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Company’s 2022 Stock Incentive Plan (the “*Plan*”).

Participant: _____

Award Date: _____

Fair Market Value on Award Date: \$ _____ per Share

Number of Shares under Award: _____ Shares of Common Stock

Expiration Date: _____

Section 1. Grant of Award. The Company hereby grants to Participant a Stock Appreciation Right (the “*SAR*”) to receive from the Company an amount equal to 100% of the excess of the Fair Market Value of the Common Stock on the Exercise Date over the Fair Market Value of the Common Stock on the Award Date (the “*Spread*”).

Section 2. Vesting Schedule. The Award shall initially be unvested and unexercisable. The Award shall become exercisable upon vesting, in accordance with the following vesting schedule, provided Participant remains in Continuous Service with the Company (or an Affiliate) on the Vesting Date.

Percentage

Vesting Date

Notwithstanding the foregoing, the Plan Administrator may, in its sole discretion, provide that the vesting of any or all SARs granted pursuant to this Agreement will accelerate immediately prior to the consummation of a Change in Control, provided the Participant remains in Continuous Service as of such date. If the Plan Administrator exercises such discretion with respect to the SARs, the SARs will become exercisable to the extent provided by the Plan Administrator prior to the consummation of the Change in Control at such time and on such conditions as the Plan Administrator determines, and any vested SARs not exercised prior to the consummation of such event shall terminate at such time as determined by the Plan Administrator.

Section 3. **Exercise of SARs.** Each SAR shall be exercisable during the Award Term to the extent provided under this Section 3.

3.1 Exercise Period.

(i) Voluntary Termination of Service. In the event Participant is terminated for any reason (other than upon Participant's death, Disability, Retirement by a Director, or for Cause, or upon occurrence of a Breach Event), Participant may thereafter exercise the vested portion of the SAR (to the extent that Participant was entitled to exercise the SAR as of the Termination Date) but only within such period of time ending on the earlier of (A) the date that is three (3) months following Participant's Termination Date and (B) the Expiration Date. If, after termination, Participant does not exercise this SAR within the time specified herein, the SAR shall terminate and will no longer be exercisable.

(ii) Death of Participant. In the event Participant is terminated by reason of Participant's death, Participant's estate, heirs or designated beneficiary, as applicable, may thereafter exercise the SAR (to the extent that Participant was entitled to exercise the SAR as of the Termination Date) but only within such period of time ending on the earlier of (A) the first anniversary of Participant's death and (B) the Expiration Date. If, after Participant's death, Participant's estate or heirs have not exercised the SAR within the time specified herein, the SAR shall terminate and will no longer be exercisable.

(iii) Disability of Participant. In the event Participant is terminated by reason of Participant's Disability, Participant (or his legal representative) may thereafter exercise the SAR (to the extent that Participant was entitled to exercise the SAR as of the Termination Date) but only within such period of time ending on the earlier of (A) the date that is the first anniversary of the Participant's Termination Date and (B) the Expiration Date. If, after termination, Participant, or his legal representative, has not exercised the SAR within the time specified herein, the SAR shall terminate and will no longer be exercisable.

(iv) Termination for Cause or Occurrence of a Breach Event. Notwithstanding any provision herein to the contrary, in the event Participant is terminated for Cause or upon the occurrence of a Breach Event, the SAR, whether or not vested, shall immediately terminate and will no longer be exercisable.

(v) Retirement of Director. In the event of the Retirement of a Participant who is a Director, such Participant's SARs will not terminate as a result of such Retirement, and such Participant shall be entitled to exercise such SARs (to the extent that Participant was entitled to exercise the SARs as of the date of Retirement) during the Award term.

(vi) Expiration. The SAR shall expire on the Expiration Date set forth above or earlier as provided in this Agreement or the Plan.

3.2 **Manner of Exercise.**

(i) **SAR Exercise Agreement.** To exercise the SAR, Participant (or his legal representative, estate, heirs, or designated beneficiary, as the case may be) must deliver to the Company an executed Exercise Agreement in the form attached hereto as Appendix I, and, if applicable, spousal consent, and such other documents as may be required by the Company and the Plan Administrator. If someone other than Participant exercises the SAR, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise the SAR under the Plan. The SAR shall be deemed exercised as of the date: (i) the Company receives (A) the fully executed Exercise Agreement, including spousal consent if applicable and (B) payment of the aggregate Exercise Price, and (ii) all other applicable terms and conditions of this Agreement and the Plan are satisfied as determined in the sole discretion of the Plan Administrator.

(ii) **Limitations on Exercise.** This Award must be exercised in respect to whole Shares and may not be exercised in respect to less than one (1) Share.

(iii) **Settlement.** Following Plan Administrator's receipt of the Exercise Agreement, the SAR granted hereunder shall entitle Participant to receive the Spread to be paid in cash, or by delivery to Participant of whole Shares of Common Stock valued on the Exercise Date, or by any combination of the foregoing, as the Plan Administrator shall, in its sole and absolute discretion, determine appropriate. If Shares are issued in settlement of the Exercised SARs, Participant shall become a stockholder of record. The Company may, but is not required to, issue certificated Shares registered in the name of Participant, which may include the appropriate legends affixed thereto.

(iv) **Tax Withholding.** Unless otherwise determined by Plan Administrator, the amount payable to Participant upon exercise of the Award shall be reduced by the applicable amount of taxes required to be withheld. The Company shall remit the applicable tax withholding to the applicable taxing authorities.

Section 4. Consent of Spouse. If the Participant is married as of the date of this Agreement, the Participant's spouse shall execute and deliver to the Company a Consent of Spouse in the form attached hereto as Appendix II, effective on the date hereof. Notwithstanding the execution and delivery thereof, such consent shall not be deemed to confer or convey to the spouse any rights in the Restricted Shares that do not otherwise exist by operation of law or the agreement of the parties. If the Participant should marry or remarry subsequent to the date of this Agreement, the Participant shall within 60 days thereafter obtain his or her new spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by such spouse's executing and delivering a Consent of Spouse in the form of Appendix II.

Section 5. Restrictions on Transfer. Absent the written approval by the Plan Administrator, the SAR may not be transferred in any manner other than by will or by the laws of descent and distribution and may be exercised during the lifetime of Participant only by Participant (or, in the event of Participant's incapacity, Participant's legal representative).

Section 6. No Obligation to Employ. Nothing in the Plan or this Agreement shall confer on Participant any right to continue in the employ of, or other relationship with, the Company or any Affiliate, or limit in any way the right of the Company or any Affiliate to terminate Participant's employment or other relationship at any time, with or without Cause.

Section 7. Rights of a Stockholder. Participant shall not have any of the rights of a stockholder as a result of the grant of this Award or the vesting of the SARs. If Shares are issued as payment of vested SARs, Participant shall become a stockholder of record and will have all of the rights of a stockholder of the Company with respect to the Shares from and after the date that Shares are issued to Participant until such time as Participant disposes of the Shares. No adjustment shall be made for dividends or other rights for which the record date is prior to the date on which the SARs are exercised.

Section 8. Compliance with Laws and Regulations. The exercise of the SAR and, if applicable, the issuance and transfer of Shares will be subject to, and conditioned upon compliance by the Company and the Participant with, all applicable federal, state and local laws and regulations and all applicable requirements of any stock exchange or automated quotation system on which the Shares may be listed or quoted at the time of such issuance or transfer.

Section 9. Tax Consequences. Set forth below is a brief summary as of the effective date of the Plan of some of the federal and state tax consequences upon exercise of the SAR. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. PARTICIPANT SHOULD CONSULT A TAX ADVISOR BEFORE EXERCISING THE SAR.9.1 Grant of Award. There will be no regular federal or state income tax liability upon the grant of the Award.

9.2 Vesting of Award. There will be no regular federal or state income tax liability upon vesting of the Award. However, there may be federal and state employment taxes due upon vesting of the Award.

9.3 Exercise of SAR. There may be a regular federal and state income tax liability upon the exercise of the SAR. Participant will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the Spread. If Participant is a current or former Employee of the Company, the Company may be required to withhold from Participant's compensation or collect from Participant and pay to the applicable taxing authorities an amount equal to a percentage of this compensation income at the time of exercise.

9.4 Disposition of Shares. To the extent that Participant has, upon exercise of the SAR, received payment in the form of Shares of Common Stock, in the event that any such Shares are held for more than twelve (12) months after the date of the transfer of the Shares pursuant to the exercise of the SAR, any gain realized on disposition of such Shares will be treated as long-term capital gain.

9.5 Tax Liability and Withholding. Notwithstanding any action the Company takes with respect to any or all income tax, social security, payroll tax, or other tax-related withholding (“*Tax-Related Items*”), the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting, or payment of the SARs or the subsequent sale of any Shares acquired as a result of payment of the SARs; and (b) does not commit to structure the SARs to reduce or eliminate the Participant’s liability for Tax-Related Items.

Section 10. Notices. Any notice required to be given or delivered to the Plan Administrator or the Company under the terms of this Agreement shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to the Plan Administrator at the principal corporate office of the Company. Any notice required to be given or delivered to Participant shall be in writing (including a writing delivered by facsimile transmission or electronic mail) and addressed to Participant at the address indicated above or to such other address as such party may designate in writing from time to time to the Plan Administrator. All notices shall be deemed to have been given or delivered upon: (a) personal delivery; (b) five (5) days after deposit in the United States mail by certified or registered mail (return receipt requested); (c) one (1) business day after deposit with any return receipt express courier (prepaid); or (d) when receipt is acknowledged after transmission by facsimile or electronic mail.

Section 11. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by Participant or the Company to the Plan Administrator for review. The resolution of such a dispute by the Plan Administrator shall be final and binding on the Company and Participant.

Section 12. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to applicable restrictions on transfer, this Agreement shall be binding upon Participant and Participant’s heirs, executors, administrators, legal representatives and designated beneficiary.

Section 13. Governing Law. To the extent not otherwise preempted by federal law, the validity, construction and effect of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to its conflict of law principles.

Section 14. Choice of Forum. Participant hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Exercise Agreement, the Shares issued in connection herewith or for recognition or enforcement of any judgment relating thereto, and Participant hereby (i) agrees not commence any such action or proceeding except in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), (ii) agrees that any claim in respect of any such action or proceeding may be heard and determined in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and any appellate court from any thereof, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware), and (iv) waives, to the fullest extent it may legally and effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in the state courts of Delaware (and if jurisdiction in the state courts of Delaware shall be unavailable, the Federal courts of the United States of America sitting in the state of Delaware).

Section 15. Waiver of Jury Trial. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING RELATING TO A DISPUTE ARISING OUT OF OR RELATING TO THIS EXERCISE AGREEMENT AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO.

Section 16. Amendment. The Plan Administrator may amend, modify or terminate this Award at any time prior to payment or exercise in any manner not inconsistent with the terms of this Plan; provided, however, that Participant's rights under the Award shall not be impaired by such amendment unless (a) the Plan Administrator requests the consent of such Participant and (b) Participant consents in writing.

Section 17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Section 18. Severability. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

Section 19. Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Award Agreement.

Section 20. Headings. The captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement.

Section 21. Gender and Number. In construing this Agreement, any masculine terminology herein shall also include the feminine, and the definition of any term herein in the singular shall also include the plural, except when otherwise indicated by the context.

Section 22. Entire Agreement. The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof. If any inconsistency should exist between the nondiscretionary terms and conditions of this Agreement and the Plan, the Plan shall govern and control.

Section 23. Acceptance. Participant hereby acknowledges that he has read and understands the terms and provisions of this Agreement, and accepts the Award subject to all the terms and conditions of the Plan and this Agreement. Participant has had an opportunity to obtain the advice of legal counsel prior to executing this Agreement. Participant acknowledges that there may be adverse tax consequences upon exercise of this Award and disposition of the Shares, and that Participant should consult a tax advisor prior to such exercise or disposition. Participant attests that he is relying solely on such advisors and not on any statements or representations of the Plan Administrator, the Company, or any Affiliate, or any agents thereof. Further, Participant hereby acknowledges and understands that he (and not the Company) shall be solely responsible for his tax liability that may arise as a result of receiving this Award Agreement.

IN WITNESS WHEREOF, the Company and Participant have caused this Agreement to be executed in duplicate, effective as of the Award Date.

BIO-PATH HOLDINGS, INC.

By: _____

PARTICIPANT

(Signature)

(Please print name)

Address: _____

Facsimile: _____

E-mail: _____

APPENDIX I

STOCK APPRECIATION RIGHT EXERCISE AGREEMENT

APPENDIX II

CONSENT OF SPOUSE TO AWARD AGREEMENT

I, _____, the spouse of Participant (as defined in the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement to which this consent is attached), have read, understand, and hereby approve all the terms and conditions of (a) such Award Agreement to which this consent is attached and (b) the Plan (as defined therein).

I hereby agree to be irrevocably bound by all the terms and conditions of Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement and the Plan and further agree that any community property interest I may have in the Award or any Common Stock that is ultimately held by Participant will be similarly bound by the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement and the Plan.

I hereby appoint Participant, with unrestricted power of substitution and resubstitution, as my attorney-in-fact, to act in my name, place, and stead with respect to any amendment of the Bio-Path Holdings, Inc. 2022 Stock Incentive Plan Award Agreement or the Plan or the exercise of any rights or satisfaction of any obligations thereunder. This grant of power of attorney is irrevocable, shall not be affected by my subsequent death, disability or incapacity, is binding upon each of my legatees, heirs, personal representatives and administrators and is coupled with an interest.

Dated: _____, _____

Signature: _____