

ZIOPHARM ONCOLOGY INC

FORM 8-K (Current report filing)

Filed 09/28/17 for the Period Ending 09/28/17

Address	ONE FIRST AVENUE PARRIS BUILDING 34, NAVY YARD PLAZA BOSTON, MA, 02129
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): September 28, 2017

ZIOPHARM Oncology, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-33038
(Commission
File Number)

84-1475672
(IRS Employer
Identification No.)

One First Avenue, Parris Building 34, Navy Yard Plaza
Boston, Massachusetts
(Address of Principal Executive Offices)

02129
(Zip Code)

(617) 259-1970
(Registrant's telephone number, including area code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Exchange Act (17 CFR 240.12b-2).

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 3.02 Unregistered Sales of Equity Securities.

On September 28, 2017, ZIOPHARM Oncology, Inc., or the Company, issued an inducement award in the form of an option to purchase 500,000 shares of the Company's common stock, par value \$0.001 per share, to David Mauney, M.D. in connection with his appointment as the Company's Executive Vice President and Chief Business Officer. The Compensation Committee of the Company's Board of Directors, or the Compensation Committee, granted the inducement award to Dr. Mauney outside of, but subject to the terms generally consistent with, the Company's 2012 Equity Incentive Plan, as amended, or the 2012 Plan, as a material inducement to Dr. Mauney's acceptance of employment with the Company in accordance with NASDAQ Listing Rule 5635(c)(4).

The inducement award is exempt from the registration requirements of the Securities Act of 1933, as amended, or the Securities Act, by virtue of Section 4(a)(2) thereof and/or Regulation D promulgated thereunder. The Company intends to file a registration statement on Form S-8 with the Securities and Exchange Commission to register the shares underlying the inducement award.

The disclosure in Item 5.02 of this Current Report on Form 8-K regarding the issuance of the inducement award to Dr. Mauney is incorporated by reference into this Item 3.02.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.*Appointment of Executive Vice President and Chief Business Officer*

On September 28, 2017, the Company announced the appointment of Dr. Mauney as the Company's Executive Vice President and Chief Business Officer, effective immediately.

Prior to joining the Company, Dr. Mauney, age 49, served as managing director of Harvest Capital Strategies LLC, where he had worked since 2015. From 2000 to 2015, Dr. Mauney served as managing director of De Novo Ventures, a health care investment firm he co-founded. Dr. Mauney holds a B.A. from Duke University and an M.D. from Dartmouth Medical School.

Dr. Mauney does not have a family relationship with any director or executive officer of the Company or person nominated or chosen by the Company to become a director or executive officer, and there are no arrangements or understandings between Dr. Mauney and any other person pursuant to which Dr. Mauney was selected to serve as the Company's Executive Vice President and Chief Business Officer. There are no relationships or transactions between Dr. Mauney and the Company that would be required to be disclosed under Item 404(a) of Regulation S-K.

Offer Letter and Other Compensatory Arrangements

In connection with his appointment as the Company's Executive Vice President and Chief Business Officer, the Company and Dr. Mauney entered into an offer letter, or the Offer Letter, setting forth the terms of Dr. Mauney's employment with the Company. The Offer Letter does not provide for a specified term of employment and Dr. Mauney's employment is on an at-will basis, subject to the payment of severance in certain circumstances as described below.

Under the Offer Letter, Dr. Mauney will receive an initial base salary of \$400,000, which is subject to an annual performance review by the Compensation Committee. In addition, Dr. Mauney will be eligible to receive an annual discretionary performance bonus for each calendar year during which he is employed under the Offer Letter. The target amount of the performance bonus will be equal to 35% of Dr. Mauney's then-current base salary, with the actual bonus amount for the applicable calendar year to be recommended annually by the Compensation Committee for formal Board approval. Dr. Mauney is also eligible to participate in the Company's employee benefit, welfare and other plans generally available to the other executives of the Company, as may be maintained by the Company from time to time. Concurrently with the entry into the Offer Letter, the Company and Dr. Mauney entered into the Company's standard form of indemnification agreement.

In connection with the execution of the Offer Letter, the Company and Dr. Mauney entered into a severance agreement, or the Severance Agreement. Pursuant to the terms of the Severance Agreement, if Dr. Mauney is terminated by the Company for a reason other than retirement, death, disability or Cause (as defined in the Severance Agreement), then Dr. Mauney will be entitled to receive a severance payment equal to six months of Dr. Mauney's annualized base salary at the time of termination, payable in a lump sum, subject to Dr. Mauney's execution of a general release in favor of the Company. In addition, in the event of a termination by the Company for a reason other than Cause, the Company will continue to pay its portion of the contributions for Dr. Mauney's medical and dental insurance coverage for six months following the date of termination.

As a material inducement to Dr. Mauney's acceptance of employment with the Company, the Compensation Committee approved the grant to Dr. Mauney of an option to purchase 500,000 shares of the Company's common stock, or the Inducement Award, with a per share exercise price equal to \$6.19, the closing price of the Company's common stock on the NASDAQ Capital Market on the grant date of September 28, 2017. The Inducement Award has a ten-year term and will vest with respect to one-third of the shares subject to the Inducement Award on the first anniversary of the grant date and with respect to the remaining two-thirds in two annual installments on each of the second and third anniversaries of the grant date, subject to Dr. Mauney's continuous service with the Company through each applicable vesting date. The Inducement Award is being granted outside of the 2012 Plan, but is subject to a stand-alone inducement award option agreement, or the Inducement Award Agreement, with terms generally consistent with the 2012 Plan, as a material inducement to Dr. Mauney's acceptance of employment with the Company in accordance with NASDAQ Listing Rule 5635(c)(4). In the event of an Unaffiliated Change of Control of the Company (as defined in the Inducement Award Agreement), and the termination of Dr. Mauney's employment without Cause (as such term is defined in the then effective written employment agreement or severance agreement between Dr. Mauney and the Company or the Company's successor, or if no such agreement exists, as defined in the 2012 Plan) (x) within eighteen (18) months following the occurrence of an Unaffiliated Change of Control or (y) within ninety (90) days prior to and in connection with the occurrence of an Unaffiliated Change in Control, then all remaining unvested shares subject to the Inducement Award shall vest and become immediately exercisable in full.

The foregoing descriptions of the Offer Letter, the Severance Agreement and the Inducement Award Agreement are not complete and are qualified in their entireties by reference to the full texts of the Offer Letter, the Severance Agreement and the Inducement Award Agreement, copies of which are filed herewith as Exhibit 10.1, Exhibit 10.2 and Exhibit 10.3, respectively, and are incorporated by reference herein.

A copy of the Company's press release announcing Dr. Mauney's appointment is filed as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Offer Letter by and between ZIOPHARM Oncology, Inc. and David M. Mauney, M.D.</u>
10.2	<u>Severance Agreement by and between ZIOPHARM Oncology, Inc. and David M. Mauney, M.D.</u>
10.3	<u>Inducement Award Agreement by and between ZIOPHARM Oncology, Inc. and David M. Mauney, M.D.</u>
99.1	<u>Press release dated September 28, 2017.</u>

SIGNATURES

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

ZIOPHARM Oncology, Inc.

Date: September 28, 2017

By: /s/ Kevin G. Lafond

Name: Kevin G. Lafond

Title: Vice President, Chief Accounting Officer
and Treasurer



September 26, 2017

David M. Mauney, MD
[Address]

Dear David,

Thank you for considering employment with ZIOPHARM Oncology, Inc (the "Company"). Everyone with whom you have interviewed is impressed with your credentials and accomplishments. We believe your training and experience will make you a tremendous asset at this exciting time in the company's development. I am pleased, therefore, to formally offer you the position of EVP and Chief Business Officer reporting to the CEO, Laurence J. N. Cooper, M.D., Ph.D.

Details of this offer and compensation are as follows:

- Your semi-monthly salary will be \$16,666.67 (\$400,000 if annualized). You will be scheduled for an annual performance review.
- You will be eligible for a discretionary performance bonus potential of up to 35% of your base salary.
- You will be entitled to all company benefits outlined in the accompanying Benefits Overview. Additional questions regarding the benefits can be directed to me at [phone number].
- You will be entitled to accrue paid vacation at the rate of 4 weeks per year.
- Subject to the approval of the Board of Directors of the Company, you will be eligible for an inducement stock option grant of 500,000 shares. Any such options will be granted on the later of the date on which you commence employment with the Company or the date of board approval will be evidenced by a stock option agreement. Options will vest, in (3) equal annual installments on the anniversary of the Vesting Commencement Date, subject to your continuous service with the Company through each vesting date in accordance with that agreement and the Company's 2012 stock option plan. In addition, the Award will vest in full in the event of a Change in Control and the subsequent termination of your employment without Cause.
- You will be eligible for Severance in the amount of 50% of your current annual base salary if your employment is terminated by the Company other than for Cause.
- Please note that this offer is contingent upon the successful completion of an employment background check. We require that all ZIOPHARM Oncology, Inc. employees have a completed employment background check on file.

As with all ZIOPHARM employees, this is employment at-will and may be terminated by either party at any time, for any reason, without previous notice. This offer letter is not an employment contract and should not be construed as a contract; ZIOPHARM has the right to change or modify the terms of your employment at any time. No supervisor or other representative of the Company, except our CEO, has any authority to enter into any type of employment agreement with any employee. Any employment agreement entered into by ZIOPHARM must be in writing.

Enclosed, please find an Invention, Non-Disclosure and Non-Competition Agreement for your review. You will be required to sign this agreement upon commencement of your employment with ZIOPHARM. If you have any questions regarding this agreement, please do not hesitate to contact me.

Please indicate your acceptance of the terms of this offer by signing and returning one copy of this letter by scan/email (_____) or by mail (Attn: Lynn Ferrucci, One First Ave., Parris Building #34, Navy Yard Plaza, Boston, MA 02129) by Tuesday, September 26, 2017. We are planning on a start date of September 28, 2017 and agree that you will need to assist with the transition from your current position for a period of about six (6) months for approximately an hour a week. David, we all look forward to welcoming you as a member of the ZIOPHARM team!

Sincerely,

/s/ Lynn M. Ferrucci

Lynn M. Ferrucci
SVP, Human Resources

I agree to the terms of employment as outlined above:

/s/ David Mauney, MD
David Mauney, MD

9/26/17
Date

SEVERANCE AGREEMENT

This Severance Agreement (“Agreement”) is made effective as of September 28, 2017 (the “Effective Date”) between David M. Mauney, MD (“Employee”) and ZIOPHARM Oncology, Inc., a Delaware corporation (the “Company”), collectively referred to as the “Parties.”

WHEREAS, the Employee is employed by the Company in the position of Executive Vice President, Chief Business Officer on the terms set forth in an employment offer letter dated September 26, 2017 (the “Offer Letter”);

WHEREAS, pursuant to the terms of the Offer Letter, the Company intends to provide Employee with severance benefits in the event Employee’s employment with the Company is terminated without Cause (as such term is hereinafter defined).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, Employee and the Company hereby agree as follows:

1. Employment. Employee is employed by the Company on an at-will basis meaning that either party may terminate the relationship at any time, with or without cause, and without providing a reason for such termination.

2. Termination of Employment.

a. Termination for Cause. The Company may terminate the employment of Employee at any time for Cause (such termination being herein called a “Termination for Cause”). For purposes of this Agreement, the term “Cause” shall mean: (i) Employee’s willful or negligent failure, disregard or refusal to perform his or her duties of employment; (ii) any act by Employee that in the opinion of the Chief Executive Officer of the Company, has the effect of injuring the business or reputation of the Company or any of its affiliates, including but not limited to, any officer, director, executive or shareholder of the Company or any of its affiliates; (iii) Employee’s misconduct in respect of his or her duties or obligations, including, without limitation, insubordination with respect to lawful directions received by Employee from the Chief Executive Officer of the Company (or such other executive officer to whom Employee may report); (iv) Employee’s indictment of any felony or a misdemeanor involving moral turpitude (including entry of a nolo contendere plea); (v) the determination by the Company after a reasonable and good faith investigation by the Company following a written allegation by another employee of the Company, that Employee engaged in some form of harassment prohibited by law (including, without limitation, harassment that constitutes age, sex or race discrimination); (vi) any misappropriation or embezzlement of the property of the Company or its affiliates (whether or not constituting a misdemeanor or felony); (vii) Employee’s breach of any of the provisions of the Company’s Invention, Non-Disclosure and Non-Competition Agreement, as determined in the sole and absolute discretion of the Chief Executive Officer of the Company; or (viii) Employee’s breach of any provision of this Agreement, as determined in the sole and absolute discretion of the Chief Executive Officer of the Company.

b. Termination Without Cause. The Company may terminate Employee’s employment for any legal reason at any time, without notice.

3. Effect of Termination.

a. Termination by the Company Without Cause. If Employee is terminated by the Company other than for Cause, and other than by reason of retirement, death or disability, (i) the Company shall pay to Employee his or her accrued base salary through the date of Employee's termination, and (ii) a severance amount, payable in a single lump sum, equal to six (6) months of Employee's annualized base salary at the time of termination (excluding any benefits or bonuses) (the "Severance"). The Severance shall only be payable if Employee signs a general release with the Company, which release must be concluded and executed on or before the date that is two and one-half months after the end of the calendar year in which Employee's "separation from service" (as defined under Section 409A of the Internal Revenue Code of 1986, as amended) occurs, whereby Employee shall release the Company from any and all potential liabilities arising out of Employee's employment with, or termination from employment with, the Company, and which release shall be in form satisfactory to the Company.

b. Termination by the Company for Cause. Upon the termination of Employee's employment pursuant to a Termination for Cause, Employee will be entitled to receive only Employee's accrued base salary through the date of Employee's termination. If Employee is terminated for Cause, he or she will not be entitled to any Severance under Section 3(a) of this Agreement.

c. Voluntary Termination. If the Employee voluntarily terminates his or her employment with the Company, for any reason, Employee will be entitled to receive his or her base salary through the date of Employee's termination. If Employee terminates his or her employment with the Company, for any reason, Employee will not be entitled to any Severance under Section 3(a) of this Agreement. If the Company receives notice from the Employee of his or her intent to terminate employment with the Company and the Company elects to immediately end the employment relationship, Employee will not be entitled to any Severance under Section 3(a) of this Agreement.

d. Death or Disability of Executive. If Employee dies or becomes disabled during the term of this Agreement, Employee will be entitled to receive Employee's accrued base salary through the date of Employee's termination. If Employee's employment is terminated due to death or disability, Employee will not be entitled to any Severance under Section 3(a) of this Agreement.

4. Effect of Termination on Benefits.

a. If Employee's employment with the Company is terminated, Employee may elect to continue, and the Company shall continue to provide, Employee's existing medical and dental coverage under the Company's medical and dental insurance plans, if any, for a period of up to eighteen (18) months from the date of termination, with the entire cost of such medical and dental insurance coverage from and after the date of termination to be borne entirely by Employee; *provided, however,* that if Employee's employment is terminated by the Company (or its successor) without Cause, the Company shall continue to pay its contributions for such medical and dental insurance coverage for the first six (6) months following the date of termination.

b. Except as otherwise specifically provided for in subsection (a) of this Section 4, or in Section 3 above, upon termination of Employee's employment, Employee shall have no further entitlement to any other compensation or benefits from the Company.

5. Prior Agreements. This Agreement and the Offer Letter contain the entire understanding of the parties with regard to all matters contained herein. There are no other agreements, conditions or representations, oral or written, expressed or implied relating to such matters.

6. Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors, assigns, heirs and personal representatives and any entity with which the Company may merge or consolidate or to which the Company may sell substantially all of its assets, provided that this Agreement may not be assigned by Employee.

7. Governing Law. This Agreement shall be construed in accordance with the laws of the Commonwealth of Massachusetts, applying to contracts fully executed and performed within the Commonwealth of Massachusetts.

8. Section Headings; Gender; Number. The section headings in this Agreement are for convenience only; they form no part of this Agreement and will not affect its interpretation. Words used herein, regardless of the number and gender specifically used, will be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

The Parties have executed this Agreement effective as of the Effective Date.

/s/ David M. Mauney, MD

David M. Mauney, MD

ZIOPHARM Oncology, Inc.

/s/ Caesar J. Belbel

Caesar J. Belbel, *Executive Vice President,
COO and Chief Legal Officer*

**ZIOPHARM ONCOLOGY, INC.
STOCK OPTION GRANT NOTICE
(INDUCEMENT GRANT OUTSIDE OF 2012 EQUITY INCENTIVE PLAN)**

ZIOPHARM Oncology, Inc. (the “*Company*”) hereby grants to Optionholder an option to purchase the number of shares of the Company’s Common Stock set forth below. This option is granted outside of the Company’s 2012 Equity Incentive Plan (the “*Plan*”), and is subject to all of the terms and conditions as set forth in this notice, in the Option Agreement, the Plan (as if it had been granted under the Plan) and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Option Agreement will have the same definitions as in the Plan or the Option Agreement. If there is any conflict between the terms in this notice and the Plan, the terms of the Plan will control.

Optionholder:	David M. Mauney, M.D.
Date of Grant:	September 28, 2017
Vesting Commencement Date:	September 28, 2017
Number of Shares Subject to Option:	500,000
Exercise Price (Per Share):	\$6.19
Total Exercise Price:	\$3,095,000.00
Expiration Date:	September 28, 2027

Type of Grant: Nonstatutory Stock Option

Exercise Schedule: Same as Vesting Schedule

Vesting Schedule: The Option vests with respect to one-third of the total number of shares of Common Stock subject to this Option (rounded down to the nearest whole share) one year after the Vesting Commencement Date, and as to an additional one-third of the total number of shares of Common Stock subject to this Option (rounded down to the nearest whole share, except for the last vesting installment) each year thereafter, subject to Optionholder’s Continuous Service with the Company through each vesting date.

Notwithstanding the foregoing, in the event of an Unaffiliated Change of Control of the Company (as such term is defined in the Option Agreement), and the termination of Employee’s employment without Cause (as such term is defined in the then effective written employment agreement or severance agreement between the Employee and the Company or the Company’s successor, or if no such agreement exists, the Plan) (x) within eighteen (18) months following the occurrence of a Unaffiliated Change of Control or (y) within 90 days prior to and in connection with the occurrence of a Unaffiliated Change in Control, then all remaining unvested Options shall vest and become immediately exercisable in full in accordance with Section 11 of the Option Agreement.

Payment: By one or a combination of the following items (described in the Option Agreement):

- By cash, check, bank draft or money order payable to the Company
- Pursuant to a Regulation T Program if the shares are publicly traded
- By delivery of already-owned shares if the shares are publicly traded
- Subject to the Company’s consent at the time of exercise, by a “net exercise” arrangement

Additional Terms/Acknowledgements: Optionholder acknowledges receipt of, and understands and agrees to, this Stock Option Grant Notice, the Option Agreement and the Plan. Optionholder acknowledges and agrees that this Stock Option Grant Notice and the Option Agreement may not be modified, amended or revised except as provided in the Plan. Optionholder further acknowledges that as of the Date of Grant, this Stock Option Grant Notice, the Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding this option award and supersede all prior oral and written agreements, promises and/or representations on that subject with the exception of (i) options previously granted and delivered to Optionholder, and (ii) the following agreements only. By accepting this option, you consent to receive these documents by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company.

OTHER AGREEMENTS :

ZIOPHARM ONCOLOGY, INC. :

OPTIONHOLDER :

By: /s/ Caesar J. Belbel
Signature
Title: EVP, COO and Chief Legal Officer
Date: September 28, 2017

Signature: /s/ David M. Mauney, MD
Date: September 28, 2017

ATTACHMENTS : Option Agreement, 2012 Equity Incentive Plan and Notice of Exercise

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ZIOPHARM ONCOLOGY, INC.
INDUCEMENT GRANT OUTSIDE OF
2012 EQUITY INCENTIVE PLAN
OPTION AGREEMENT
(NONSTATUTORY STOCK OPTION)

Pursuant to your Stock Option Grant Notice (“**Grant Notice**”) and this Option Agreement, ZIOPHARM Oncology, Inc. (the “**Company**”) has granted you an option to purchase the number of shares of the Company’s Common Stock indicated in your Grant Notice at the exercise price indicated in your Grant Notice. The option is granted to you effective as of the date of grant set forth in the Grant Notice (the “**Date of Grant**”). The option is granted in compliance with NASDAQ Listing Rule 5634(c)(4) as a material inducement to you entering into employment with the Company. The option is a Nonstatutory Stock Option and is granted outside of, but subject to the terms of, the Company’s 2012 Equity Incentive Plan (the “**Plan**”) and other relevant Plan provisions as if the option had been granted as a Nonstatutory Stock Option under Section 5 of the Plan, provided that for the avoidance of doubt, the shares of Common Stock subject to this option shall not reduce and shall have no impact on the number of shares available for grant under the Plan. If there is any conflict between the terms in this Option Agreement and the Plan, the terms of the Plan will control. Capitalized terms not explicitly defined in this Option Agreement or in the Grant Notice but defined in the Plan will have the same definitions as in the Plan.

The details of your option, in addition to those set forth in the Grant Notice and the Plan, are as follows:

1. VESTING. Your option will vest as provided in your Grant Notice. Vesting will cease upon the termination of your Continuous Service.

2. NUMBER OF SHARES AND EXERCISE PRICE. The number of shares of Common Stock subject to your option and your exercise price per share in your Grant Notice will be adjusted for Capitalization Adjustments.

3. EXERCISE RESTRICTION FOR NON-EXEMPT EMPLOYEES. If you are an Employee eligible for overtime compensation under the Fair Labor Standards Act of 1938, as amended (that is, a “**Non-Exempt Employee**”), and except as otherwise provided in the Plan, you may not exercise your option until you have completed at least six (6) months of Continuous Service measured from the Date of Grant, even if you have already been an employee for more than six (6) months. Consistent with the provisions of the Worker Economic Opportunity Act, you may exercise your option as to any vested portion prior to such six (6) month anniversary in the case of (i) your death or disability; (ii) a Corporate Transaction in which your option is not assumed, continued or substituted; (iii) a Change in Control; or (iv) your termination of Continuous Service on your “retirement” (as defined in the Company’s benefit plans).

4. EXERCISE PRIOR TO VESTING (“EARLY EXERCISE”). This option may not be exercised prior to vesting.

5. METHOD OF PAYMENT . You must pay the full amount of the exercise price for the shares you wish to exercise. You may pay the exercise price in cash or by check, bank draft or money order payable to the Company or in any other manner *permitted by your Grant Notice*, which may include one or more of the following:

(a) Provided that at the time of exercise the Common Stock is publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds. This manner of payment is also known as a “broker-assisted exercise,” “same day sale,” or “sell to cover.”

(b) Provided that at the time of exercise the Common Stock is publicly traded, by delivery to the Company (either by actual delivery or attestation) of already-owned shares of Common Stock that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. “Delivery” for these purposes, in the sole discretion of the Company at the time you exercise your option, will include delivery to the Company of your attestation of ownership of such shares of Common Stock in a form approved by the Company. You may not exercise your option by delivery to the Company of Common Stock if doing so would violate the provisions of any law, regulation or agreement restricting the redemption of the Company’s stock.

(c) Subject to the consent of the Company at the time of exercise, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issued upon exercise of your option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price. You must pay any remaining balance of the aggregate exercise price not satisfied by the “net exercise” in cash or other permitted form of payment. Shares of Common Stock will no longer be outstanding under your option and will not be exercisable thereafter if those shares (i) are used to pay the exercise price pursuant to the “net exercise,” (ii) are delivered to you as a result of such exercise, and (iii) are withheld to satisfy your tax withholding obligations.

6. WHOLE SHARES . You may exercise your option only for whole shares of Common Stock.

7. SECURITIES LAW COMPLIANCE . In no event may you exercise your option unless the shares of Common Stock issuable upon exercise are then registered under the Securities Act or, if not registered, the Company has determined that your exercise and the issuance of the shares would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with all other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations (including any restrictions on exercise required for compliance with Treasury Regulations Section 1.401(k)-1(d)(3), if applicable).

8. TERM . You may not exercise your option before the Date of Grant or after the expiration of the option’s term. The term of your option expires, subject to the provisions of Section 5(h) of the Plan, upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three (3) months after the termination of your Continuous Service for any reason other than Cause, your Disability or your death (except as otherwise provided in Section 8(d)); *provided, however*, that if during any part of such three (3) month period your option is not exercisable solely because of the condition set forth in the section above relating to “Securities Law Compliance,” your option will not expire until the earlier of the Expiration Date or until it has been exercisable for an aggregate period of three (3) months after the termination of your Continuous Service; *provided further*, that if (i) you are a Non-Exempt Employee, (ii) your Continuous Service terminates within six (6) months after the Date of Grant, and (iii) you have vested in a portion of your option at the time of your termination of Continuous Service, your option will not expire until the earlier of (x) the later of (A) the date that is seven (7) months after the Date of Grant, and (B) the date that is three (3) months after the termination of your Continuous Service, and (y) the Expiration Date;

(c) twelve (12) months after the termination of your Continuous Service due to your Disability (except as otherwise provided in Section 8(d));

(d) eighteen (18) months after your death if you die either during your Continuous Service or within three (3) months after your Continuous Service terminates for any reason other than Cause;

(e) the Expiration Date indicated in your Grant Notice; or

(f) the day before the tenth (10th) anniversary of the Date of Grant.

9. EXERCISE .

(a) You may exercise the vested portion of your option during its term by (i) delivering a Notice of Exercise (in a form designated by the Company) and delivering any other documents and completing any procedures required by the Company for exercise, and (ii) paying the exercise price and any applicable withholding taxes to the Company’s Secretary, stock plan administrator, or such other person as the Company may designate.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (i) the exercise of your option, (ii) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (iii) the disposition of shares of Common Stock acquired upon such exercise.

10. TRANSFERABILITY . Except as otherwise provided in this Section 10, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you.

(a) **Certain Trusts.** Upon receiving written permission from the Board or its duly authorized designee, you may transfer your option to a trust if you are considered to be the sole beneficial owner (determined under Section 671 of the Code and applicable state law) while the option is held in the trust. You and the trustee must enter into transfer and other agreements required by the Company.

(b) **Domestic Relations Orders.** Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your option pursuant to the terms of a domestic relations order, official marital settlement agreement or other divorce or separation instrument as permitted by Treasury Regulations Section 1.421-1(b)(2) that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this option with the Company prior to finalizing the domestic relations order or marital settlement agreement to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

(c) **Beneficiary Designation.** Upon receiving written permission from the Board or its duly authorized designee, you may, by delivering written notice to the Company, in a form approved by the Company and any broker designated by the Company to handle option exercises, designate a third party who, on your death, will thereafter be entitled to exercise this option and receive the Common Stock or other consideration resulting from such exercise. In the absence of such a designation, your executor or administrator of your estate will be entitled to exercise this option and receive, on behalf of your estate, the Common Stock or other consideration resulting from such exercise.

11. ACCELERATION OF VESTING UPON UNAFFILIATED CHANGE IN CONTROL AND TERMINATION WITHOUT CAUSE.

(a) If an Unaffiliated Change in Control occurs and your Continuous Service terminates due to an involuntary termination (not including death or Disability) without Cause (as such term is defined in the then effective employment agreement or severance agreement between you and the Company, or in the Plan if such term is not defined in a then effective employment agreement or severance agreement between you and the Company) (i) within eighteen (18) months following the occurrence of an Unaffiliated Change in Control or (ii) within 90 days prior to and in connection with the occurrence of an Unaffiliated Change in Control, then, as of the date of termination of Continuous Service, the vesting and exercisability of your option shall be accelerated in full.

(b) “*Unaffiliated Change of Control*” shall mean a Change of Control (as such term is defined in the Section 13(g) of the Plan) where the Subject Person or other acquiring party in such Change of Control is not Intrexon Corporation or Third Security, LLC, or any affiliate of such parties.

(c) If any payment or benefit you would receive pursuant to a Change in Control or Unaffiliated Change of Control from the Company or otherwise (“*Payment*”) would (i) constitute a “parachute payment” within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “*Excise Tax*”), then such Payment shall be equal to the Reduced Amount. The “*Reduced Amount*” shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting “parachute payments” is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order unless you elect in writing a different order (provided, however, that such election shall be subject to Company approval if made on or after the effective date of the event that triggers the Payment): reduction of cash payments; cancellation of accelerated vesting of Stock Awards; reduction of employee benefits. In the event that acceleration of vesting of Stock Award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of your Stock Awards (i.e., earliest granted Stock Award cancelled last) unless you elect in writing a different order for cancellation. The accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required

to be made hereunder. The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a Payment is triggered (if requested at that time by you or the Company) or such other time as requested by you or the Company. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish you and the Company with an opinion reasonably acceptable to you that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon you and the Company.

12. OPTION NOT A SERVICE CONTRACT . Your option is not an employment or service contract, and nothing in your option will be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option will obligate the Company or an Affiliate, their respective stockholders, boards of directors, officers or employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

13. WITHHOLDING OBLIGATIONS .

(a) At the time you exercise your option, in whole or in part, and at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "same day sale" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your option.

(b) Upon your request and subject to approval by the Company, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid classification of your option as a liability for financial accounting purposes). If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your option, share withholding pursuant to the preceding sentence will not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of shares of Common Stock acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the determination of such tax withholding obligation to the date of exercise of your option. Notwithstanding the filing of such election, shares of Common Stock will be withheld solely from fully vested shares of Common Stock determined as of the date of exercise of your option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure will be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company will have no obligation to issue a certificate for such shares of Common Stock or release such shares of Common Stock from any escrow provided for herein, if applicable, unless such obligations are satisfied.

14. T A X C O N S E Q U E N C E S . You hereby agree that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes your tax liabilities. You will not make any claim against the Company, or any of its Officers, Directors, Employees, or Affiliates related to tax liabilities arising from your option or your other compensation. In particular, you acknowledge that this option is exempt from Section 409A of the Code only if the exercise price per share specified in the Grant Notice is at least equal to the “fair market value” per share of the Common Stock on the Date of Grant and there is no other impermissible deferral of compensation associated with the option.

15. N O T I C E S . Any notices provided for in your option or the Plan will be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the U.S. mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this option by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this option, you consent to receive such documents by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company.

16. G O V E R N I N G P L A N D O C U M E N T . G O V E R N I N G P L A N D O C U M E N T . Your option is subject to all the provisions of the Plan as if the option had been granted under the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. If there is any conflict between the provisions of your option and those of the Plan, the provisions of the Plan will control.

A TTACHMENT II

2012 E Q U I T Y I N C E N T I V E P L A N

A TTACHMENT III

N OTICE OF E XERCISE

NOTICE OF EXERCISE

ZIOPHARM Oncology, Inc.
One First Avenue
Parris Building 34, Navy Yard Plaza
Boston, MA 02129

Date of Exercise: _____

This constitutes notice to ZIOPHARM Oncology, Inc. (the “*Company*”) under my stock option that I elect to purchase the below number of shares of Common Stock of the Company (the “*Shares*”) for the price set forth below.

Type of option:	Nonstatutory	
Stock option dated:	_____	_____
Number of Shares as to which option is exercised:	_____	_____
Certificates to be issued in name of:	_____	_____
Total exercise price:	\$ _____	\$ _____
Cash, check, bank draft, or money order payment delivered herewith:	\$ _____	\$ _____
Value of _____ Shares delivered herewith ¹ :	\$ _____	\$ _____
Value of _____ Shares pursuant to net exercise:	\$ _____	\$ _____
Regulation T Program (cashless exercise ³):	\$ _____	\$ _____

¹ Shares must meet the public trading requirements set forth in the option agreement. Shares must be valued in accordance with the terms of the option being exercised, and must be owned free and clear of any liens, claims, encumbrances or security interests. Certificates must be endorsed or accompanied by an executed assignment separate from certificate.

³ Shares must meet the public trading requirements set forth in the option agreement.

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the 2012 Equity Incentive Plan and (ii) to provide for the payment by me to you (in the manner designated by you) of your withholding obligation, if any, relating to the exercise of this option.

Very truly yours,



ZIOPHARM Oncology, Inc.

ZIOPHARM Oncology Appoints David Mauney, M.D., as EVP and Chief Business Officer

BOSTON, MA – Sept. 28, 2017 – ZIOPHARM Oncology, Inc. (Nasdaq:ZIOP), a biopharmaceutical company focusing on new immunotherapies, announces the appointment of David Mauney, M.D., as Executive Vice President and Chief Business Officer, effective today. ZIOPHARM also reports the details of an inducement award granted to Dr. Mauney, approved by the Compensation Committee of the company’s Board of Directors in connection with his employment.

Dr. Mauney joins ZIOPHARM from Harvest Capital Strategies, LLC, where he served as a Managing Director. With twenty years of experience in the raising, management and disposition of almost \$900 million in life science venture capital, Dr. Mauney will lead ZIOPHARM’s corporate development and investor strategy functions, reporting directly to Laurence Cooper, M.D., Ph.D., Chief Executive Officer of ZIOPHARM.

“David brings to our executive leadership team a wealth of entrepreneurial experience, keen insights and multiple relationships that will leverage existing and future capital markets and corporate partnership opportunities, all of which will support our core portfolio of immunotherapy platforms”, said Dr. Cooper. “I look forward to working with David at this important stage of growth for the company, as we continue to advance the development of our innovative gene expression, control, and cell technologies.”

Prior to Harvest Capital Strategies LLC, Dr. Mauney co-founded and served as a Managing Director of De Novo Ventures, a health care investment firm founded in 2000. Dr. Mauney was also the lead partner of health care investments for Asset Management Company, and he was the first employee and director of business development for Fox Hollow Technologies, which later went public and was ultimately sold to EV3. Dr. Mauney holds an M.D. from the Dartmouth School of Medicine and a B.A. in psychology from Duke University.

ZIOPHARM also announces that David Connolly recently joined the company as Vice President of Corporate Communications and Investor Relations.

Mr. Connolly brings more than 15 years’ experience in corporate communications, public relations and investor relations experience to ZIOPHARM. Prior to joining ZIOPHARM, he served as senior vice president at JPA Health Communications and before that LaVoieHealthScience, both communications agencies where he was the strategic lead for integrated communications, public relations and advocacy programs for public and private biopharmaceutical and medical device companies. Mr. Connolly holds a B.A. from the College of the Holy Cross.

Inducement Award Granted to David Mauney, M.D.

ZIOPHARM announced that as an inducement material to Dr. Mauney entering into employment with the company, the Compensation Committee of ZIOPHARM's board of directors granted an inducement award to Dr. Mauney in accordance with NASDAQ Listing Rule 5635(c)(4). The inducement award consists of a stock option to purchase up to 500,000 shares of the company's common stock, with a per share exercise price equal to \$6.19, the closing price of the company's common stock on the grant date of September 28, 2017, the date of Dr. Mauney's first day of employment with ZIOPHARM, and a ten-year term. The stock option was granted outside of, but subject to the terms generally consistent with, the company's 2012 Equity Incentive Plan, as amended, and will vest with respect to one-third of the shares subject to the stock option award on the first anniversary of the grant date and with respect to remaining two-thirds in two annual installments on each of the second and third anniversaries of the grant date, subject to Dr. Mauney's continuous service with the company through each applicable vesting date and may be eligible for potential vesting acceleration under certain circumstances pursuant to the terms of Dr. Mauney's stock option award agreement.

About ZIOPHARM Oncology, Inc.

ZIOPHARM Oncology is a Boston, Massachusetts-based biotechnology company employing innovative gene expression, control and cell technologies to deliver safe, effective and scalable cell-and viral-based therapies for the treatment of cancer and graft-versus-host-disease. The company's immuno-oncology programs, in collaboration with Intrexon Corporation (NYSE:XON) and the MD Anderson Cancer Center, include chimeric antigen receptor T cell (CAR-T) and other adoptive cell-based approaches that use non-viral gene transfer methods for broad scalability. The company is advancing programs in multiple stages of development together with Intrexon Corporation's RheoSwitch Therapeutic System[®] (RTS[®]) technology, a switch to turn on and off, and precisely modulate, gene expression in order to improve therapeutic index. The company's pipeline includes a number of cell-based therapeutics in both clinical and preclinical testing which are focused on hematologic and solid tumor malignancies.

Forward-Looking Safe-Harbor Statement

This press release contains certain forward-looking information about ZIOPHARM Oncology, Inc. that is intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts, and in some cases can be identified by terms such as "may," "will," "could," "expects," "plans," "anticipates," and "believes." These statements include, but are not limited to, statements regarding the progress and timing of the development of the company's research and development programs. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the company, that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements. These risks and uncertainties include, but are not limited to: the company's ability to finance its operations and business initiatives and obtain funding for such activities; whether chimeric antigen receptor T cell (CAR-T) approaches, Ad-RTS-hIL-12, TCR and NK cell-based therapies, or any of other product candidates will advance further in the preclinical research or clinical trial process and whether and when, if at all, they will receive final approval from the U.S. Food and Drug Administration or equivalent foreign regulatory agencies and for which indications; whether chimeric antigen receptor T cell (CAR-T) approaches, Ad-RTS-hIL-12, TCR and NK cell-based therapies, and the company's other therapeutic products it develops will be successfully marketed if approved; the strength and enforceability of the company's intellectual property rights; competition from other pharmaceutical and biotechnology companies; as well as other risk factors contained in the company's periodic and interim reports

filed from time to time with the Securities and Exchange Commission, including but not limited to, the risks and uncertainties set forth in the “Risk Factors” section of the company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 and subsequent reports that the company may file with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and the company does not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Trademarks

RheoSwitch Therapeutic System[®] and RTS[®] are registered trademarks of Intrexon Corporation.

Contact:
David Connolly
ZIOPHARM Oncology
617-502-1881
dconnolly@ziopharm.com

or
David Pitts
Argot Partners
212-600-1902
david@argotpartners.com