

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): December 5, 2013

Biota Pharmaceuticals, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35285
(Commission
File Number)

59-1212264
(IRS Employer
Identification No.)

2500 Northwinds Parkway, Suite 100
Alpharetta, GA
(Address of principal executive offices)

30009
(Zip Code)

Registrant's telephone number, including area code: (678) 762-3240

Not Applicable
(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 5, 2013, the executive officers of Biota Pharmaceuticals, Inc. (the “**Company**”) named below were granted equity awards under the Company’s stockholder approved 2007 Omnibus Equity and Incentive Plan (the “**Plan**”), each as approved by the Compensation Committee of the Board of Directors (the “**Compensation Committee**”). These awards consisted of performance-based stock options (the “**Options**”) and market stock units (the “**MSUs**”).

Awards of the Options and MSUs to the Company’s executive officers were granted in the following amounts:

Recipient	Performance-based Stock Options	Market-based Stock Units
Russell H. Plumb, <i>President and Chief Executive Officer</i>	100,000	25,000
Joseph M. Patti, M.S.P.H., Ph.D, <i>Executive Vice President, Corporate Development & Strategy</i>	62,500	15,625

The Options provide the executive the right to purchase a stated number of shares of the Company’s common stock at an exercise price of \$4.13 per share, the closing price of the Company’s common stock on December 5, 2013. The Options will vest in full and become exercisable upon the Company hitting the primary endpoint for its Phase 2 IGLOO trial on or before June 30, 2015, as determined by the Compensation Committee in its sole discretion.

Each MSU provides the executive the right to receive up to 250% of the number of MSUs granted to the executive if certain performance thresholds are met. Payout is based upon the ratio of the Company’s trailing average stock price at the end of the performance period over the Company’s trailing average stock price at the time of grant and payment will be made in the form of shares of the Company’s common stock. The Company’s trailing average stock price is determined over a period of 20 consecutive trading days up to, and including, the end of the performance period or the time of grant, as applicable. No MSUs will be earned if the Company’s stock price at the end of the performance period is equal to or less than 50% of the Company’s stock price at the beginning of the performance period. The performance period commenced on December 5, 2013 and ends on January 1, 2017.

Upon the occurrence of a change in control (as defined in the Plan) of the Company prior to the end of the performance period, the performance period will be treated as ending immediately prior to, but contingent upon the consummation of, the change in control and the per share amount of cash and fair market value of other consideration received by the Company’s stockholders as a result of the change in control will be used to determine the executives payout, as further described in the award agreement.

The forms of the Option and MSU award agreements are filed as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K, respectively, and are incorporated herein by reference.

Item 9.01 Exhibits.

(d) The following exhibit is filed as part of this Current Report on Form 8-K.

Number	Description
10.1	Form of Employee Stock Option Agreement under the 2007 Omnibus Equity and Incentive Plan.
10.2	Form of Market-Based Stock Unit Award Agreement under the 2007 Omnibus Equity and Incentive Plan.

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.

Biota Pharmaceuticals, Inc.

Date: December 9, 2013

/s/ Russell H Plumb

Name: Russell H Plumb
Title: President and Chief Executive Officer
(Duly Authorized Officer)

EXHIBIT INDEX

Number	Description
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|------|---|
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EMPLOYEE COMMON STOCK OPTION AGREEMENT
(Performance Vesting U.S. Agreement)

EMPLOYEE COMMON STOCK OPTION AGREEMENT, dated as of _____ (this "Agreement"), by and between BIOTA PHARMACEUTICAL, INC., a Delaware corporation (the "Company"), and [NAME] (the "Optionee").

R E C I T A L S:

WHEREAS, the Company has previously adopted the Biota Biopharmaceutical 2007 Omnibus Equity and Incentive Plan, as amended (the "Plan") in order to attract, retain and motivate service providers of the Company and its subsidiaries, and so that such individuals may participate in the Company's long-term growth of the Company and its subsidiaries; and

WHEREAS, the Company desires to grant to the Optionee an option (the "Option") to purchase a number of shares of the Company's Common Stock (the "Stock") pursuant to the Plan and the terms and conditions contained in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Company and the Optionee, intending to be legally bound, agree as follows:

Section 1. Grant of Option. The Company grants to the Optionee, pursuant to the Plan and the terms and conditions of this Agreement, an Option to purchase that number of shares of Stock and at the exercise price set forth on Schedule A.

(a) This Option shall have the tax status set forth on Schedule A.

(i) If so designated on Schedule A, this Option is intended to be an Incentive Stock Option within the meaning of Section 422 of the Code, however, the Company does not represent or warrant that this Option qualifies as such. The Optionee should consult with the Optionee's own tax advisor regarding the tax effects of this Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. **(NOTE TO OPTIONEE: If the Option is exercised more than three (3) months after the date on which you cease to be an employee (other than by reason of your death or permanent and total disability as defined in Section 22(e)(3) of the Code), the Option will be treated as a Non-Qualified Stock Option and not as an Incentive Stock Option to the extent required by Section 422 of the Code.)** Notwithstanding the foregoing, to the extent that the Option (together with all Incentive Stock Options granted to the Optionee under all equity plans of the Company and its subsidiaries, including the Plan) becomes exercisable for the first time during any calendar year for shares having a Fair Market Value greater than One Hundred Thousand Dollars (\$100,000), the portion of such options which exceeds such amount will be treated as Non-Qualified Stock Options. For purposes of this Section, options designated as Incentive Stock Options are taken into account in the order in which they were granted, and the Fair Market Value of Stock is determined as of the time the option with respect to such Stock is granted. If the Option is treated as an Incentive Stock Option in part and as a Non-Qualified Stock Option in part by reason of the limitation set forth in this Section, the Optionee may designate which portion of such Option the Optionee is exercising. In the absence of such designation, the Optionee shall be deemed to have exercised the Incentive Stock Option portion of the Option first. **(NOTE TO OPTIONEE: If the aggregate exercise price of the Option (that is, the exercise price multiplied by the number of shares of Stock subject to the Option) plus the aggregate exercise price of any other Incentive Stock Options you hold (whether granted pursuant to the Plan or any other equity plan of the Company and its subsidiaries) is greater than \$100,000, you should contact the Company to ascertain whether the entire Option qualifies as an Incentive Stock Option).**

(ii) If Schedule A designates this Option as a Non-Qualified Stock Option, then it shall be treated as such and shall not be treated as an Incentive Stock Option.

Section 2. Term of Option. Unless earlier terminated pursuant to the other provisions of this Agreement, the Option shall terminate at the close of business on the date referred to on Schedule A (the "Expiration Date").

(a) In addition, at the close of business on the date the Optionee's employment with the Company or any subsidiary terminates for any reason whatsoever, the Option shall terminate as to that number of shares of Stock as to which the Option is not vested on that date.

(b) If the Optionee's employment is terminated for Cause (as defined in Company policy), the unexercised portion of the Option (whether or not vested) will terminate immediately upon the Optionee's termination of employment. If the Optionee's employment with the Company or any subsidiary terminates for any reason other than Cause, death, Disability, then the Option may be exercised to the extent vested on the date of the Optionee's termination of employment at any time prior to the earlier of the Expiration Date and three (3) months after the date of the Optionee's termination of employment, and any part of the Option which is not exercised within such period shall terminate.

(c) If the Optionee's employment with the Company or any subsidiary terminates by reason of his or her death or Disability, then the Option may be exercised, as to the entire number of whole shares of Stock that are vested on the date of the Optionee's death or Disability, at any time prior to the earlier of the Expiration Date and twelve (12) months after the date of the Optionee's death or Disability, and any part of the Option which is not exercised within such period shall terminate.

(d) For all purposes of this Agreement, the Optionee's employment with the Company or any subsidiary shall terminate at the time when the employment relationship between the Optionee and the Company or any subsidiary is terminated for any reason, which time shall be conclusively determined by the Committee. No termination of employment shall be deemed to occur (i) when there is a simultaneous reemployment of the Optionee by the Company or any subsidiary, (ii) at the discretion of the Committee, and subject to applicable law, when a leave of absence has been granted by the Company, and (iii) at the discretion of the Committee, when the termination is followed by the simultaneous establishment of a consulting relationship by the Company or a Subsidiary with the Optionee. The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to termination of employment, including, but not by way of limitation, the question of whether a termination of employment resulted from a discharge for Cause.

(e) For purposes of this Agreement, “Disability” shall mean “disability” as defined in any written employment or other agreement between the Optionee and the Company or any subsidiary applicable to this Option, or if not defined in such an agreement, or if there is no such agreement, as defined in the Company’s long-term disability plan. To the extent that the preceding sentence is in applicable to the Optionee, then “Disability” shall mean the permanent and total disability of the Optionee, within the meaning of Section 22(d)(3) of the Code.

Section 3. Change in Control

(a) To the extent the Option is not assumed, continued, or replaced with a substantially equivalent option for the surviving entity’s capital stock in connection with the Change in Control, then, to the extent that the Option is outstanding immediately prior to the Change in Control and provided that the Optionee’s employment has not terminated prior to the Change in Control, the Option shall become immediately vested and exercisable in full as of the day immediately prior to the consummation of the Change in Control. This Option shall terminate and cease to be outstanding effective as of the time of consummation of a Change in Control to the extent that the Option is neither assumed, continued, or replaced with a substantially equivalent option for the surviving entity’s capital stock in connection with the Change in Control, nor exercised as of the time of the Change in Control.

(b) Except as otherwise provided in Section 2, the Option shall vest as provided on Schedule A. Notwithstanding the foregoing, in the event of a Change in Control, and conditioned on the Optionee’s continuous employment with the Company or any subsidiary from the date of grant through the date of the consummation of such Change in Control, if the Optionee has been employed by the Company:

(i) For less than six (6) months on the date of the consummation of the Change in Control, the Option shall vest as to that number of whole shares of Stock (rounding down) as is equal to twenty-five percent (25%) of the number of unvested shares then subject to the Option.

(ii) For six (6) months or more but less than twelve (12) months on the date of the consummation of the Change in Control, the Option shall vest as to that number of whole shares of Stock (rounding down) as is equal to fifty percent (50%) of the number of unvested shares then subject to the Option.

(iii) For twelve (12) months or more on the date of the consummation of the Change in Control, the Option shall vest as to that number of whole shares of Stock as is equal to one-hundred percent (100%) of the number of unvested shares then subject to the Option.

Section 4. Manner of Exercise.

(a) To exercise the Option, the Optionee shall provide written notice of such exercise in the form provided in Annex 1 to the Secretary of the Company (or such other person designated in writing by the Company for this purpose) at the Company's then principal office. The notice shall specify the number of shares of Stock for which the Option is being exercised and shall be accompanied by a payment to the Company in full of the aggregate exercise price (in accordance with the procedures set forth in Annex 1), plus the amount of the withholding taxes determined by the Company to be due upon the purchase of such number of shares of Stock (unless the Committee shall have consented to the making of other arrangements with the Optionee with respect to the payment of such withholding taxes or unless the Plan authorizes another such arrangement). In addition, if the Optionee, at the time of exercise, is subject to the reporting requirements under Section 16 of the Securities Exchange Act of 1934, as amended, the Optionee may direct the Company to retain shares of Stock that the Optionee would otherwise receive in connection with the exercise of the Option to pay the exercise price of the Option.

(b) Delivery of the notice of exercise shall constitute an irrevocable election to purchase the Stock specified in the notice, and the date on which the Company receives the notice accompanied by payment in full of the exercise price for the Stock covered by the notice and the applicable withholding taxes shall be the date as of which the Stock shall be deemed to have been issued.

(c) To exercise the Option upon the Optionee's death, the persons who acquire the right to exercise the Option must prove to the Committee's satisfaction that they have duly acquired the Option and that they have paid (or have provided for payment of) any taxes, such as estate, transfer, inheritance or death taxes, payable with respect to the Option or to the Stock to which it relates.

Section 5. Transferability. If the Option granted is designated on Schedule A as an "Incentive Stock Option," the Option may be transferred only by will or the laws of descent and distribution and may be exercised during the Optionee's lifetime only by the Optionee. In addition, if this Option is designated on Schedule A as a "Non-Qualified Stock Option," the Option may be transferred in accordance with Section 17(j) of the Plan, without consideration, to a Permitted Assignee.

Section 6. Withholding Taxes.

(a) The Optionee shall pay to the Company (or otherwise make arrangements satisfactory to the Committee for the payment of) the amount of the Federal, state, local, and foreign income, employment, and other taxes required, in the Company's sole judgment, to be collected or withheld with respect to the Option. Except as provided below, such amount shall be paid to the Company in cash. In the Company's discretion, the Optionee's tax obligations may be paid by the surrender of that number of whole shares of Stock with a Fair Market Value (valued on the date of exercise) as shall be equal to, but does not exceed, the minimum statutory amounts required to be collected or withheld by the Company with respect to the exercise of the Option as provided in Section 17(f) of the Plan.

(b) If the Option is designated as an Incentive Stock Option, then the Optionee agrees that at the time of any “disqualifying disposition” (within the meaning of Section 422 of the Code and the regulations thereunder), the Optionee shall notify the Company of such disqualifying disposition and shall pay to the Company (or otherwise make arrangements satisfactory to the Committee for the payment of) the amount of the Federal, state, local and foreign income, employment and other taxes required, in the Company’s sole judgment, to be collected or withheld with respect to the disqualifying disposition of the Stock acquired upon exercise of the Option. Such amount shall be paid to the Company as provided in Section 5(a) above.

Section 7. Lock-Up Period. The Optionee agrees that, if so requested by the Company or any representative of the underwriters (the “Managing Underwriter”) in connection with any firm commitment underwritten public offering of any securities of the Company under the Securities Act of 1933, as amended (the “Securities Act”), the Optionee shall not sell or otherwise transfer any shares of Stock or other securities of the Company (other than any securities of the Company being registered in such offering) or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Stock, without the prior written consent of the Company and the Managing Underwriter, commencing on the initial date that securities are offered for sale under such offering and continuing for up to 180 days (the “Market Standoff Period”) thereafter or such greater period, not to exceed an additional twenty (20) days, in order to permit the underwriters to issue research reports in compliance with NASD Rule 2711(f)(4). The Optionee further agrees to execute promptly such agreements as may be reasonably requested by the Managing Underwriter in connection with such offering that are not inconsistent with this Section and that are deemed reasonably necessary by such Managing Underwriter to further evidence or to give further effect hereto. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Standoff Period.

Section 8. Rights in Stock Before Issuance and Delivery. The Optionee shall not have any rights as a stockholder of the Company with respect to the Stock underlying the Option unless and until such Stock has been issued to the Optionee as fully paid Stock. No adjustment shall be made for dividends, distributions, or other rights for which the record date is prior to the date the shares of Stock are issued, except as provided in Section 16(a) of the Plan.

Section 9. No Right to Employment. Nothing contained in this Agreement shall be construed to confer on the Optionee any right to continue as an employee of the Company or to derogate from any right of the Company to retire, request the resignation of or discharge the Optionee, or to lay off or require a leave of absence of the Optionee, with or without pay, at any time, for any reason.

Section 10. Qualifications to Exercise. Notwithstanding anything in this Agreement to the contrary, in no event may the Option be exercisable if the Company shall, at any time and in its sole discretion, determine that (a) the listing, registration or qualification of any shares of Stock otherwise deliverable upon such exercise, upon any securities exchange or under any state, federal, or foreign law, or (b) the consent or approval of any regulatory body, is necessary or desirable in connection with such exercise. In such event, such exercise shall be held in abeyance and shall not be effective unless and until such listing, registration, qualification or approval shall have been effected or obtained free of any conditions not acceptable to the Company (regardless of any termination of the Option prior to such listing, registration, qualification or approval). The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company’s legal counsel to be necessary to the lawful issuance and sale of any shares of Stock subject to the Option shall relieve the Company of any liability in respect of the failure to issue or sell such shares of Stock as to which such requisite authority shall not have been obtained. The Company shall not be required to issue fractional shares of Stock upon the exercise of the Option.

Section 11. Conditions to Transfer. As a condition to the exercise of the Option, the Company may require the Optionee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. The certificate issued to evidence such shares of Stock may bear appropriate legends summarizing these restrictions.

Section 12. Entire Agreement. This Agreement and the Plan contain the entire agreement between the parties with respect to the Option and supersede all prior agreements or understandings among the parties related to such matters.

Section 13. Administration. All questions of interpretation concerning this Agreement, the Plan, or any other form of agreement or other document employed by the Company in the administration of the Plan or the Option shall be determined by the Committee. All such determinations by the Committee shall be final, binding, and conclusive upon all persons having an interest in the Option, unless fraudulent or made in bad faith. Any and all actions, decisions, and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or the Option or other agreement(s) (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest in the Option. Any officer of the Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, or election which is the responsibility of or which is allocated to the Company, provided the officer has apparent authority with respect to such matter, right, obligation, or election.

Section 14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns and upon the Optionee and his or her permitted transferees, heirs, executors, administrators and legal representatives.

Section 15. Further Instruments. The parties to this Agreement agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

Section 16. Amendment; Termination; Waiver. This Agreement may be amended or terminated, and its terms or covenants waived, only by a written instrument executed on behalf of the Company (as authorized by the Committee) and the Optionee.

Section 17. Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Optionee by the Company or any subsidiary, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address of the Company's headquarters (with respect to the Company), the address of the Optionee in the records of the Company, or at such other address as such party may designate in writing from time to time to the other party.

The Plan documents, which may include but do not necessarily include: the Plan, this Agreement, the Plan prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Optionee electronically. In addition, if permitted by the Company, the Optionee may deliver electronically Schedule A and the Form of Exercise Notice attached as Annex 1 to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

The Optionee acknowledges that the Optionee has read this Section 17 and consents to the electronic delivery of the Plan documents and, if permitted by the Company, the delivery of the Notices described above. The Optionee acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Optionee by contacting the Company by telephone or in writing. The Optionee further acknowledges that the Optionee will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Optionee understands that the Optionee must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Optionee may revoke his or her consent to the electronic delivery of documents described in this Section or may change the electronic mail address to which such documents are to be delivered (if Optionee has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Optionee understands that he or she is not required to consent to electronic delivery of documents described in this Section 17.

Section 18. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

Section 19. Defined Terms/Construction. Capitalized terms used in this Agreement and not otherwise defined in this Agreement have the meaning ascribed to them in the Plan. Captions and titles contained in this Agreement are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

Section 20. The Plan. The Optionee acknowledges having received a copy of the Plan. The Option is subject to all of the terms and provisions of the Plan, all of which are incorporated by reference. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Plan, the provisions of the Plan shall govern.

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

BIOTA PHARMACEUTICAL, INC.

By: _____
Russ Plumb
President & CEO

OPTIONEE

NAME

SCHEDULE A

Name of Optionee: _____

Option Number: _____

Date of Grant: _____

Option Exercise Price: \$x.xx per share

Number of Shares Subject to Option: _____

The Option is designated as an
 Incentive Stock Option
 Non-Qualified Stock Option

Vesting: The Option shall be one hundred percent 100% vested and exercisable upon the successful completion of the Phase 2 IGLOO trial on or before June 30, 2015. For this purpose, a "successful completion" of such a trial shall mean hitting the primary endpoint for the trial, as determined by the Committee in its sole discretion. Notwithstanding the foregoing, at any time prior to June 30, 2015, the Committee, in its sole discretion, may determine that, based on the trial's status or results from the trial, that it will not be successfully completed, then the Committee may declare the trial unsuccessful and the Option shall be forfeited. Except as otherwise provided in the Agreement relating to a Change in Control or in a written employment or service agreement between the Company (or a subsidiary of the Company) and the Optionee, if the Optionee terminates his or her employment prior to the successful completion of the Phase 2 IGLOO trial, or the preceding sentence applies, the Optionee shall forfeit the Option in its entirety.

Expiration Date: (6 years from Date of Grant)

By: _____
Russell H. Plumb
President & CEO

OPTIONEE:

ANNEX 1

FORM OF ELECTION TO EXERCISE

(To be executed upon exercise of Option).

The undersigned elects to exercise the right pursuant to the stock option agreement between the undersigned and Biota Pharmaceutical, Inc. (the "Company"), dated as of _____, 20____ (the "Agreement"), to purchase _____ shares of the Company's Common Stock (the "Shares").

Choose one or more of the following options:

_____ Cash payment for _____ Shares in the amount of \$_____.

_____ Payment for _____ Shares through a cashless exercise arrangement. The undersigned's broker must forward the amount of cash necessary to purchase the Shares. Such broker will receive the Shares, and will forward the net proceeds of the cashless exercise to the undersigned.

_____ If permitted by the Option Agreement, payment for _____ Shares by having the Company retain Shares that the undersigned would otherwise receive in connection with the exercise.

The undersigned requests that certificates for the Shares be registered in the name of the undersigned.

Dated: _____, 20____

Optionee

Social Security Number

MARKET STOCK UNITS AGREEMENT
(U.S. Agreement)

THIS MARKET STOCK UNITS AGREEMENT, dated as of _____ (this "**Agreement**"), by and between BIOTA PHARMACEUTICAL, INC., a Delaware corporation (the "**Company**"), and [NAME] (the "**Participant**").

R E C I T A L S:

WHEREAS, the Company has previously adopted the Nabi Biopharmaceutical 2007 Omnibus Equity and Incentive Plan, as amended (the "**Plan**") in order to attract, retain and motivate service providers of the Company and its subsidiaries, and so that such individuals may participate in the Company's long-term growth of the Company and its subsidiaries; and

WHEREAS, the Company desires to grant to the Participant an award of Stock Units in the form of Market Stock Units (the "**MSUs**"), subject to the terms of this Agreement, each of which represents the right to receive on the applicable "**Settlement Date**" (as defined below) one (1) or more shares of the Company's Common Stock pursuant to the Plan and the terms and conditions contained in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Company and the Participant, intending to be legally bound, agree as follows:

1. GRANT OF MSUs.

The Company grants to the Participant, pursuant to the Plan, the number of MSUs (subject to adjustment as provided in this Agreement and the Plan) set forth on Schedule A. As set forth on Schedule A, the number of Vested Units, if any, shall be determined based on the formulae set forth on Schedule A.

2. DEFINITIONS AND CONSTRUCTION.

2.1 Definitions. Unless otherwise defined herein, capitalized terms shall have the meanings assigned in the Plan. In addition, the following terms shall have the meanings set both below:

- (a) "Service" means service in the capacity of an employee or consultant for the Company or any Subsidiary or as a member of the Board.
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(b) "Settlement Date" means, for each MSU, the date on which such MSU becomes one (1) or more Vested Units in accordance with the formulae set forth on Schedule A.

(c) "Subsidiary" has the meaning set forth in Section 424 of the Code.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. **ADMINISTRATION.**

All questions of interpretation concerning this Agreement and the Plan shall be determined by the Committee or its designee. All such determinations shall be final and binding upon all persons having an interest in MSUs subject to this Agreement as provided by the Plan.

4. **THE AWARD OF MSUs.**

4.1 **Grant of MSUs.** On the Date of Grant set forth on Schedule A, the Participant shall acquire, subject to the provisions of this Agreement, the Number of MSUs set forth on Schedule A, subject to adjustment as provided in Section 10. Each MSU represents a right to have the number of Vested Units be determined on the Vesting Date. A Vested Unit shall, on the Settlement Date be settled as one (1) share of Common Stock for each Vested Unit.

4.2 **No Monetary Payment Required.** The Participant is not required to make any monetary payment (other than applicable tax withholding, if any) as a condition to receiving the MSUs, Vested Units, or shares of Common Stock issued upon settlement of the MSUs, the consideration for which shall be past services actually rendered and/or future services to be rendered to the Company or any of its Subsidiaries. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered having a value not less than the par value of the Common Stock issued upon settlement of the Vested Units.

5. **VESTING OF MSUs.**

The MSUs shall vest and become Vested Units, if at all, as provided pursuant to the provisions set forth on Schedule A.

6. **COMPANY REACQUISITION RIGHT.**

6.1 **Grant of Company Reacquisition Right.** Except to the extent otherwise provided in an employment or other service agreement between the Company (or any Subsidiary) and the Participant, in the event that the Participant's Service terminates for any reason or no reason, with or without cause, the Participant shall forfeit and the Company shall automatically reacquire all MSUs which are not, as of the time of such termination, Vested Units ("**Unvested MSUs**"), and the Participant shall not be entitled to any payment therefor (the "**Company Reacquisition Right**").

6.2 **Adjustments Resulting From Changes in Capitalization.** Upon the occurrence of an event described in Section 16(a) of the Plan giving rise to an adjustment upon a change in the capital structure of the Company as described in Section 10, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends paid on the Company's Common Stock pursuant to the Company's dividend policy) to which the Participant is entitled by reason of the Participant's ownership of Unvested MSUs shall be immediately subject to the Company Reacquisition Right and included in the terms "MSUs" and "Unvested MSUs" for all purposes of the Company Reacquisition Right with the same force and effect as the Unvested Units immediately prior to such event. For purposes of determining the number of Vested Units following an event described in Section 16(a) of the Plan, credited service shall include all service with the Company and its Subsidiaries at the time the service is rendered.

7. **SETTLEMENT OF THE AWARD.**

7.1 **Issuance of Common Stock.** Subject to the provisions of Section 7.3 below, the Company shall issue to the Participant on the Settlement Date with respect to each Vested Unit to be settled on such date one (1) share of Common Stock. Common Stock issued in settlement of Vested Units shall not be subject to any restriction on transfer other than any such restriction as may be required pursuant to Section 7.3, Section 8, or the Company's insider trading compliance policy.

7.2 **Beneficial Ownership of Stock; Certificate Registration.** The Participant hereby authorizes the Company, in its sole discretion, to deposit for the benefit of the Participant with the broker designated by the Company with which the Participant has an account, any or all Common Stock acquired by the Participant pursuant to the settlement of any Vested Unit. Except as provided by the preceding sentence, a certificate for the Common Stock as to which the Vested Unit is settled shall be registered in the name of the Participant, or, if applicable, in the names of the heirs of the Participant.

7.3 **Restrictions on Grant of the MSUs and Issuance of Common Stock.** The grant of the MSUs and issuance of Common Stock upon settlement of Vested Units shall be subject to compliance with all applicable requirements of federal, state or foreign law with respect to such securities. Common Stock may not be issued hereunder if the issuance of such Common Stock would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Common Stock subject to this Agreement shall relieve the Company of any liability in respect of the failure to issue such Common Stock as to which such requisite authority shall not have been obtained. As a condition to the settlement of Vested Units, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

7.4 **Fractional Shares of Common Stock.** The Company shall not be required to issue fractional shares of Common Stock upon the settlement of Vested Units. Any fractional share resulting from a settlement of a Vested Unit shall be rounded down to the nearest whole number.

8. **TAX WITHHOLDING.**

8.1 **In General.** At the time this Agreement is executed, or at any time thereafter as requested by the Company or any Subsidiary, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax (including any social insurance) withholding obligations of the Company and its Subsidiaries, if any, which arise in connection with the award of MSUs pursuant to this Agreement, the determination of the number of Vested Units (if any), or the issuance of Common Stock in settlement thereof. The Company shall have no obligation to deliver Common Stock until such tax withholding obligations have been satisfied by the Participant.

8.2 **Assignment of Sale Proceeds; Payment of Tax Withholding by Check.** Subject to compliance with applicable law and the Company's insider trading compliance policy, the Company may permit the Participant to satisfy the tax withholding obligations in accordance with procedures established by the Company providing for either (a) delivery by the Participant to the Company or a broker approved by the Company of properly executed instructions, in a form approved by the Company, providing for the assignment to the Company of the proceeds of a sale with respect to some or all of the Common Stock being acquired upon settlement of Units, or (b) payment by check, cash, bank order, or other method approved in advance by the Company.

8.3 **Withholding in Shares of Common Stock.** The Company may require the Participant to satisfy all or any portion of the tax withholding obligations by deducting from the Common Stock otherwise deliverable to the Participant in settlement of Vested Units a number of whole shares of Common Stock having a Fair Market Value, as determined by the Company as of the date on which the tax withholding obligations arise, not in excess of the amount of such tax withholding obligations determined by the applicable minimum statutory withholding rates.

8.4 **Default Withholding Provision.** Except as otherwise provided by the Company, if the Participant does not deliver to the Company at least five (5) days prior to a Settlement Date a written notice of Participant's election to satisfy by cash, check, or other manner agreeable to the Company, all federal, state, local, or foreign tax withholding obligations related to the settlement of Vested Units, Participant and the Company agree that the Company shall retain that number of the shares of Common Stock, based on the Fair Market Value of the Company's Stock on such Settlement Date, with an aggregate value equal to the amount of all federal, state, local or foreign tax withholding obligations that the Participant would incur as a result of the settlement of such Common Stock determined by the applicable minimum statutory withholding rates.

9. EFFECT OF CHANGE IN CONTROL.

In the event of a Change in Control, except as set forth on Schedule A or any employment or other service agreement specifically referring to this Agreement, the MSUs shall be subject to the provisions of Section 16(b) of the Plan in the discretion of the Committee.

10. ADJUSTMENTS FOR CHANGES IN CAPITAL STRUCTURE.

Subject to any required action by the stockholders of the Company and the requirements of Section 409A of the Code to the extent applicable, in the event of any change in the capitalization of the Company described in Section 16(a) of the Plan, effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Common Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of the Company's Common Stock, appropriate and proportionate adjustments shall be made in the number of MSUs subject to this Agreement and/or the number and kind of securities to be issued in settlement of Vested Units, in order to prevent dilution or enlargement of the Participant's rights under this Agreement. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." Any and all new, substituted or additional securities or other property to which the Participant is entitled by reason of the grant of MSUs acquired pursuant to this Agreement will be immediately subject to the provisions of this Agreement on the same basis as all MSUs originally acquired hereunder. Any fractional MSU, Vested Unit or share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number. Such adjustments shall be determined by the Committee, and its determination shall be final, binding and conclusive.

11. RIGHTS AS A STOCKHOLDER OR EMPLOYEE.

The Participant shall have no rights as a stockholder with respect to any Common Stock which may be issued in settlement of Vested Units until the date of the issuance of a certificate for such Common Stock (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 10. If the Participant is an employee of the Company or any Subsidiary, the Participant understands and acknowledges that, except as otherwise provided in a separate, written employment agreement between the Company (or any Subsidiary) and the Participant, the Participant's employment is "at will" and is for no specified term. Nothing in this Agreement shall confer upon the Participant any right to continue in the Service of the Company or any Subsidiary or interfere in any way with any right to terminate the Participant's Service at any time.

12. LEGENDS.

The Company may at any time place legends referencing any applicable federal, state or foreign securities law restrictions on all certificates representing Common Stock issued pursuant to this Agreement. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing Common Stock acquired pursuant to this Agreement in the possession of the Participant in order to carry out the provisions of this Section.

13. COMPLIANCE WITH SECTION 409A OF THE CODE.

It is intended that any election, payment or benefit which is made or provided pursuant to or in connection with this Agreement that may result in the MSUs and/or Vested Units being treated as deferred compensation subject to Section 409A of the Code shall comply in all respects with the applicable requirements of Section 409A of the Code (including applicable regulations or other administrative guidance thereunder, as determined by the Committee in good faith) to avoid the unfavorable tax consequences provided therein for non-compliance. In connection with effecting such compliance with Section 409A of the Code, the following shall apply:

13.1 **Separation from Service; Required Delay in Payment to Specified Employee.** Notwithstanding anything set forth herein to the contrary, to the extent required to avoid the imposition of additional taxes and penalties under Section 409A of the Code, no amount payable or settleable pursuant to this Agreement on account of the Participant's termination of Service shall be paid unless and until the Participant has incurred a "separation from service" as defined in Section 409A of the Code and the regulatory and other guidance issued thereunder (the "**Section 409A Regulations**"). Furthermore, to the extent that the Participant is a "specified employee" within the meaning of the Section 409A Regulations as of the date of the Participant's separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Participant's separation from service shall be paid to the Participant before the date (the "**Delayed Payment Date**") which is first day of the seventh month after the date of the Participant's separation from service or, if earlier, the date of the Participant's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

13.2 **Other Changes in Time of Payment.** Neither the Participant nor the Company shall take any action to accelerate or delay the payment of any benefits which constitute a "deferral of compensation" within the meaning of Section 409A Regulations in any manner which would not be in compliance with the Section 409A Regulations.

13.3 **Amendments to Comply with Section 409A; Indemnification.** Notwithstanding any other provision of this Agreement to the contrary, the Company is authorized to amend this Agreement, to void or amend any election made by the Participant under this Agreement and/or to delay the payment or settlement of any amount and/or provision of any benefits in such manner as may be determined by the Company, in its discretion, to be necessary or appropriate to comply with the Section 409A Regulations without prior notice to or consent of the Participant. The Participant hereby releases and holds harmless the Company, its directors, officers and stockholders from any and all claims that may arise from or relate to any tax liability, penalties, interest, costs, fees or other liability incurred by the Participant in connection with this Agreement, including as a result of the application of the Section 409A Regulations.

13.4 **Advice of Independent Tax Advisor.** The Company has not obtained a tax ruling or other confirmation from the Internal Revenue Service with regard to the application of the Section 409A Regulations to this Agreement, and the Company does not represent or warrant that this Agreement will avoid adverse tax consequences to the Participant, including as a result of the application of the Section 409A Regulations to the award of the MSUs. The Participant hereby acknowledges that he or she has been advised to seek the advice of his or her own independent tax advisor prior to entering into this Agreement and is not relying upon any representations of the Company or any of its agents as to the effect of or the advisability of entering into this Agreement.

14. **MISCELLANEOUS PROVISIONS.**

14.1 **Termination or Amendment.** The Board may terminate or amend the Plan at any time and the Committee may terminate or amend this Agreement at any time. No termination of, or amendment to, this Agreement shall be effective unless in writing. To the extent any amendment is necessary to comply with applicable law or government regulation (including, but not limited to the Section 409A Regulations), such an amendment may be made without the consent of the Participant, otherwise any amendment or termination which adversely affects the rights of the Participant must be consented to in writing.

14.2 **Nontransferability of the Agreement, MSUs and/or Vested Units.** Prior to the issuance of Common Stock on the applicable Settlement Date, this Agreement, any MSUs subject to this Agreement or Vested Units, shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to this Agreement shall be exercisable during the Participant's lifetime only by the Participant or the Participant's guardian or legal representative.

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

14.4 **Binding Effect.** This Agreement shall inure to the benefit of the successors and assigns of the Company and, subject to the restrictions on transfer set forth herein, be binding upon the Participant and the Participant's heirs, executors, administrators, successors and assigns.

14.5 **Delivery of Documents and Notices.** Any document relating to participation in the Plan or any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given (except to the extent that this Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Participant by the Company or any Subsidiary, or upon deposit in the U.S. Post Office or foreign postal service, by registered or certified mail, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the address shown below that party's signature on Schedule A or at such other address as such party may designate in writing from time to time to the other party.

(a) **Description of Electronic Delivery.** The Plan documents, which may include but do not necessarily include: the Plan, this Agreement, the Plan Prospectus, and any reports of the Company provided generally to the Company's stockholders, may be delivered to the Participant electronically. In addition, the Participant may deliver electronically this Agreement to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the Internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

(b) **Consent to Electronic Delivery.** The Participant acknowledges that the Participant has read Section 14.5(a) of this Agreement and consents to the electronic delivery of the Plan documents, as described in Section 14.5(a). The Participant acknowledges that he or she may receive from the Company a paper copy of any documents delivered electronically at no cost to the Participant by contacting the Company by telephone or in writing. The Participant further acknowledges that the Participant will be provided with a paper copy of any documents if the attempted electronic delivery of such documents fails. Similarly, the Participant understands that the Participant must provide the Company or any designated third party administrator with a paper copy of any documents if the attempted electronic delivery of such documents fails. The Participant may revoke his or her consent to the electronic delivery of documents described in Section 14.5(a) or may change the electronic mail address to which such documents are to be delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revoked consent or revised e-mail address by telephone, postal service or electronic mail. Finally, the Participant understands that he or she is not required to consent to electronic delivery of documents described in Section 14.5(a).

14.6 **Integrated Agreement.** This Agreement and the Plan, together with any employment, service or other agreement between the Participant and the Company or any Subsidiary referring to this Agreement, shall constitute the entire understanding and agreement of the Participant and the Company and its Subsidiaries with respect to the subject matter contained herein or therein and supersede any prior agreements, understandings, restrictions, representations, or warranties among the Participant and the Company and its Subsidiaries with respect to such subject matter other than those as set forth or provided for herein or therein. To the extent contemplated herein or therein, the provisions of this Agreement and the Plan shall survive any settlement of the Units and shall remain in full force and effect.

14.7 **Applicable Law.** This Agreement shall be governed by the laws of the State of Delaware as such laws are applied to agreements between Delaware residents entered into and to be performed entirely within the State of Delaware.

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

15. ACKNOWLEDGMENTS.

By their signatures below or by electronic acceptance or authentication in a form authorized by the Company, the Company and the Participant agree that the award of the MSUs is governed by the provisions of the Plan and this Agreement. The Participant acknowledges that copies of the Plan, this Agreement, and the prospectus for the Plan are available on the Company's internal web site and may be viewed and printed by the Participant. The Participant represents that the Participant has read and is familiar with the provisions of the Plan and this Agreement, and hereby accepts the grant of the MSUs subject to all of their terms and conditions.

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

BIOTA PHARMACEUTICAL, INC.

By: _____
Russ Plumb
President & CEO

PARTICIPANT

Name

SCHEDULE A

Name of Participant: _____

Market Stock Units Agreement Number: _____

Date of Grant: _____

Total Number of Market Stock Units (“MSUs”) _____

Potential Maximum Number of Vested Units _____

Starting Common Stock Value Vesting Conditions: The number of Vested Units shall be determined by reference to the number of MSUs granted to the Participant and whether, and to what extent, at the end of the Performance Period, the following performance metrics are satisfied. For purposes of determining the number of Vested Units, the Final Common Stock Value (as defined below) shall be determined and compared to the Starting Common Stock Value. To the extent the ratio of the Final Common Stock Value to the Starting Common Stock Value is fifty percent (50%) or less (the “**Threshold Vesting Percentage**”), then none of the MSUs shall become Vested Units.

If the ratio of the Final Common Stock Value to the Starting Common Stock Value is equal to one hundred percent (100%) (the “**Baseline Vesting Percentage**”), then the number of Vested Units shall equal the number of MSUs multiplied by one hundred percent (100%).

If the ratio of the Final Common Stock Value is equal to or greater than two hundred fifty percent (250%) (the “**Maximum Vesting Percentage**”), then the number of Vested Units shall equal the number of MSUs multiplied by two hundred fifty percent (250%). Under no circumstances may the number of Vested Units exceed two hundred fifty percent (250%) of the number of MSUs.

To determine the number of Vested Units, if the ratio of the Final Common Stock Value to the Starting Common Stock Value is between the Threshold Vesting Percentage and the Baseline Vesting Percentage, or between the Baseline Vesting Percentage and the Maximum Vesting Percentage, linear interpolation shall be used to determine a percentage which, when multiplied by the number of MSUs shall be equal to the number of Vested Units.

For purposes of the foregoing determinations, the following shall apply:

Performance Period: The period commencing on **the Date of Grant** and ending on January 1, 2017; provided, however, that if the Participant has an employment contract pursuant to the BARPA contract which will expire in 2016, then the end of the Performance Period shall be the expiration of such a Participant's employment contract, unless such contract is extended beyond January 1, 2017, in which case the end of the Performance Period shall be January 1, 2017. Notwithstanding the foregoing, in the event of a Change in Control prior to the end of the Performance Period, then the Performance Period shall be treated as ending immediately prior to, but contingent upon the consummation of the Change in Control.

Starting Common Stock Value: The "Starting Common Stock Value" set forth above is equal to the twenty (20) day trailing average stock price of the Company's Common Stock measured as of the first day of the Performance Period.

Final Common Stock Value: Shall be equal to the twenty (20) day trailing average stock price of the Company's Common Stock measured as of the last day of the Performance Period; provided, however, that if a Performance Period ends as a result of a Change in Control of the Company, then the Final Common Stock Value shall mean the amount of cash and the Fair Market Value of other property (if any) per share of the Company's Common Stock to be received by the Company's stockholders as a result of the Change in Control

BIOTA PHARMACEUTICAL, INC.

PARTICIPANT

By: _____

Signature

Date

Address: _____

Address: _____
