

HONDA MOTOR CO LTD  
Form SC 13G/A  
February 04, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 12)\***

**Honda Motor Co., Ltd.**

**(Name of Issuer)**

**Common Stock**

**(Title of Class of Securities)**

**438128308**

**(CUSIP Number)**

**December 31, 2015**

**(Date of Event Which Requires Filing of this Statement)**

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

☐ Rule 13d-1(b)

☐ Rule 13d-1(c)

☐ Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( "Act" ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

**2** Mitsubishi UFJ Financial Group, Inc.  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) "

(b) "

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

**5** SOLE VOTING POWER

NUMBER OF

SHARES

**6** 115,162,071  
SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH

**7** -0-  
SOLE DISPOSITIVE POWER

REPORTING

PERSON

**8** 115,162,071  
SHARED DISPOSITIVE POWER

WITH

-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

115,162,071

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.4%

**12** TYPE OF REPORTING PERSON

FI

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐

(b) ☐

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

**5** SOLE VOTING POWER

NUMBER OF

SHARES **6** 36,686,801  
SHARED VOTING POWER

BENEFICIALLY

OWNED BY  
EACH **7** -0-  
SOLE DISPOSITIVE POWER

REPORTING

PERSON **8** 36,686,801  
SHARED DISPOSITIVE POWER

WITH

-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

36,686,801

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

2.0%

**12** TYPE OF REPORTING PERSON

FI

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

**2** Highmark Capital Management, Inc.  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) "

(b) "

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

California, United States

**5** SOLE VOTING POWER

NUMBER OF

SHARES

**6** 101  
SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH

**7** -0-  
SOLE DISPOSITIVE POWER

REPORTING

PERSON

**8** 101  
SHARED DISPOSITIVE POWER

WITH

**9** -0-  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

**10** 101  
CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.0%

**12** TYPE OF REPORTING PERSON

IA

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

**2** Mitsubishi UFJ Trust and Banking Corporation  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) "

(b) "

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

**5** SOLE VOTING POWER

NUMBER OF

SHARES

**6** 70,362,300  
SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH

**7** -0-  
SOLE DISPOSITIVE POWER

REPORTING

PERSON

**8** 70,362,300  
SHARED DISPOSITIVE POWER

WITH

-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

70,362,300

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES



..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

3.9%

**12** TYPE OF REPORTING PERSON

FI

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

Mitsubishi UFJ Kokusai Asset Management Co., Ltd.

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐

(b) ☐

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

**5** SOLE VOTING POWER

NUMBER OF

SHARES

9,087,500  
**6** SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH

-0-  
**7** SOLE DISPOSITIVE POWER

REPORTING

PERSON

9,087,500  
**8** SHARED DISPOSITIVE POWER

WITH

-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9,087,500

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.5%

**12** TYPE OF REPORTING PERSON

FI

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

MU Investments Co., Ltd.

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐

(b) ☐

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

**5** SOLE VOTING POWER

NUMBER OF

SHARES

**6** 1,012,900  
SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH

**7** -0-  
SOLE DISPOSITIVE POWER

REPORTING

PERSON

**8** 1,012,900  
SHARED DISPOSITIVE POWER

WITH

-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,012,900

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.1%

**12** TYPE OF REPORTING PERSON

FI

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

Mitsubishi UFJ Securities Holdings Co., Ltd.

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐

(b) ☐

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

**5** SOLE VOTING POWER

NUMBER OF

SHARES

**6** 8,112,970  
SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH

**7** -0-  
SOLE DISPOSITIVE POWER

REPORTING

PERSON

**8** 8,112,970  
SHARED DISPOSITIVE POWER

WITH

-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

8,112,970

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.5%

**12** TYPE OF REPORTING PERSON

FI

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

**2** Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐

(b) ☐

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

**5** SOLE VOTING POWER

NUMBER OF

SHARES **6** 8,024,870  
SHARED VOTING POWER

BENEFICIALLY

OWNED BY  
EACH **7** -0-  
SOLE DISPOSITIVE POWER

REPORTING

PERSON **8** 8,024,870  
SHARED DISPOSITIVE POWER

WITH

**9** -0-  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

**10** 8,024,870  
CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES



..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.4%

**12** TYPE OF REPORTING PERSON

FI

CUSIP NO. 438128308

**1** NAME OF REPORTING PERSON

kabu.com Securities Co., Ltd.

**2** CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) ☐

(b) ☐

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION

Tokyo, Japan

**5** SOLE VOTING POWER

NUMBER OF

SHARES

88,100

**6** SHARED VOTING POWER

BENEFICIALLY

OWNED BY

-0-

EACH

**7** SOLE DISPOSITIVE POWER

REPORTING

PERSON

88,100

**8** SHARED DISPOSITIVE POWER

WITH

-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

88,100

**10** CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

..

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.0%

**12** TYPE OF REPORTING PERSON

FI

CUSIP NO. 438128308

**ITEM 1**

**(a) Name of Issuer**

Honda Motor Co., Ltd.

**(b) Address of Issuer's Principal Executive Offices**

1-1 Minami-Aoyama 2-chome, Minato-ku, Tokyo 107-8556, Japan

**ITEM 2**

**(a) Names of Persons Filing**

Mitsubishi UFJ Financial Group, Inc. ( MUFG )

The Bank of Tokyo-Mitsubishi UFJ, Ltd. ( BTMU )

Highmark Capital Management, Inc. ( HCM )

Mitsubishi UFJ Trust and Banking Corporation ( MUTB )

Mitsubishi UFJ Kokusai Asset Management Co., Ltd. ( MUKAM )

MU Investments Co., Ltd. ( MUI )

Mitsubishi UFJ Securities Holdings Co., Ltd. ( MUSHD )

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ( MUMSS )

kabu.com Securities Co., Ltd. ( KC )

**(b) Address of Principal Business Office or, if none, Residence**

MUFG:

7-1 Marunouchi 2-chome, Chiyoda-ku  
Tokyo 100-8330, Japan

BTMU:

7-1 Marunouchi 2-chome, Chiyoda-ku  
Tokyo 100-8388, Japan

HCM:

350 California Street, San Francisco,  
California 94104, USA

MUTB:

4-5 Marunouchi 1-chome, Chiyoda-ku  
Tokyo 100-8212, Japan

MUKAM:  
12-1 Yurakucho 1-chome, Chiyoda-ku  
Tokyo 100-0006, Japan

MUI:  
3-11 Kandasurugadai 2-chome, Chiyoda-ku  
Tokyo 101-0062, Japan

MUSHD:  
5-2, Marunouchi 2-chome, Chiyoda-ku  
Tokyo 100-0005, Japan

MUMSS:  
5-2, Marunouchi 2-chome, Chiyoda-ku

*Overview.* The following Compensation Discussion and Analysis describes the material elements of compensation for our executives identified in the Summary Compensation Table (“Named Executive Officers”). The Compensation Committee of the Board of Directors assists the Board of Directors in discharging the Board’s responsibilities regarding compensation of our executives, including the Named Executive Officers. In particular, the Compensation Committee makes recommendations to the Board of Directors regarding the corporate goals and objectives relevant to executive compensation, evaluates executives’ performance in light of such goals and objectives, and recommends the executives’ compensation levels to the Board of Directors based on such evaluations. The Compensation Committee’s recommendations relating to compensation matters are subject to approval by the Board.

*Compensation Philosophy and Objectives.* Our executive compensation program is designed to retain our executive officers and to motivate them to increase stockholder value on both an annual and longer term basis. These objectives are to be accomplished primarily by positioning us to maximize our product development efforts and to transform, over time, those efforts into revenues and income. To that end, compensation packages include significant incentive forms of stock-based compensation to ensure that each executive officer’s interest is aligned with the interests of our stockholders.

## Named Executive Officers

For our most recently completed fiscal year (the year ended December 31, 2016), our Named Executive Officers were: (i) Michael Macaluso, our Chief Executive Officer, who has served as our Chief Executive Officer since January 9, 2012, (ii) David Bar-Or, M.D., our current Chief Scientific Officer, who has served as our Chief Scientific Officer since March 2010, (iii) Gregory Gould, our former Chief Financial Officer, who served as our Chief Financial Officer from June 2014 until June 2017 and has also served as the Chief Financial Officer of Aytu BioScience, Inc. since April 2015, and (iv) Vaughan Clift, our former Chief Regulatory Affairs Officer, who served as our Chief Regulatory Affairs Officer from March 2010 until July 2016. We had no other executive officers serving during the year ended December 31, 2016.

## Executive Compensation Components

Our compensation program for our Named Executive Officers, consists of three components: (i) a base salary, (ii) discretionary bonuses based on performance, and (iii) equity compensation. Each of these components is reflected in the Summary Compensation Table below.

*Salaries.* The initial cash salaries paid to Messrs. Macaluso, Gould and Drs. Bar-Or and Clift were established at the time they became officers. Each of these persons has an employment agreement with us, a copy of which is an exhibit to, or incorporated by reference herein. Since the respective dates of their becoming Named Executive Officers, any increases in the salaries of our Named Executive Officers have been made at the discretion of the Compensation Committee. Mr. Macaluso and Dr. Bar-Or receive no additional compensation for serving on our Board of Directors.

*Cash Incentive Compensation.* Cash incentive or bonus compensation is discretionary under our employment agreements with Drs. Bar-Or and Clift and Messrs. Macaluso and Gould. However, each employment agreement contains performance objectives tailored to the individual officer's duties, and Company performance. All cash incentive compensation grants are intended to be paid in accordance with Section 162(m) of the Code. For 2016, we awarded a cash bonus to Mr. Macaluso of \$5,000, to Dr. Bar-Or of \$5,000, to Dr. Clift of \$0 and to Mr. Gould of \$5,000, which were awarded on a discretionary basis by the Compensation Committee based on the Compensation Committee's assessment of 2016 performance. Of Mr. Gould's \$5,000 bonus, \$2,500 was related to his performance for Aytu.

*Equity Compensation.* In 2016, we granted stock options to certain of our officers, directors and consultants for their services, all of which were granted pursuant to written agreements under the 2010 Plan. All future grants are expected to be made under the 2010 Plan. The vesting period for option grants varies.

*Perquisites.* We offer health benefits to all of our employees. None of our Named Executive Officers receives any further perquisites.

*Why Each Element of Compensation is Paid; How the Amount of Each Element is Determined.* The Compensation Committee intends to pay each of these elements in order to ensure that a desirable overall mix is established between base compensation and incentive compensation, cash and non-cash compensation, and annual and long-term compensation. The Compensation Committee also intends to evaluate on a periodic basis the overall competitiveness of our executive compensation packages as compared to packages offered in the marketplace for which we compete for executive talent. Overall, our Compensation Committee believes that our executive compensation packages are appropriately balanced and structured to retain and motivate our Named Executive Officers, while taking into account our current limited financial resources.

*How Each Compensation Element Fits into Overall Compensation Objectives and Affects Decisions Regarding Other Elements.* In establishing compensation packages for executive officers, numerous factors are considered, including the particular executive's experience, expertise and performance, our operational and financial performance as a company, and compensation packages available in the marketplace for similar positions. In arriving at amounts for each component of compensation, our Compensation Committee strives to strike an appropriate balance between base compensation and incentive compensation. The Compensation Committee also endeavors to properly allocate between cash and non-cash compensation and between annual and long-term compensation.

*Risk Assessment.* Our Compensation Committee has reviewed our compensation program and believes that the program, including our cash incentive compensation and equity incentive compensation, does not encourage our Named Executive Officers to engage in any unnecessary or excessive risk-taking. As a result, the Compensation Committee has to date not implemented a provision for recovery by us of cash or incentive compensation bonuses paid to our Named Executive Officers.

*Role of Compensation Consultants in Executive Compensation Decisions.* The Compensation Committee has the authority to retain the services of third-party executive compensation specialists in connection with the establishment of the Company's compensation policies. The Compensation Committee did not use a compensation consultant in connection with setting 2016 executive compensation, and relied upon the professional and market experience of the Committee members in determining 2016 executive compensation. The Compensation Committee may engage a compensation consultant in the future if it deems such services to be appropriate and cost-justified.

*Role of Executives in Executive Compensation Decisions.* The Compensation Committee seeks input and specific recommendations from our Chief Executive Officer when discussing the performance of, and compensation levels for, executives other than himself. The Chief Executive Officer provides recommendations to the Compensation Committee regarding each executive officer's level of individual achievement other than himself. However, he is not a member of the Compensation Committee and does not vote. The Compensation Committee also works with our Chief Executive Officer and our Chief Financial Officer to evaluate the financial, accounting, tax and retention implications of our various compensation programs. Neither our Chief Executive Officer nor any of our other executives participates in deliberations relating to his or her own compensation.

## **Tax and Accounting Implications**

*Deductibility of Executive Compensation.* Section 162(m) of the Internal Revenue Code limits the tax deduction to \$1.0 million for compensation paid to certain executives of public companies. However, performance-based compensation that has been approved by stockholders is not subject to the \$1.0 million limit under Section 162(m) if, among other requirements, the compensation is payable only upon attainment of pre-established, objective performance goals, and the Board of Directors committee that establishes such goals consists only of "outside directors." All members of the Compensation Committee qualify as outside directors. Additionally, stock options will qualify for the performance-based exception where, among other requirements, the exercise price of the option is not less than the fair market value of the stock on the date of the grant, and the plan includes a per-executive limitation on the number of shares for which options may be granted during a specified period.

## **Compensation Committee Interlocks and Insider Participation**



None of the members of our Compensation Committee is an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the Board of Directors or Compensation Committee of any entity that has one or more executive officers serving on our Board of Directors or Compensation Committee.

### **Compensation Committee Report**

The Compensation Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Company's Annual Report on Form 10-K.

Submitted by the Compensation Committee of the Board of Directors

Philip H. Coelho  
Richard B. Giles  
David R. Stevens, Ph.D.

**Summary Compensation Table for 2016, 2015 and 2014**

The following table sets forth the compensation paid by us during the years ended December 31, 2016, December 31, 2015 and December 31, 2014 to our Named Executive Officers as of December 31, 2016:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Award (\$)	Option Award (\$)(1)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
<b>Current Named Executive Officers</b>									
Michael Macaluso Chief Executive Officer effective January 2012	2016	300,000	5,000	-	-	-	-	-	305,000
	2015	300,000	5,000	-	-	-	-	108,433	(2) (3) 413,433
	2014	300,000	155,000	-	1,095,433	-	-	-	1,550,433
David Bar-Or, M.D. Chief Scientific Officer and Former Chairman	2016	300,000	5,000	-	-	-	-	-	305,000
	2015	300,000	5,000	-	-	-	-	224,617	(2) (3) 529,617
	2014	300,000	5,000	-	1,538,943	-	-	-	1,843,943
Gregory A. Gould Chief Financial Officer since June 2014	2016	250,000(7)	5,000	-	128,162	-	-	-	383,162
	2015	250,000	98,750 (6)	-	212,162	-	-	232,801	(3) 793,713
	2014	138,450(4)	5,000	-	1,435,243	-	-	21,620	(5) 1,600,313
Vaughan Clift, M.D.									

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Chief Regulatory Affairs Officer	2016	145,833	-	-	12,411	-	-	161,897	320,141
	2015	250,000	5,000	-	-	-	-	-	255,000
	2014	250,000	5,000	-	872,067	-	-	-	1,127,067
Mark D. McGregor									
Chief Financial Officer	2016	-	-	-	20,750	(8)	-	-	20,750
since April 2011	2015	-	-	-	125,901	(8)	-	-	125,901
	2014	103,125(9)	29,000	-	-	-	-	75,000	(10) 207,125
Joshua R. Disbrow									
Former Chief Operating Officer and Chief Executive Officer of Aytu BioScience, Inc.	2016	-	(15) -	-	-	-	-	-	-
	2015	255,587(13)	122,500(14)	-	691,948	(11)	-	558,722	(3) 1,628,757
	2014	245,000	180,000(12)	-	-	-	-	-	425,000

(1) Option awards are reported at fair value at the date of grant.

Compensation includes a cash payment per option share equal to the difference between the consideration payable per share of common stock pursuant to the Luoxis Rosewind Merger and the exercise price of the option (total payment was \$27,000) and the fair value of Aytu options granted in November 2015 when Aytu was a subsidiary of Ampio.

(3) Compensation includes the fair value of Aytu options granted in November 2015.

(4) Mr. Gould was appointed Chief Financial Officer effective June 2014.

- (5) Compensation related to Mr. Gould's expense to move his family to Colorado.
- (6) Mr. Gould received \$25,000 of this bonus which related to his performance for Aytu.
- (7) Per an agreement between Ampio and Aytu, Aytu paid 50%, \$125,000 of Mr. Gould's base salary back to Ampio for his services rendered as Aytu's chief financial officer during 2016.
- (8) Mr. McGregor's options were modified in May 2015 and July 2016 which extended the expiration date an additional year to August 15, 2016.
- (9) Mr. McGregor resigned as Chief Financial Officer effective June 2014.  
Mr. McGregor's retirement severance and modified options which accelerated the vesting of 96,181 options and
- (10) extended the exercise period from 90 days after termination to August 15, 2015 for 275,000 options. All of the \$130,000 of expense related to this modification was recognized in 2014.
- (11) Mr. Disbrow's options were modified in April 2015 which accelerated the vesting and extended the exercise period from ninety days after termination to April 15, 2020.
- (12) In 2014, Mr. Disbrow received a bonus of \$175,000 related to his superior performance as Chief Executive Officer of Luoxis.
- (13) Mr. Disbrow resigned as Chief Operating Officer effective April 2015 and took the position of Chief Executive Officer at Aytu which was a subsidiary of Ampio until January 4, 2016.
- (14) Mr. Disbrow received a bonus of \$122,500 related to his superior performance as Chief Executive Officer of Aytu.
- (15) Mr. Disbrow received no compensation from Ampio in fiscal 2016 as Aytu was divested on January 4, 2016 and since that date is no longer considered a subsidiary of Ampio.

The executive officers will be reimbursed by the Company for any out-of-pocket expenses incurred in connection with activities conducted on the Company's behalf.

## Grants of Plan-Based Awards

The following table sets forth certain information regarding grants of plan-based awards to the Named Executive Officers as of December 31, 2016:

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise Price of Option Awards (\$/Share)	Grant Date Fair Value of Option Awards
Current Named Executive Officers				
Gould, Gregory	7/15/2016	150,000	\$ 1.03	\$ 128,162

In June 2017, the contract for the Chief Financial Officer was not renewed. His unvested options became fully vested on that date. These options expire between 90 days and one year from the date of his contract expiring.

**Outstanding Equity Awards**

The following table provides a summary of equity awards outstanding for each of the Named Executive Officers as of December 31, 2016:

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Current Named Executive Officers									
Michael Macaluso	(1)	266,666	133,334	-	3.46	12/20/2024	-	-	-
Michael Macaluso		250,000	-	-	2.76	5/7/2022	-	-	-
Michael Macaluso		220,000	-	-	1.03	8/12/2020	-	-	-
Michael Macaluso		180,000	-	-	1.70	8/27/2020	-	-	-
David Bar-Or, M.D.		300,000	-	-	6.48	8/11/2024	-	-	-
David Bar-Or, M.D.		300,000	-	-	6.15	7/15/2023	-	-	-
David Bar-Or, M.D.		200,000	-	-	2.76	5/7/2022	-	-	-
David Bar-Or, M.D.		400,000	-	-	1.03	8/12/2020	-	-	-
Gregory A. Gould		300,000	-	-	7.14	9/8/2017	-	-	-
Gregory A. Gould	(2)	66,666	33,334	-	2.60	6/9/2018	-	-	-
Gregory A. Gould	(3)	50,000	100,000	-	1.03	6/9/2018	-	-	-

- (1) Unexercisable options vest annually and become fully vested January 1, 2017.
- (2) Unexercisable options vest annually and become fully vested July 30, 2017.
- (3) Unexercisable options vest annually and become fully vested July 15, 2018.

## Option Exercises and Stock Vested

The following table provides a summary of option exercises and stock vested for each of the Named Executive Officers as of December 31, 2016:

Name	Option Awards Number of Shares Acquired on Exercise	Value Realized on Exercise	Stock Awards Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#)	(\$)	(#)	(\$)
(a)	(b)	(c)	(d)	(e)
Michael Macaluso	—	—	—	—
David Bar-Or, M.D.	—	—	—	—
Vaughan Clift, M.D.	—	—	—	—
Gregory A. Gould	—	—	—	—

Value realized on exercise is based on the gain, if any, equal to the difference between the fair market value of the (1) stock acquired upon exercise on the exercise date less the exercise price, multiplied by the number of shares for which options are being exercised.

## Employment Agreements

We entered into an employment agreement with Mr. Michael Macaluso, our Chief Executive Officer, effective January 9, 2012 which provided for an annual salary of \$195,000, with an initial term ending January 9 2015. On October 1, 2013, we increased Mr. Macaluso's annual salary from \$195,000 to \$300,000. On December 20, 2014, we extended the Employment Agreement of Mr. Macaluso for three additional years, expiring January 9, 2017. In connection with this Amendment, Mr. Macaluso was awarded an option to purchase 400,000 shares of our common stock at an exercise price of \$3.46 vesting annually over three years beginning on January 1, 2015. On March 9, 2017, we extended the Employment Agreement of Mr. Macaluso for three additional years, expiring January 9, 2020. In connection with this Amendment, Mr. Macaluso was awarded an option to purchase 400,000 shares of our common stock at an exercise price of \$0.81 vesting annually over three years beginning on January 9, 2018.



In August 2010, we entered into employment agreements with Dr. David Bar-Or, our Chief Scientific Officer, and Dr. Vaughan Clift, our former Chief Regulatory Affairs Officer. The employment agreement with Dr. Bar-Or supersedes his prior agreement with Life Sciences. Dr. Clift's employment agreement was amended on October 1, 2010 and May 26, 2011. The terms of the employment agreements with Dr. Bar-Or and Dr. Clift are substantially identical except as noted below. Each agreement had an initial term ending July 31, 2013. The agreements provide for annual salaries of \$300,000 for Dr. Bar-Or and \$250,000 for Dr. Clift. On July 15, 2013, we extended the Employment Agreements of Dr. David Bar-Or and Dr. Vaughan Clift for one additional year, expiring July 31, 2014. In connection with these Amendments, Dr. Bar-Or and Dr. Clift were awarded options to purchase 300,000 and 170,000 shares of our common stock, respectively, at an exercise price of \$6.15 with 50% vesting upon grant and 50% after one year. On August 11, 2014, we extended the Employment Agreements of Dr. David Bar-Or and Dr. Vaughan Clift for one additional year, expiring July 31, 2015. In connection with these Amendments, Dr. Bar-Or and Dr. Clift were awarded options to purchase 300,000 and 170,000 shares of our common stock, respectively, at an exercise price of \$6.48 with 50% vesting upon grant and 50% after one year. On August 3 and July 31, 2015, we extended the Employment Agreements of Dr. Bar-Or and Dr. Clift, respectively, for one additional year, expiring July 31, 2016. In connection with these Amendments, Dr. Bar-Or and Dr. Clift were awarded options to purchase 300,000 and 170,000 shares of our common stock, respectively, at exercise prices of \$2.60 and \$2.68, respectively, with such options vesting on the date that we meet all endpoints in connection with the Ampion clinical trial as determined in the sole discretion of our Compensation Committee. On June 30, 2016, we cancelled these options (470,000 total) as the vesting was based on the outcome of the most recent Ampion trial. Dr. Clift's employment agreement expired on July 31, 2016. Based on a separation agreement between Dr. Clift and the Company signed in fiscal 2016, the Company paid Dr. Clift \$125,000 in March 2016 and \$39,897 in August 2016. Also, per the separation agreement, Dr. Clift's remaining options expired on July 31, 2017. On July 28, 2016, we extended the Employment Agreement of Dr. Bar-Or for one additional year, expiring July 31, 2017. On June 30, 2017, we extended the Employment Agreement of Dr. Bar-Or for one additional year, expiring July 31, 2018.

We entered into an employment agreement with Mr. Gregory Gould, our former Chief Financial Officer, on June 10, 2014, which provided for an annual salary of \$250,000, with an initial term ending June 10, 2017. In connection with this employment agreement, Mr. Gould was awarded an option to purchase 300,000 shares of our common stock at an exercise price of \$7.14 vesting annually over two years beginning on June 10, 2014. We did not renew the employment agreement with Mr. Gould, which expired on June 10, 2017.

Each officer is eligible to receive a discretionary annual bonus each year that will be determined by the Compensation Committee of the Board of Directors based on individual achievement and Company performance objectives established by the Compensation Committee. Bonuses for the executive level officers are contingent upon the Company filing the Ampion BLA with the FDA and raising additional capital to meeting the Company's operating needs as well as final Compensation Committee evaluation of the executive's performance. The bonus accrual for the executives is based on their work and achievement and the Company's performance during fiscal 2016 and 2015 which will be accumulated into the final achievement when or if the BLA is filed in fiscal 2017.

The employment agreements for Dr. Bar-Or and Dr. Clift provided for an initial grant of stock options in the amount of 700,000 (subsequently reduced to 400,000) and 365,000 options, respectively. Each option is exercisable for a period of ten years at an exercise price per share equal to the quoted closing price of our common stock on August 11, 2010.

### **Potential Payments Upon Termination or Change in Control**

If the employment of Dr. Bar-Or or Greg Gould is terminated at our election at any time, for reasons other than death, disability, cause (as defined in the agreement) or a voluntary resignation, or if an officer terminates his employment for good reason, the officer in question shall be entitled to receive a lump sum severance payment equal to two times his base salary and of the continued payment of premiums for continuation of the officer's health and welfare benefits pursuant to COBRA or otherwise, for a period of two years from the date of termination, subject to earlier discontinuation if the officer is eligible for comparable coverage from a subsequent employer. Mr. Macaluso is not entitled to any such termination payments pursuant to the terms of his employment agreement. All severance payments, less applicable withholding, are subject to the officer's execution and delivery of a general release of us and our subsidiaries and affiliates and each of their officers, directors, employees, agents, successors and assigns in a form acceptable to us, and a reaffirmation of the officer's continuing obligation under the propriety information and inventions agreement (or an agreement without that title, but which pertains to the officer's obligations generally, without limitation, to maintain and keep confidential all of our proprietary and confidential information, and to assign all inventions made by the officer to us, which inventions were made or conceived during the officer's employment). If the employment is terminated for cause, no severance shall be payable by us.

“Good Reason” means:

- a material reduction in the officer’s overall responsibilities or authority or scope of duties;
- a material reduction of the officer’s compensation; or
- relocation of the officer to a facility or location not within 40 miles of the state capitol building in Denver, Colorado.

“Cause” means:

- willful malfeasance or willful misconduct in connection with employment;
- conviction of, or entry of a plea of guilty or *nolo contendere* to, any crime other than a traffic violation or misdemeanor;
- willful and deliberate violation of a company policy;
- unintended but material breach of any written policy applicable to all employees which is not cured within 30 business days;

- unauthorized use or disclosure of any proprietary information or trade secrets of the company;

- willful and deliberate breach of the employment agreement;

- any other material breach of the employment agreement which is not cured within 30 business days; or

- gross negligence in the performance of duties.

“Change in Control” means the occurrence of any of the following events:

The acquisition by an individual, entity, or group, other than Ampio or any of its subsidiaries, of beneficial ownership of 50% or more of the combined voting power or economic interests of the then outstanding voting securities of Ampio entitled to vote generally in the election of directors (excluding any issuance of securities by Ampio in a transaction or series of transactions made principally for bona fide equity financing purposes);

The acquisition of Ampio by another entity by means of any transaction or series of related transactions to which Ampio is party (including, without limitation, any stock acquisition, reorganization, merger or consolidation but excluding any issuance of securities by Ampio in a transaction or series of related transactions made principally for bona fide equity financing purposes) other than a transaction or series of related transactions in which the holders of the voting securities of Ampio outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, as a result of shares in Ampio held by such holders prior to such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of Ampio or such other surviving or resulting entity (or if Ampio or such other surviving or resulting entity is a wholly-owned subsidiary immediately following such acquisition, its parent); or

The sale or other disposition of all or substantially all of the assets of Ampio in one transaction or series of related transactions.

In the event of a Change of Control, all outstanding stock options, restricted stock and other stock-based grants held by Mr. Macaluso, Dr. Bar-Or and Mr. Gould become fully vested and exercisable, and all such stock options remain exercisable from the date of the Change in Control until the expiration of the term of such stock options.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of Ampio immediately prior to such transaction or series of transactions continue to have

substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of Ampio immediately following such transaction or series of transactions.

The employment agreements do not provide for the payment of a “gross-up” payment under Section 280G of the Internal Revenue Code. The following table provides estimates of the potential severance and other post-termination benefits that each of Dr. Bar-Or, Mr. Macaluso, and Mr. Gould would have been entitled to receive assuming their respective employment was terminated as of December 31, 2016 for the reason set forth in each of the columns.

Recipient and Benefit	Cause; Without good reason;	Without Cause; Good reason	Death; Disability	Change in Control
Michael Macaluso				
Stock Options (2)	\$ -	\$-	\$ -	\$ -
Total	\$ -	\$-	\$ -	\$ -
David Bar-Or, M.D.				
Salary	\$ -	\$600,000	\$ -	\$ -
Stock Options (2)	\$ -	\$-	\$ -	\$ -
Value of health benefits provided after termination (1)	\$ -	\$27,246	\$ -	\$ -
Total	\$ -	\$627,246	\$ -	\$ -
Gregory Gould				
Salary	\$ -	\$500,000	\$ -	\$ -
Stock Options (2)	\$ -	\$-	\$ -	\$ -
Value of health benefits provided after termination (1)	\$ -	\$35,718	\$ -	\$ -
Total	\$ -	\$535,718	\$ -	\$ -

(1) The value of such benefits is determined based on the estimated cost of providing health benefits to the Named Executive Officer for a period of two years.

Amounts represent the intrinsic value (that is, the value based upon our stock price on December 31, 2016 of \$.90 per share), minus the exercise price of the equity awards that would have become exercisable as of December 31, 2016. The unexercised options of these officers have a value higher than the stock price on December 31, 2016 of \$.90 per share, therefore there is no intrinsic value.

### Non-Employee Director Compensation

Our Compensation Committee established the following fees for payment to members of our Board of Directors or committees, as the case may be for the fiscal year ended December 31, 2016:

Committee or Committees	Cash or Common Stock  Compensation
-------------------------	------------------------------------------------

Board of Directors Annual Retainer:		
Chairman		\$ 20,000
Each non-employee director		\$ 20,000
Board of Directors Meeting Fees:		
Each meeting attended in-person		\$ 1,500
Each meeting attended via telephone or Internet		\$ 1,000
Committee Annual Retainer:		
Chairman of each committee	Audit; Compensation; Nominating and Governance	\$ 20,000
Each non-chair member	Audit	\$ 12,000
Each non-chair member	Compensation; Nominating and Governance	\$ 10,000
Committee Chairman Meeting Fees:		
Each meeting attended in-person	Audit; Compensation; Nominating and Governance	\$ 2,500
Each meeting attended via telephone or Internet	Audit; Compensation; Nominating and Governance	\$ 1,500
Committee Member Meeting Fees:		
Each meeting attended in-person	Audit; Compensation; Nominating and Governance	\$ 1,500
Each meeting attended via telephone or Internet	Audit; Compensation; Nominating and Governance	\$ 1,000
Annual Stock Award:		\$ 20,000

In December 2015, the Compensation Committee amended the Non-Employee Director Compensation for fiscal 2016 by increasing the annual stock award to \$20,000 and granting each Director options to purchase 30,000 shares of our stock on the date of our annual shareholder meeting of stockholders, vesting monthly over the succeeding twelve months.

### Director Compensation for 2016

The table below summarizes the compensation paid by us to non-employee directors during the year ended December 31, 2016.

Name	Fees Earned or Paid in Cash	Stock Option Awards (1)	Stock Awards (2)	All Other Compensation	Total
Philip H. Coelho	\$89,000	\$ -	\$20,000	\$ -	\$109,000
Richard B. Giles	\$80,000	\$ -	\$20,000	\$ -	\$100,000
David Stevens, PhD	\$66,000	\$ -	\$20,000	\$ -	\$86,000

(1) At December 31, 2016, Messrs. Coelho, Giles and Dr. Stevens held options to acquire 595,554, 680,000 and 255,000 shares of common stock, respectively. On January 7, 2017, the date of our annual meeting, each of the directors received 30,000 options with an exercise price of \$0.95 that vest over 12 months and have a ten year term.

(2) Annual stock award. In January 2016, each of Messrs. Coelho, Giles and Dr. Stevens was awarded 6,042 shares of common stock pursuant to the 2010 Plan, at a price of \$3.31 per share equivalent to \$20,000, which was the closing price of our common stock on the date of grant (January 4, 2016).

### REPORT OF THE AUDIT COMMITTEE

The Audit Committee evaluates auditor performance, manages relations with the Company's independent registered public accounting firm, and evaluates policies and procedures relating to internal control systems. The Audit Committee operates under a written Audit Committee Charter that has been adopted by the Board, a copy of which is available on the Company's website. All members of the Audit Committee currently meet the independence and



qualification standards for Audit Committee membership set forth in the listing standards provided by NYSE MKT LLC and the SEC.

The Audit Committee members are not professional accountants or auditors. The members' functions are not intended to duplicate or to certify the activities of management and the independent registered public accounting firm. The Audit Committee serves a board-level oversight role in which it provides advice, counsel and direction to management and the auditors on the basis of the information it receives, discussions with management and the auditors, and the experience of the Audit Committee's members in business, financial and accounting matters.

The Audit Committee oversees the Company's financial reporting process on behalf of the Board. The Company's management has the primary responsibility for the financial statements and reporting process, including the Company's system of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed with management the audited financial statements included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2016. This review included a discussion of the quality and the acceptability of the Company's financial reporting, including the nature and extent of disclosures in the financial statements and the accompanying notes. The Audit Committee also reviewed the progress and results of the testing of the design and effectiveness of its internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002.

The Audit Committee also reviewed with the Company's independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of the audited financial statements with accounting principles generally accepted in the United States of America, their judgments as to the quality and the acceptability of the Company's financial reporting and such other matters as are required to be discussed with the Committee under generally accepted auditing standards, including Statement on Auditing Standards No. 61, as adopted by the Public Company Accounting Oversight Board. The Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by the Public Company Accounting Oversight Board. The Audit Committee discussed with the independent registered public accounting firm their independence from management and the Company, including the matters required by the applicable rules of the Public Company Accounting Oversight Board.

In addition to the matters specified above, the Audit Committee discussed with the Company's independent registered public accounting firm the overall scope, plans and estimated costs of their audit. The Committee met with the independent registered public accounting firm periodically, with and without management present, to discuss the results of the independent registered public accounting firm's examinations, the overall quality of the Company's financial reporting and the independent registered public accounting firm's reviews of the quarterly financial statements, and drafts of the quarterly and annual reports.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements should be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Submitted by the Audit Committee of the Board of Directors

Richard B. Giles  
Philip H. Coelho  
David R. Stevens, Ph.D.

## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

### **Related Party Transactions**

In addition to the director and executive compensation arrangements discussed above in "Executive Compensation", we or Life Sciences have been a party to the following transactions since January 2014 in which the amount involved exceeded or will exceed \$120,000, and in which any director, executive officer or holder of more than 5% of any class of our voting stock, or any member of the immediate family of or entities affiliated with any of them, had or will have

a material interest.

Ampio entered into a sponsored research agreement with Trauma Research LLC or, TRLLC, an entity controlled by our director and Chief Scientific Officer, Dr. Bar-Or, on September 1, 2009, which has been amended seven times with the last amendment occurring in June of 2017. Under the amended terms of the research agreement, Ampio provided personnel with an equivalent value of \$325,000 per year. Pursuant to an amendment in March 2014, Ampio also agreed to pay a sum of \$725,000 which is being amortized over the contractual term of 60.5 months and is divided between current and long-term on the balance sheet. In return, TRLLC agreed to assign any intellectual property rights it develops on our behalf under the research agreement and undertake additional activities to support Ampio's commercial activities and business plan. In June 2017 we entered into an addendum to the agreement that terminated the agreement effective July 5, 2017.

Immediately prior to the Merger on March 2, 2010, Chay Enterprises, Inc. or Chay, accepted subscriptions for an aggregate of 1,325,000 shares of common stock from six officers and employees of Life Sciences, for a purchase price of \$150,000. The purchase price was advanced to the six officers and employees by Chay at the time the subscriptions were accepted. These shares were issued immediately before the closing of the Merger but after the shareholders of Chay had approved the merger. The advances are non-interest bearing and due on demand and are classified as a reduction to stockholders' equity. During 2012 and 2011, advances of \$37,000 and \$23,000 were repaid to the Company, respectively. As of December 31, 2016, \$25,000 of advances to stockholders remained outstanding.

In June 2017, Ampio terminated the shared services agreement with Aytu. As of June 30, 2017, Aytu owed Ampio \$65,000 under this agreement. For the six months ended June 30, 2017 and 2016, the total shared overhead cost was \$104,000 and \$131,000, respectively.

### **Indemnification of Officers and Directors**

We have entered into indemnification agreements with each of our directors and executive officers. The indemnification agreements and our certificate of incorporation and bylaws require us to indemnify our directors and executive officers to the fullest extent permitted by Delaware law.

### **Policies and Procedures for Related Party Transactions**

We have adopted a formal written policy that our executive officers, directors, nominees for election as directors, beneficial owners of more than 5% of any class of our common stock and any member of the immediate family of any of the foregoing persons, are not permitted to enter into a related party transaction with us without the prior consent of our Audit Committee, subject to the pre-approval exceptions described below. If advance approval is not feasible then the related party transaction will be considered at the Audit Committee's next regularly scheduled meeting. In approving or rejecting any such proposal, our Audit Committee is to consider the relevant facts and circumstances available and deemed relevant to our Audit Committee, including, but not limited to, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction. Our Board of Directors has delegated to the chair of our Audit Committee the authority to pre-approve or ratify any request from us to enter into a transaction with a related party, in which the amount involved is less than \$120,000 and where the chair is not the related party. Our Audit Committee has also reviewed certain types of related party transactions that it has deemed pre-approved even if the aggregate amount involved will exceed \$120,000, including employment of executive officers, director compensation, certain transactions with other organizations, transactions where all stockholders receive proportional benefits, transactions involving competitive bids, regulated transactions and certain banking-related services.

### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth information regarding beneficial ownership of our common stock as of July 31, 2017, by:

- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;
- each of our Named Executive Officers;
- each of our directors; and

- all executive officers and directors as a group.

We have determined beneficial ownership in accordance with SEC rules. The information does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes shares issuable upon exercise of options and warrants held by the respective person or group which may be exercised within 60 days after July 31, 2017. For purposes of calculating each person's or group's percentage ownership, stock options and warrants exercisable within 60 days after July 31, 2017 are included for that person or group but not the stock options, debentures, or warrants of any other person or group. Applicable percentage ownership is based on 68,232,409 shares of common stock outstanding at July 31, 2017.

Unless otherwise indicated and subject to any applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed. Unless otherwise noted below, the address of each stockholder listed on the table is c/o Ampio Pharmaceuticals, Inc., 373 Inverness Parkway, Suite 200, Englewood, Colorado 80112.

Name of Beneficial Owner	Number of Shares	Percentage of Shares	
	Beneficially Owned	Beneficially Owned	
CVI Investments Inc. (1)	7,877,886	10.1	%
Bruce Terker (2)	4,473,330	5.8	%
Michael Macaluso (3)	2,836,752	3.7	%
David Bar-Or (4)	1,200,000	1.5	%
Richard B. Giles (5)	970,848	1.2	%
Philip H. Coelho (6)	663,781	0.9	%
Gregory A. Gould (7)	550,000	0.7	%
David R. Stevens (8)	313,289	0.4	%
Thomas Chilcott (9)	58,333	0.1	%
All executive officers and directors (seven people)	6,534,670	8.4	%

(1) Based solely on a Schedule 13G filed on February 10, 2017 by CVI Investments, Inc. reporting beneficial ownership as of December 31, 2016.

(2) Based solely on a Schedule 13G filed on June 14, 2017 by Bruce Terker reporting beneficial ownership as of June 7, 2017.

Includes an aggregate of 1,050,000 shares of common stock issuable to Mr. Macaluso by virtue of (i) exercise of currently exercisable stock options, (ii) exercise of warrants, and (iii) his service as a non-management director and currently as an officer.

Includes 1,200,000 shares of common stock which Dr. Bar-Or has the right to acquire through the exercise of stock options. Excludes 530,700 shares of common stock beneficially owned by Raphael Bar-Or, Dr. Bar-Or's son, as to which Dr. Bar-Or disclaims beneficial ownership.

(5) Includes 702,500 shares of common stock issuable to Mr. Giles by virtue of (i) exercise of currently exercisable stock options, and (ii) exercise of warrants.

(6) Includes 618,054 shares of common stock issuable to Mr. Coelho on exercise of currently exercisable stock options.

(7) Includes 550,000 shares of common stock issuable to Mr. Gould on exercise of currently exercisable stock options.

(8) Includes 277,500 shares of common stock issuable to Dr. Stevens on exercise of currently exercisable stock options.

(9) Includes 58,333 shares of common stock issuable to Mr. Chilcott on exercise of currently exercisable stock options.

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who beneficially own greater than 10% of a registered class of its equity securities to file certain reports with the SEC with respect to ownership and changes in ownership of the Common Stock and our other equity securities. Prior to our listing on the NYSE MKT LLC, our common stock was listed on the NASDAQ Capital market and was previously registered pursuant to Section

15(d) of the Exchange Act. Upon our listing on the NASDAQ Capital Market, our executive officers, directors and greater than 10% stockholders became subject to the filing obligations described in Section 16(a).

Other than as described above, none of our executive officers or directors engaged in any transaction that would have been required to be reported under Section 16(a) of the Exchange Act during the period starting on the date the reports were originally due and ending on the date such reports were filed. To our knowledge, no shareholder beneficially owns more than 10% of our common stock.

## **STOCKHOLDER PROPOSALS**

Stockholder proposals will be considered for inclusion in the Proxy Statement for the 2018 Annual Meeting in accordance with Rule 14a-8 under the Exchange Act, if they are received by the Secretary of the Company, on or before [\_\_\_], 2018. If the date of the annual meeting is moved by more than 30 days from the date contemplated at the time of the previous year's proxy statement, then notice must be received within a reasonable time before we begin to print and send proxy materials. If that happens, we will publicly announce the deadline for submitting a proposal in a press release or in a document filed with the SEC.

Stockholders who intend to present a proposal at the 2018 Annual Meeting of Stockholders without inclusion of such proposal in our proxy materials for the 2018 Annual Meeting are required to provide notice of such proposal between May 19, 2018 and June 16, 2018, assuming that the 2018 Annual Meeting is held within 30 days from September 16, 2018. If the meeting is advanced by more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice must be delivered prior to the later of (a) the 90th day before the annual meeting or (b) the 10th day after which announcement of the meeting day is first made, but no earlier than 120 days prior to the annual meeting. We reserve the right to reject, rule out of order, or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

Proposals and notices of intention to present proposals at the 2017 Annual Meeting should be addressed to Corporate Secretary of Ampio Pharmaceuticals, Inc., 373 Inverness Parkway, Suite 200, Englewood, Colorado 80112.

## **HOUSEHOLDING OF PROXY MATERIALS**

In some cases, only one copy of this Proxy Statement or our 2016 Annual Report is being delivered to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders. We will deliver promptly, upon written or oral request, a separate copy of this Proxy Statement or such Annual Report to a stockholder at a shared address to which a single copy of the document was delivered. Stockholders sharing an address who are receiving multiple copies of proxy statements or annual reports may also request delivery of a single copy. To request separate or multiple delivery of these materials now or in the future, a stockholder may submit a written request to Corporate Secretary of Ampio Pharmaceuticals, Inc., 373 Inverness Parkway, Suite 200, Englewood, Colorado 80112 or an oral request at (720) 437-6500.

## **WHERE YOU CAN FIND ADDITIONAL INFORMATION**

We have filed reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.W., Washington, D.C. 20549. You may obtain information on the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains the reports, proxy statements and other information we file electronically with the SEC. The address of the SEC website is <http://www.sec.gov>.

You may request, and we will provide at no cost, a copy of these filings, including any exhibits to such filings, by writing or telephoning us at the following address: Corporate Secretary of Ampio Pharmaceuticals, Inc., 373 Inverness Parkway, Suite 200, Englewood, Colorado 80112 or an oral request at (720) 437-6500. You may also access these filings at our web site under the investor relations link at [www.ampiopharma.com](http://www.ampiopharma.com).



## OTHER MATTERS

The Board of Directors knows of no other business that will be presented at the Annual Meeting. If any other business is properly brought before the Annual Meeting, it is intended that proxies in the enclosed form will be voted in respect thereof in accordance with the judgment of the persons voting the proxies.

It is important that the proxies be returned promptly and that your shares be represented. Stockholders are urged to vote. Stockholders are urged to mark, date, execute and promptly return the accompanying proxy card in the enclosed envelope or vote these proxies by telephone at 1-800-690-6903 or by internet at [www.proxyvote.com](http://www.proxyvote.com).

By Order of the Board of  
Directors

/s/ Thomas E. Chilcott, III  
Thomas E. Chilcott, III  
Secretary

August [\_\_], 2017  
Englewood, Colorado

**[Insert Form of Proxy Card]**