

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No. 2

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

For the fiscal year ended December 31, 2014

OR

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

For the transition period from to

Commission File Number: 000-19756



PDL BioPharma, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

94-3023969
(I.R.S. Employer Identification No.)

932 Southwood Boulevard
Incline Village, Nevada 89451
(Address of principal executive offices)

Registrant's telephone number, including area code
(775) 832-8500

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

Title of Class
Common Stock, par value \$0.01 per share

Name of Exchange on which Registered
The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of shares of common stock held by non-affiliates of the registrant, based on the closing sale price of a share of common stock on June 30, 2014 (the last business day of the registrant's most recently completed second fiscal quarter), as reported on the NASDAQ Global Select Market, was \$1,548,603,932.

As of February 13, 2015, the registrant had outstanding 162,750,797 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement to be delivered to stockholders with respect to the registrant's 2015 Annual Meeting of Stockholders to be filed by the registrant with the U.S. Securities and Exchange Commission are incorporated by reference into Part III of this Annual Report on Form 10-K. The registrant intends to file its proxy statement within 120 days after its fiscal year end.

Explanatory Note

PDL BioPharma, Inc. (the “Company”) is filing this Amendment No. 2 on Form 10-K/A (this “Amendment No. 2”) to amend the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 (the “Annual Report”), as filed with the Securities and Exchange Commission (the “Commission”) on February 23, 2015 (the “Original Filing Date”).

This Amendment No. 2 is being filed solely to amend Exhibit 10.64 (the “Exhibit”) originally filed with the Annual Report. The Company had sought confidential treatment under Rule 24b-2 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and 17 C.F.R. Section 200.80(b)(4), for portions of the Exhibit and, following correspondence and conversations with the Staff of the Commission’s Division of Corporate Finance (the “Staff”), is re-filing the Exhibit to address comments the Company received from the Staff in response to its requests for confidential treatment.

The Exhibit filed herewith supersedes in its entirety the Exhibit originally filed with the Annual Report. Except for the revised Exhibit, this Amendment No. 2 does not amend any other information set forth in the Annual Report. This Amendment No. 2 speaks as of the Original Filing Date, does not reflect any events that may have occurred subsequent to the Original Filing Date, and does not modify or update in any way any disclosures made in the Annual Report.

In connection with the filing of this Amendment No. 2, the Company is including new certifications of the Company’s chief executive officer and chief financial officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, which certifications are attached hereto. The Company is not including certifications pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C.1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, because no financial statements are being filed with this Amendment No. 2.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(3) Exhibits required by Item 601 of Regulation S-K

Exhibit Number	Exhibit Title
2.1	Separation and Distribution Agreement, dated December 17, 2008, between the Company and Facet Biotech Corporation (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed December 23, 2008)
2.2	Amendment No. 1 to Separation and Distribution Agreement, dated January 20, 2009, between the Company and Facet Biotech Corporation (incorporated by reference to Exhibit 2.2 to Annual Report on Form 10-K filed March 2, 2009)
3.1	Restated Certificate of Incorporation effective March 23, 1993 (incorporated by reference to Exhibit 3.1 to Annual Report on Form 10-K filed March 31, 1993)
3.2	Certificate of Amendment of Certificate of Incorporation effective August 21, 2001 (incorporated by reference to Exhibit 3.3 to Annual Report on Form 10-K filed March 14, 2002)
3.3	Certificate of Amendment of Certificate of Incorporation effective January 9, 2006 (incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K filed January 10, 2006)
3.4	Certificate of Designation, Preferences and Rights of the Terms effective August 25, 2006 (incorporated by reference to Exhibit 3.4 to Registration Statement on Form 8-A filed September 6, 2006)
3.5	Third Amended and Restated Bylaws effective December 4, 2014 (incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K filed December 9, 2014)
3.6	Certificate of Amendment of Restated Certificate of Incorporation effective May 22, 2013 (incorporated by reference to Exhibit 4.4 to Registration Statement on Form S-3 filed June 21, 2013)
4.1	Indenture between wholly-owned subsidiary QHP Royalty Sub LLC and U.S. Bank National Association, dated November 2, 2009 (incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K filed November 6, 2009)
4.2	Indenture between the Company and The Bank of New York Mellon, N.A., dated November 1, 2010 (incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q filed November 9, 2010)
4.3	Indenture between the Company and The Bank of New York Mellon, N.A., dated May 16, 2011 (incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q filed July 29, 2011)
4.4	Supplemental Indenture between the Company and The Bank of New York Mellon, N.A., dated May 16, 2011 (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed May 16, 2011)
4.5	Indenture between the Company and The Bank of New York Mellon, N.A., dated January 5, 2012 (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed January 6, 2012)
4.6	Indenture between the Company and The Bank of New York Mellon Trust Company, N.A., dated February 12, 2014 (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed February 12, 2014)
4.7	Supplemental Indenture between the Company and The Bank of New York Mellon Trust Company, N.A., dated February 12, 2014 (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed February 12, 2014)
4.8	Second Supplemental Indenture between the Company and The Bank of New York Mellon Trust Company, N.A., dated February 28, 2014 (incorporated by reference to Exhibit 4.9 to Annual Report on Form 10-K filed March 3, 2014)
10.1*	1999 Stock Option Plan (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed August 9, 2006)
10.2*	1999 Nonstatutory Stock Option Plan, as amended through February 20, 2003 (incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q filed August 9, 2006)
10.3*	Form of Notice of Grant of Stock Option under the 1999 Stock Option Plan (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed August 14, 2002)

- 10.4* Form of Stock Option Agreement (incentive stock options) under the 1999 Stock Option Plan (incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-Q filed August 9, 2006)
- 10.5* Form of Stock Option Agreement (nonstatutory stock options) under the 1999 Stock Option Plan (incorporated by reference to Exhibit 10.5 to Quarterly Report on Form 10-Q filed August 9, 2006)
- 10.6* Form of Notice of Grant of Stock Option under the 1999 Nonstatutory Stock Option Plan (incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q/A filed November 14, 2007)
- 10.7* Form of Stock Option Agreement under the 1999 Nonstatutory Stock Option Plan (incorporated by reference to Exhibit 10.6 to Quarterly Report on Form 10-Q filed August 9, 2006)
- 10.8* 2002 Outside Directors Stock Option Plan, as amended June 8, 2005 (incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K filed June 14, 2005)
- 10.9* Form of Nonqualified Stock Option Agreement under the 2002 Outside Directors Plan (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q/A filed November 14, 2007)
- 10.10* Amended and Restated 2005 Equity Incentive Plan effective June 4, 2009 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed July 31, 2009)
- 10.11* Form of Notice of Grant of Stock Option under the 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to Quarterly Report on Form 10-Q filed August 9, 2006)
- 10.12* Form of Stock Option Agreement under the 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 to Quarterly Report on Form 10-Q filed August 9, 2006)
- 10.13* Form of Notice of Grant of Restricted Stock Award under the 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to Quarterly Report on Form 10-Q filed August 9, 2006)
- 10.14* Form of Restricted Stock Agreement under the 2005 Equity Incentive Plan (for the officers of the Company) (incorporated by reference to Exhibit 10.10 to Quarterly Report on Form 10-Q filed August 9, 2006)
- 10.15* Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Registration Statement on Form S-1 filed December 16, 1991)
- 10.16* Offer Letter between the Company and John McLaughlin, dated November 4, 2008 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed November 10, 2008)
- 10.17 Tax Sharing and Indemnification Agreement, dated December 18, 2008, between the Company and Facet Biotech Corporation (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K filed December 23, 2008)
- 10.18 Patent Licensing Master Agreement between the Company and Genentech, Inc., dated September 25, 1998 (incorporated by reference to Exhibit 10.10 to Quarterly Report on Form 10-Q filed November 16, 1998)†
- 10.19 Amendment No. 1 to Patent Licensing Master Agreement between the Company and Genentech, Inc., dated September 18, 2003 (incorporated by reference to Exhibit 10.45 to Annual Report on Form 10-K filed March 8, 2004)†
- 10.20 Amendment No. 2 to Patent Licensing Master Agreement between the Company and Genentech, Inc., dated December 18, 2003 (incorporated by reference to Exhibit 10.45 to Annual Report on Form 10-K filed March 2, 2009)
- 10.21 Amendment No. 1 to the Herceptin License Agreement between the Company and Genentech, Inc., dated December 18, 2003 (incorporated by reference to Exhibit 10.47 to Annual Report on Form 10-K filed March 8, 2004)
- 10.22 Patent License Agreement, dated July 17, 1997, between the Company and MedImmune Inc. (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed January 24, 2011)†
- 10.23 Patent License Agreement, dated April 24, 1998, between the Company and Elan International Services Ltd. (incorporated by reference to Exhibit 10.45 to Annual Report on Form 10-K filed March 2, 2009) †
- 10.24* Offer Letter between the Company and Christopher Stone, dated December 30, 2008 (incorporated by reference to Exhibit 10.29 to Annual Report on Form 10-K filed March 1, 2010)
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- 10.25 Purchase and Sale Agreement, dated November 2, 2009, between PDL and wholly-owned subsidiary QHP Royalty Sub LLC (incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K filed November 6, 2009)
- 10.26 Pledge and Security Agreement, dated November 2, 2009, between PDL and wholly-owned subsidiary QHP Royalty Sub LLC (incorporated by reference to Exhibit 99.3 to Current Report on Form 8-K filed November 6, 2009)
- 10.27 Bill of Sale, dated November 2, 2009, between PDL and wholly-owned subsidiary QHP Royalty Sub LLC (incorporated by reference to Exhibit 99.4 to Current Report on Form 8-K filed November 6, 2009)
- 10.28 Settlement Agreement between the Company and Genentech, Inc., dated December 18, 2003 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed November 9, 2010) †
- 10.29 Amended and Restated Patent Licensing master Agreement between the Company and Genentech, Inc., dated July 27, 2009 (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed November 9, 2010) †
- 10.30 Amendments to Product Licenses and Settlement Agreement between the Company and Genentech, Inc. dated July 27, 2009 (incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q filed November 9, 2010)
- 10.31* Offer Letter between the Company and Caroline Krumel, dated January 6, 2011 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed January 25, 2011)
- 10.32* Offer Letter between the Company and Danny Hart, dated January 11, 2010 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed April 18, 2011)
- 10.33* Form of Executive Officer Severance Agreement (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed May 26, 2011)
- 10.34* 2012 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q filed July 29, 2011)
- 10.35* 2013 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.47 to Annual Report on Form 10-K filed February 23, 2012)
- 10.36* 2012 Annual Bonus Plan (incorporated by reference to Exhibit 10.48 to Annual Report on Form 10-K filed February 23, 2012)
- 10.37 Form of Exchange Agreement between the Company and certain holders of the Company's 2.875% Convertible Senior Notes due February 15, 2015 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed February 2, 2012)
- 10.38 Lease Agreement between 932936, LLC and the Company, dated April 17, 2012 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed May 3, 2012)
- 10.39* Offer Letter between the Company and Bruce Tomlinson, dated April 20, 2012 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed April 27, 2012)
- 10.40 Credit Agreement between the Company and Merus Labs International, Inc., dated July 10, 2012 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10Q filed August 2, 2012)†
- 10.41 Revenue Interests Purchase Agreement between the Company and AxoGen, Inc., dated October 5, 2012 (incorporated by reference to Exhibit 10.49 to Annual Report on Form 10-K filed March 1, 2013)†
- 10.42 Credit Agreement between the Company and Wellstat Diagnostics, LLC, dated November 2, 2012 (incorporated by reference to Exhibit 10.50 to Annual Report on Form 10-K filed March 1, 2013)†
- 10.43* Separation Agreement between the Company and Bruce Tomlinson, dated November 30, 2012 (incorporated by reference to Exhibit 10.51 to Annual Report on Form 10-K filed March 1, 2013)
- 10.44* Offer Letter between the Company and Peter Garcia, dated March 27, 2013 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed April 29, 2013)
- 10.45* 2013 Annual Bonus Plan (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed May 9, 2013)
- 10.46* 2014 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed May 9, 2013)
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- 10.47* Offer Letter between the Company and David Montez, executed July 4, 2013 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed July 24, 2013)
- 10.48 Credit Agreement between the Company and Avinger, Inc., dated April 18, 2013 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed August 8, 2013)†
- 10.49 Amended and Restated Credit Agreement between the Company and Wellstat Diagnostics, LLC, dated August 15, 2013 (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed November 6, 2013)†
- 10.50 Form of Exchange Agreement between the Company and certain holders of the Company's 2.875% Convertible Senior Notes due 2015 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed February 7, 2014)
- 10.51 Form of Purchase Agreement between the Company and a certain holder of the Company's 2.875% Convertible Senior Notes due 2015 (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K filed February 7, 2014)
- 10.52 Form of Credit Agreement between the Company and certain borrowers (incorporated by reference to Exhibit 10.56 to Annual Report on Form 10-K filed March 3, 2014)
- 10.53 Credit Agreement among the Company, as borrower, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent, dated as of October 28, 2013 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed October 30, 2013)
- 10.54 Royalty Purchase and Sale Agreement between the Company and Depomed, Inc. and Depo DR Sub, LLC, dated October 18, 2013 (incorporated by reference to Exhibit 10.58 to Annual Report on Form 10-K filed March 3, 2014)†
- 10.55* 2014 Annual Bonus Plan (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed May 12, 2014)
- 10.56 Settlement Agreement among Genentech, Inc., F. Hoffman-la Roche Ltd. and the Company, dated January 31, 2014 (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed May 12, 2014)†
- 10.57 Summary of omitted Credit Agreement between PDL BioPharma, Inc. and Paradigm Spine, LLC, dated February 14, 2014 (incorporated by reference to Exhibit 10.5 to Quarterly Report on Form 10-Q filed May 12, 2014)
- 10.58 Note Purchase Agreement between the Company and Accel 300, LLC, dated April 1, 2014 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q filed August 18, 2014)
- 10.59* 2014/18 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q filed August 18, 2014)
- 10.60 First Amendment to Lease Agreement between 932936, LLC and the Company, effective May 27, 2014 (incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-Q filed August 18, 2014)
- 10.61 First Amendment to Amended and Restated Credit Agreement between the Company and Wellstat Diagnostics, LLC, dated June 19, 2014 (incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-Q filed August 18, 2014)†
- 10.62 Amendment No. 1 to Credit Agreement among the Company, as borrower, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent, dated as of October 28, 2013 (incorporated by reference to Exhibit 10.5 to Quarterly Report on Form 10-Q filed August 18, 2014)
- 10.63 Amendment No. 2 to Credit Agreement among the Company, as borrower, the lenders from time to time party thereto and Royal Bank of Canada, as administrative agent, dated as of July 2, 2014 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed July 7, 2014)
- 10.64# Second Amendment to Amended and Restated Credit Agreement between the Company and Wellstat Diagnostics, LLC, dated August 21, 2014†
- 10.65## Third Amendment to Amended and Restated Credit Agreement between the Company and Wellstat Diagnostics, LLC, dated November 4, 2014†
- 10.66## Exchange Agreement between Tang Capital Partners, LP and the Company, dated October 20, 2014.
- 10.67## Schedule of Amendment to Omitted Credit Amendment between PDL BioPharma, Inc. and Direct Flow Medical
- 12.1## Ratio of Earnings to Fixed Charges
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16.1	Letter from Ernst & Young LLP, dated September 16, 2014 (incorporate by reference to Exhibit 10.1 to Current Report on Form 8-K filed September 16, 2014)
21.1##	Subsidiaries of the Registrant
23.1##	Consent of Independent Registered Public Accounting Firm
23.2##	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
31.1#	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2#	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
32.1##+	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS##	XBRL Instance Document
101.SCH##	XBRL Taxonomy Extension Schema
101.CAL##	XBRL Taxonomy Extension Calculation Linkbase
101.DEF##	XBRL Taxonomy Extension Definition Linkbase
101.LAB##	XBRL Taxonomy Extension Label Linkbase
101.PRE##	XBRL Taxonomy Extension Presentation Linkbase

Filed herewith.

Previously filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2014, as amended.

##+ Previously furnished and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, with the Company's Annual Report on Form 10-K for the year ended December 31, 2014, as amended.

* Management contract or compensatory plan or arrangement.

† Certain information in this exhibit has been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under 17 C.F.R. Sections 200.80(b)(4) and 24b-2.

Pursuant to 17 CFR 240.24b-2, confidential information has been omitted in places marked "*****" and has been filed separately with the Securities and Exchange Commission pursuant to a Confidential Treatment Application filed with the Commission.

EXECUTION COPY

**SECOND AMENDMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT**

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Second Amendment"), dated as of August 21, 2014, is entered into by and among WELLSTAT DIAGNOSTICS, LLC, a Delaware limited liability company (the "Borrower"), and PDL BIOPHARMA, INC., a Delaware corporation ("PDL"), in its capacity as lender (in such capacity, the "Lender"), and in its capacity as agent (in such capacity, the "Agent").

WITNESSETH

WHEREAS, the Borrower, the Lender and the Agent have entered into that certain Amended and Restated Credit Agreement, dated as of August 15, 2013 (as may have been amended, modified, or amended and restated from time to time, the "Credit Agreement");

WHEREAS, on June 23, 2014 Borrower and Lender entered into the First Amendment to Amended and Restated Credit Agreement (the "First Amendment")

WHEREAS, at the Borrower's request, the Lender now desires to make a Discretionary Advance (as defined below) to the Borrower in the amount of \$***** (the "Current Discretionary Advance Amount"), and to have the ability to make additional Discretionary Advances after the date hereof so long as the aggregate principal amount of the Current Discretionary Advance Amount and all Discretionary Advances made after the date hereof does not conflict with Section 5.4(a)(1) of the Intercreditor Agreement.

WHEREAS, the Borrower, Lender, and Agent desire to amend the Credit Agreement to reflect the foregoing transaction.

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I.
DEFINITIONS**

1.1 Definitions. Unless otherwise defined herein or the context otherwise requires, capitalized terms used and not defined in this Second Amendment, including its preamble and recitals, have the meanings ascribed to such terms in the Credit Agreement.

**ARTICLE II.
AMENDMENTS**

2.1 Amendments. Upon satisfaction of the conditions set forth in Article III hereof, the Credit Agreement is hereby amended as follows:

(a) The following definition in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

“Loans” means (i) the Initial Term Loan and (ii) any Discretionary Advances.

(b) Section 1.1 of the Credit Agreement is hereby amended by adding the following definition in alphabetical order:

“Discretionary Advances” means all credit extended by the Lender in its sole discretion to the Borrower following the Closing Date. For the avoidance of doubt, the advances from the Lender to the Borrower after the Closing Date (and on or prior to August 15, 2013) in the amount of \$4,102,939.72 are deemed to be Discretionary Advances.

(c) Section 2.1.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

“2.1.1. Loans. On the terms and subject to the conditions of this Agreement, the Lender previously agreed to lend to the Borrower on the Closing Date the entire amount of its Commitment, after which the Commitment was terminated. After the Closing Date, the Lender agreed to make certain Discretionary Advances to the Borrower and may agree, in its sole discretion, to make further Discretionary Advances from time to time in an amount not to exceed the amounts permitted by Section 5.4(a)(1) of the Intercreditor Agreement.”

**ARTICLE III.
CONDITIONS TO EFFECTIVENESS**

This Second Amendment shall be and become effective on the date (the “Second Amendment Effective Date”) all of the conditions set forth in this ARTICLE III shall have been satisfied (or waived by the Agent and the Lender in accordance with Section 10.1 of the Credit Agreement):

3.1 Counterparts. The Agent shall have received counterparts of this Second Amendment, which shall be collectively executed by each of the Borrower, the Lender and the Agent.

3.2 Fees and Expenses. The Agent shall have received reimbursement of any costs and expenses (including fees and expenses of counsel to the Agent and the Lender) incurred by it or the Lender relating to this Second Amendment and the transactions contemplated hereby.

3.3 Representations and Warranties. Other than with respect to the Existing Events of Default (as defined in the First Amendment), the representations and warranties contained in the Loan Documents are true and correct in all material respects (without duplication of any materiality qualifier contained therein) on and as of the date hereof as if made on the date hereof.

3.4 Event of Default. Other than the Existing Events of Default, no Event of Default shall have occurred and be continuing under the Credit Agreement and no Event of Default shall result from execution and delivery of this Second Amendment and the consummation of the transactions contemplated herein.

**ARTICLE IV.
REPRESENTATIONS AND WARRANTIES**

4.1 Representations and Warranties. In order to induce the Agent and the Lender to enter into this Second Amendment, the Borrower hereby represents and warrants to the Agent and the Lender that as of the date hereof and after giving effect to this Second Amendment:

(a) The Borrower is a limited liability company validly existing and in good standing under the laws of the State of Delaware. The Borrower is duly authorized to execute and deliver this Second Amendment and the performance by the Borrower of the Credit Agreement, as amended hereby, has been duly authorized by all necessary action, and the Borrower has all requisite power, authority and legal right to execute, deliver and perform this Second Amendment and the Credit Agreement, as amended hereby.

(b) The execution, delivery and performance by the Borrower of this Second Amendment do not and will not (i) require any consent or approval of any Governmental Authority, (ii) conflict with (x) any provision of Applicable Law, (y) the charter, by-laws, limited liability company agreement, partnership agreement or other organizational documents of any Loan Party or (z) any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon any Loan Party or any of their respective properties or (iii) require, or result in, the creation or imposition of any Lien on any asset of the Borrower or any other Loan Party.

(c) Each of this Second Amendment and the Credit Agreement, as amended hereby, is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

**ARTICLE V.
MISCELLANEOUS**

5.1 Loan Document. This Second Amendment is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated therein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

5.2 Effect of Amendment. Except as expressly set forth herein, this Second Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect, the rights and remedies of the parties to the Credit Agreement and shall not alter, modify, amend or in any way affect any of the terms or conditions contained therein, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrower to any future consent, to, or waiver, amendment, modification or other change of, any of the terms or conditions contained in the Credit Agreement in similar or different circumstances. Except as expressly stated herein, the Agent and the Lender reserve all rights, privileges and remedies under the Loan Documents. All references in the Credit Agreement and the other Loan Documents to the Credit Agreement shall be deemed to be references to the Credit Agreement as modified hereby.

5.3 Reaffirmation. The Borrower hereby reaffirms its obligations under each Loan Document to which it is a party. The Borrower hereby further ratifies and reaffirms the validity and enforceability of all of the liens and security interests heretofore granted, pursuant to and in connection with the Security Agreement or any other Loan Document, to the Agent, as collateral security for the obligations under the Loan Documents in accordance with their respective terms, and acknowledges that all of such Liens and security interests, and all Collateral heretofore pledged as security for such obligations, continue to be and remain collateral for such obligations from and after the date hereof.

5.4 Counterparts. This Second Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed signature page of this Second Amendment by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

5.5 Construction; Captions. Each party hereto hereby acknowledges that all parties hereto participated equally in the negotiation and drafting of this Second Amendment and that, accordingly, no court construing this Second Amendment shall construe it more stringently against one party than against the other. The captions and headings of this Second Amendment are for convenience of reference only and shall not affect the interpretation of this Second Amendment.

5.6 Successors and Assigns. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns (as permitted under the Credit Agreement).

5.7 GOVERNING LAW. THIS SECOND AMENDMENT, THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO, AND ANY CLAIMS OR DISPUTES RELATING THERETO SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (EXCLUDING THE CHOICE OF LAW RULES THEREOF).

5.8 Severability. The illegality or unenforceability of any provision of this Second Amendment or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Second Amendment or any instrument or agreement required hereunder.

5.9 Release of Claims. In consideration of the Lender's and Agent's agreements contained in this Second Amendment, Borrower hereby releases and discharges the Lender and the Agent and their affiliates, subsidiaries, successors, assigns, directors, officers, employees, agents, consultants and attorneys (each, a "Released Person") of and from any and all other claims, suits, actions, investigations, proceedings or demands, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law of any kind or character, known or unknown, which Borrower ever had or now has against the Agent, any Lender or any other Released Person which relates, directly or indirectly, to any acts or omissions of the Agent, any Lender or any other Released Person relating to the Credit Agreement or any other Loan Document on or prior to the date hereof; provided however, that this release shall not apply to future claims or causes of action by the Borrower.

5.10 Affirmation. Subject only to the limitations set forth in the Second Amendment, the Agent shall have the right to enforce its liens on the assets of all parties then liable to Agent, including without limitation the assets of Borrower and the equity in Borrower. Borrower acknowledges and agrees that in order to preserve the value of the assets of Borrower and the value of the equity in Borrower, Agent has the right to enforce its lien on the License Agreement or on the equity in Borrower, in a manner that is intended to comply with the provisions of the ROFR Provisions, and to avoid termination of the License Agreement pursuant to Section 5.3 of the License Agreement. Therefore, Borrower acknowledges and agrees that any steps taken by Agent to comply with such provisions in connection with the enforcement of Agent's lien on the License Agreement and/or the equity of the Borrower, including without limitation contacting the Licensor, are commercially reasonable and Borrower and Holders agree to cooperate fully and completely with any such actions, in either case in connection with a disposition of the Collateral pursuant to the UCC, (along with any back up or explanatory material or analysis related thereto reasonably requested by the Agent). Borrower and Holders agree that it is appropriate for Agent to take the steps set forth in Exhibit "B" attached to the First Amendment, as part of a commercially reasonable sale and that while Agent reserves its right to proceed without taking any or all such steps, Borrower and Holders stipulate and agree that it would be commercially reasonable for the Agent to take each of such steps and if Agent elects to so proceed Borrower and Holders will cooperate with such efforts, provide Agent with all information needed to so proceed, and grant to Agent a Power of Attorney substantially in the form as attached as Exhibit "C" to the First Amendment to take such actions.

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Second Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

WELLSTAT DIAGNOSTICS, LLC

By: /s/ Nadine Wohlstadter

Name: Nadine Wohlstadter

Title: Managing Member

LOAN PARTIES:

WELLSTAT BIOCATALYSIS, LLC

By: /s/ Nadine Wohlstadter

Name: Nadine Wohlstadter

Title: Managing Member

WELLSTAT BIOLOGICS CORPORATION

By: /s/ Nadine Wohlstadter

Name: Nadine Wohlstadter

Title: Managing Director

WELLSTAT IMMUNOTHERAPEUTICS, LLC

By: /s/ Nadine Wohlstadter

Name: Nadine Wohlstadter

Title: Managing Member

WELLSTAT MANAGEMENT COMPANY, LLC

By: /s/ Nadine Wohlstadter

Name: Nadine Wohlstadter

Title: Managing Member

HYPERION CATALYSIS INTERNATIONAL

By: /s/ Nadine Wohlstadter

Name: Nadine Wohlstadter

Title: President

[SIGNATURE PAGE TO SECOND AMENDMENT
TO AMENDED AND RESTATED CREDIT AGREEMENT]

WELLSTAT AVT INVESTMENT LLC

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Managing Member

WELLSTAT THERAPEUTICS CORPORATION

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Managing Director

WELLSTAT VACCINES, LLC

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Managing Member

HEBRON FARMS, INC.

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Secretary/Treasurer

SJW PROPERTIES, INC.

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Secretary/Treasurer

HVF, INC.

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Secretary/Treasurer

NHW, LLC

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Secretary/Treasurer

DUCK FARM, INC.

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Secretary/Treasurer

[SIGNATURE PAGE TO SECOND AMENDMENT
TO AMENDED AND RESTATED CREDIT AGREEMENT]

WELLSTAT OPHTHALMICS CORPORATION

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title: Managing Director

WELLSTAT THERAPEUTICS EU LIMITED

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title:

HYPERION CATALYSIS EU LIMITED

By: /s/ Nadine Wohlstadter
Name: Nadine Wohlstadter
Title:

/s/ Nadine Wohlstadter
NADINE WOHLSTADTER

/s/ Samuel J. Wohlstadter
SAMUEL J. WOHLSTADTER

LENDER:

PDL BIOPHARMA, INC.,
a Delaware corporation

By: /s/ Chris Stone
Name: Chris Stone
Title: Vice President and General Counsel

AGENT:

PDL BIOPHARMA, INC.,
a Delaware corporation

By: /s/ Chris Stone
Name: Chris Stone
Title: Vice President and General Counsel

SIGNATURE PAGE TO SECOND AMENDMENT
TO AMENDED AND RESTATED CREDIT AGREEMENT]

CERTIFICATIONS

I, John P. McLaughlin, President and Chief Executive Officer of PDL BioPharma, Inc., certify that:

- (1) I have reviewed this Annual Report on Form 10-K of PDL BioPharma, Inc.; and
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 17, 2015

/s/ John P. McLaughlin
John P. McLaughlin
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Peter S. Garcia, Vice President and Chief Financial Officer of PDL BioPharma, Inc., certify that:

(1) I have reviewed this Annual Report on Form 10-K of PDL BioPharma, Inc.; and

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: April 17, 2015

/s/ Peter S. Garcia

Peter S. Garcia

Vice President and Chief Financial Officer

(Principal Financial Officer)