

## Wind Down Retention Plan

On February 7, 2020, the Board approved the Plan of Liquidation, which accelerated the vesting of a significant portion of the Company’s outstanding equity awards pursuant to provisions in the Wind Down Retention Plan. The Wind Down Retention Plan further provides for equitable adjustments to outstanding stock options held by participants to ensure such participants realize the same benefits provided to shareholders in the event one or more cash or other distributions become payable to shareholders. Consistent with the existing terms of the Equity Plan, in the event one or more cash or other distributions are paid to shareholders, the exercise price of outstanding stock options will be reduced on a dollar-for-dollar basis to reflect the per share value of such distribution. In the event that the Company declares cash or other distributions that, in the aggregate, exceed the difference between the exercise price of an outstanding stock option and the par value of the underlying shares (\$0.01), the holder of such stock option will be entitled to receive from the Company a cash payment in an amount equal to the number of shares subject to such stock option multiplied by the per share amount of the cash or other distribution that exceeds the difference between exercise price of the outstanding option and the par value of the underlying shares (a “true-up payment”). A true-up payment is also paid with respect to a post-dissolution cash or other distributions with respect to a stock-option that was not exercised prior to dissolution in the same fashion as provided above. True-up payments are to be made on the same date that cash or other distributions are paid or made to the Company’s stockholders. In May 2020, in accordance with this provision and in conjunction with the Evofem distribution, the exercise price of the outstanding option awards was decreased by \$0.58 per share. In October 2020, in accordance with this provision and in conjunction with the LENSAR distribution, the exercise price of the outstanding option awards was decreased by \$0.78 per share. As of December 31, 2020, the Company has 11,141,051 stock options outstanding at a weighted average adjusted exercise price of \$1.87. As of January 4, 2021, the date we filed our Certificate of Dissolution, the Company was unable to issue stock for any purpose, including to cover the exercise of employee options, and as a result such options became unexercisable.

Adjusted Exercise Price	Options Outstanding
\$ 1.01	50,505
\$ 1.16	1,913,907
\$ 1.32	288,611
\$ 1.58	2,942,900
\$ 1.64	378,150
\$ 1.85	961,000
\$ 2.33	344,675
\$ 2.36	3,667,948
\$ 2.85	593,355
	<b>11,141,051</b>

