

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 14, 2020**

LIQUIDIA CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39724
(Commission
File Number)

85-1710962
(IRS Employer
Identification No.)

419 Davis Drive, Suite 100, Morrisville, North Carolina
(Address of principal executive offices)

27560
(Zip Code)

Registrant's telephone number, including area code: **(919) 328-4400**

(Former name or former address, if changed since last report.)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	LQDA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

deGoa Appointments

Effective December 14, 2020 (the “Effective Date”), Damian deGoa was appointed by the Board of Directors (the “Board”) of Liquidia Corporation, a Delaware corporation (the “Company”), as the Company’s Chief Executive Officer and a Class III director, succeeding Neal F. Fowler, the Company’s former Chief Executive Officer and a Class III director, who retired from such positions effective on the Effective Date. A copy of the press release announcing Mr. deGoa’s appointments and equity grants, and Mr. Fowler’s concurrent retirement, is attached hereto as Exhibit 99.1 and incorporated herein by reference.

In connection with Mr. deGoa’s appointments, on the Effective Date, Liquidia Technologies, Inc., a Delaware corporation and wholly owned subsidiary of the Company (“Liquidia Technologies”), and Mr. deGoa entered into an executive employment agreement (the “deGoa Employment Agreement”) pursuant to which Mr. deGoa is entitled to an annual base salary of \$525,000 and is eligible to receive a discretionary annual cash bonus of up to 50% of his annualized base salary (the “Target Amount”), which cash bonus shall be prorated for 2020. Mr. deGoa’s base salary may be increased from time to time by the Board and, notwithstanding anything to the contrary, may also be reduced if the Board determines such reduction is necessary and justified by the Company’s financial condition and implements an equal percentage reduction in the base salaries of all of the Company’s executive officers, provided that such reduction will not be greater than 10% of his base salary. Moreover, Mr. deGoa is entitled to reimbursement of reasonable out-of-pocket costs of temporary housing, meals and transportation for up to 18 months after the Effective Date, subject to the terms and conditions in the Employment Agreement. In accordance with the employment practices in North Carolina, Mr. deGoa is employed by Liquidia Technologies on an at-will basis, meaning that either Liquidia Technologies or Mr. deGoa may terminate his employment at any time without giving advance notice.

On the Effective Date, pursuant to the deGoa Employment Agreement, Mr. deGoa was granted a nonstatutory stock option entitling the purchase up to 2,000,000 shares (the “Option”) of common stock, \$0.001 par value per share, of the Company (“Common Stock”), with an exercise price per share equal to the closing price of a share of Common Stock on the date of grant. The Option (i) is granted outside of the Company’s 2020 Long-Term Incentive Plan as an inducement material to his acceptance of employment with the Company, is subject to a nonstatutory stock option agreement (the “NSO Agreement”), and (ii) vests as follows: 25% of the shares of Common Stock underlying the Option will become vested and exercisable on December 14, 2021 and the balance of Option shares will become vested and exercisable in equal monthly installments over the following 36 months; *provided, however*, that, notwithstanding the foregoing vesting schedule, (x) 25% of the then-unvested shares of Common Stock underlying the Option will vest upon U.S. Food and Drug Administration (FDA) tentative approval of the Company’s New Drug Application for LIQ861 prior to June 30, 2022 and (y) 25% of the then-unvested shares of Common Stock underlying the Option will vest upon commercial availability of subcutaneous trestatinil with cartridge supplies sufficient to support the market for one year prior to December 31, 2021. Furthermore, upon a “Change in Control” (as defined in the NSO Agreement), 100% of the unvested portion of the Option shall become vested and exercisable as of the date of the Change in Control provided that Mr. deGoa is actively employed by Liquidia Technologies on such date. The Option was approved by the Compensation Committee of the Board in compliance with and in reliance on Nasdaq Listing Rule 5635(c)(4).

In the event Mr. deGoa’s employment is terminated without “Cause” or Mr. deGoa resigns from his employment for “Good Reason” (as such terms are defined in the deGoa Employment Agreement), then he will be entitled to receive, subject to his compliance with certain obligations: (a) salary continuation for 12 months (the “Severance Period”); (b) the bonus (if any) for any full performance period through which he continued to provide services, notwithstanding the employment requirement set forth in the Company’s Annual Cash Bonus Plan; (c) accelerated vesting of the number of shares of Common Stock subject to the Option that would have vested during the Severance Period as if Mr. deGoa was actively employed by Liquidia Technologies during the Severance Period; and (d) payment of that portion of the premiums required to continue his group healthcare coverage under the applicable provisions of the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) that exceeds the active employee rate, provided that he elects to continue and remains eligible for these benefits, until the earliest of (i) the close of the Severance Period, (ii) the expiration of his eligibility for the continuation coverage under COBRA or (iii) the date when he becomes eligible for substantially equivalent health insurance coverage in connection with new employment. In the event Mr. deGoa’s employment is terminated for Cause or due to his death or “Disability” (as defined in the deGoa Employment Agreement) or Mr. deGoa resigns from his employment for any reason other than a resignation for Good Reason, he will not receive any severance compensation or benefits.

In the event Mr. deGoa's employment is terminated without Cause or he resigns for Good Reason within 12 months following the effective date of a Change in Control (as defined in the deGoa Employment Agreement), then Mr. deGoa will be eligible to receive, subject to his compliance with certain obligations, the same severance benefits on the same conditions as if he had been terminated without "Cause"; provided, however, that (a) the Severance Period shall be increased to 18 months, (b) Mr. deGoa will receive a bonus paid at one and one-half times the Target Amount, (c) COBRA continuation coverage for 18 months and (d) 100% of the unvested portion of Mr. deGoa's then-outstanding equity awards shall vest in the event his outstanding equity as of the closing of the Change in Control is assumed or continued by the surviving entity.

Mr. deGoa, age 42, served as Chief Executive Officer and a director of RareGen, LLC, a current wholly owned subsidiary of the Company ("RareGen"), from September 2018 until RareGen's acquisition by the Company in November 2020. From December 2012 until September 2018, Mr. deGoa was the Managing Director of PBM Capital Group, LLC ("PBM Capital") where he led several portfolio investments, divestments and operations. From April 2015 to April 2017, Mr. deGoa served as Chief Executive Officer of Breas Medical Group, a PBM Capital portfolio company which was acquired by Fosun Pharma in March 2017, and subsequently served as a director of Breas Medical Group from March 2017 to February 2020. Prior to joining PBM Capital, Mr. deGoa held various roles at Perrigo Company from August 2007 until December 2012, including Head of International Business Development, Divisional Finance Lead for Perrigo Company's nutrition segment and Director of Corporate Development and Rx Business Development. Mr. deGoa holds a Bachelor of Arts in Economics and Philosophy from the University of Michigan and a Master's in Business Administration in Finance from DePaul University. Mr. deGoa is qualified to serve on the Board due to his extensive and broad range of experience in business and healthcare product development, including previous commercial experience with treprostinil as Chief Executive Officer of RareGen. There are no family relationships between Mr. deGoa and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K. Mr. deGoa was not appointed as Chief Executive Officer or as a Class III director pursuant to any arrangement or understanding between Mr. deGoa and any other person.

The description of the terms of the deGoa Employment Agreement and NSO Agreement are qualified in their entirety by the full text of the deGoa Employment Agreement and NSO Agreement filed herewith as Exhibits 10.1 and 10.2, respectively, and incorporated herein by reference.

Fowler Retirement

The Company, through Liquidia Technologies, is currently working to finalize a Severance Agreement and General Release with Mr. Fowler, the Company's former Chief Executive Officer and Class III director, who retired effective on the Effective Date. Mr. Fowler has agreed to provide advice and assistance to the Company for a short period of time in order to support a smooth transition.

No disagreement with the Company caused, in whole or in part, Mr. Fowler's retirement as a Class III director.

Item 9.01 Financial Statements and Exhibits.

(d)

Exhibit

No.

Exhibit

10.1	Executive Employment Agreement, dated as of December 14, 2020, by and between Liquidia Technologies, Inc. and Damian deGoa.
10.2	Nonstatutory Stock Option Agreement, dated as of December 15, 2020, by and between Liquidia Corporation and Damian deGoa.
99.1	Press Release of Liquidia Corporation, dated December 14, 2020.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

December 15, 2020

Liquidia Corporation

By: /s/ Michael Kaseta

Name: Michael Kaseta

Title: Chief Financial Officer

EXECUTIVE EMPLOYMENT AGREEMENT

This EXECUTIVE EMPLOYMENT AGREEMENT (the “**Agreement**”) is entered into effective December 14, 2020 (the “**Effective Date**”), by and between Damian deGoa (“**Executive**”) and Liquidia Technologies, Inc., a Delaware corporation (the “**Company**”). Each of the Company and Executive is a “**Party**” and, collectively, they are the “**Parties**.”

The Company desires to employ Executive and, in connection with such employment, to compensate Executive for Executive’s personal services to the Company; and

Executive desires to provide personal services to the Company in return for certain compensation.

Accordingly, in consideration of the mutual promises and covenants contained herein, the Parties agree to the following:

1. EMPLOYMENT BY THE COMPANY.

1.1 **At-Will Employment.** Executive shall be employed by the Company on an “at will” basis, meaning either the Company or Executive may terminate Executive’s employment at any time, with or without cause or advance notice. Any contrary representations that may have been made to Executive shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between Executive and the Company on the “at will” nature of Executive’s employment with the Company, which may be changed only in an express written agreement signed by Executive and a duly authorized officer of the Company. Executive’s rights to any compensation following a termination shall be only as set forth in Section 6.

1.2 **Position.** Subject to the terms set forth herein, the Company agrees to employ Executive in the position of Chief Executive Officer and, in this position, Executive shall also serve as Chief Executive Officer of Liquidia Corporation (“**Parent**”) and as President and Chief Executive Officer of RareGen, LLC (“**RareGen**”). Executive hereby accepts such employment. Executive will report to the Board of Directors of Parent (“**Board**”) and/or such Board directors or committees designated by the Board. The Company, Parent, RareGen and the direct and indirect subsidiaries of the Parent shall be collectively referred to as the “**Company Group**.”

1.3 **Duties.** Executive shall faithfully perform all duties related to the position or positions held by Executive, including but not limited to all duties set forth in this Agreement and/or in the Bylaws or operating agreement, as applicable, of the Company Group related to the position or positions held by Executive and all additional duties that are reasonably prescribed from time to time by the Board. Executive shall devote Executive’s full business time and attention to the performance of Executive’s duties and responsibilities on behalf of the Company Group and in furtherance of their best interests. Executive shall make such business trips at the Company’s expense to such places as may be necessary or advisable for the efficient operations of the Company.

1.4 **Company Policies.** Executive shall comply with all policies, standards, rules, and regulations of the Company Group (a “**Company Policy**” or collectively, the “**Company Policies**”) and all applicable government laws, rules, and regulations that are now or hereafter in effect. Executive acknowledges receipt of copies of all written Company Policies that are in effect as of the date of this Agreement. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company Group’s general employment policies or practices, this Agreement shall control.

2. COMPENSATION.

2.1 **Salary.** The Company shall pay Executive a base salary of \$525,000 on an annualized basis, payable subject to standard federal and state payroll withholding requirements in accordance with the Company's standard payroll practices ("**Base Salary**"). Executive's Base Salary may be increased from time to time by the Board. Notwithstanding anything to the contrary, the Base Salary may be reduced if the Board determines such reduction is necessary and justified by the financial condition of the Company and implements an equal percentage reduction in the base salaries of all of the Company's executive officers, but in no event will such reduction be greater than ten percent (10%) of the Base Salary. A reduction in Executive's Base Salary in accordance with the immediately preceding sentence shall not constitute a material diminution in Base Salary as described in Section 6.4(b) of this Agreement.

2.2 **Bonus.** During the period Executive is employed with the Company, Executive shall be eligible to earn a discretionary annual cash bonus of up to 50% of Base Salary ("**Target Amount**"), subject to review and adjustment by the Company in its sole discretion, pursuant to the terms of the Liquidia Corporation Annual Cash Bonus Plan, as amended by the Company from time to time (the "**Bonus Plan**"), or its successor plan. Any bonus, if earned, will be paid to Executive within the time period set forth in the Bonus Plan.

2.3 **Stock Option.** Upon employment and subject to approval of the Compensation Committee of the Board, Executive will receive a nonstatutory stock option entitling the purchase up to 2,000,000 shares (the "**Option**") of Common Stock of Parent, with the exercise price per share of Common Stock underlying the Option equal to the fair market value of a share of Common Stock on the date of grant. The Option shall (i) be granted subject to a standalone nonstatutory stock option agreement pursuant to the NASDAQ inducement grant exception and shall be subject to the terms thereof (the "**Option Agreement**"), and (ii) be subject to the following vesting schedule as set forth in the Option Agreement: 25% of the Option will become vested and exercisable on the first anniversary of Executive's start date and the balance will become vested and exercisable in equal monthly installments over the following thirty-six (36) months, subject to Executive's continuous employment with the Company on each such vesting date and subject to accelerated vesting as follows: (a) if the Company receives tentative approval by the U.S. Food and Drug Administration ("**FDA**") of the Company's New Drug Application for LIQ861 prior to June 30, 2022, and Executive is actively employed with the Company on such date, then 25% of the then-unvested portion of the Option shall become vested and exercisable as of the date of the FDA's approval; and (b) if the Company achieves commercial availability of the subcutaneous treprostinil product with cartridge supplies sufficient to support the market for one (1) year by December 31, 2021, and Executive is actively employed with the Company on such date, then 25% of the then-unvested portion of the Option shall become vested and exercisable as of the date the Company can document by competent proof to the Board of the achievement of such milestone. Notwithstanding the foregoing, in the event of a change in control (as defined in the Option Agreement) then 100% of the unvested portion of the Option shall become vested and exercisable as of the closing date of such change in control, provided that the Executive is actively employed with the Company on such date.

2.4 **Commuting Expenses.** The Company will reimburse Executive for reasonable out-of-pocket expenses incurred by Executive in connection with Executive's commute to Morrisville, North Carolina, from Executive's current residence for up to eighteen (18) months after Executive's start date. Such commuting expenses shall only include the reasonable out-of-pocket cost of temporary housing, meals, and transportation. Personal entertainment-related expenses will not be reimbursed. The Company shall reimburse such commuting expenses within thirty (30) days following receipt of an invoice or other documentation that complies with Company policy and the terms of this Agreement. The Company shall make tax gross-up payments to Executive with respect to any income and employment tax liability incurred by Executive on account of any reimbursement and/or payment under this Section 2.4.

2.5 **Benefits.** Executive will be eligible to participate on the same basis as similarly situated employees of the Company in the Company Group's benefit plans in effect from time to time during Executive's employment. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of such plan. The Company Group reserves the right to change, alter, or terminate any benefit plan in its sole discretion.

2.6 **Expense Reimbursement.** The Company shall reimburse Executive for all customary and appropriate business-related expenses actually incurred and documented in accordance with Company Policy, as in effect from time to time. For the avoidance of doubt, to the extent that any reimbursements payable to Executive are subject to the provisions of Section 409A of the Code: (a) any such reimbursements will be paid no later than December 31 of the year following the year in which the expense was incurred, (b) the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and (c) the right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit. If under the terms of this Agreement the Executive is entitled to a tax gross-up payment, the gross-up payment will be made by December 31 of the year following the year in which the Executive remits the related taxes.

3. **PROPRIETARY INFORMATION, INVENTIONS, NON-COMPETITION AND NON-SOLICITATION OBLIGATIONS.** As a condition of employment with the Company, Executive agrees to execute and abide by a Confidentiality, Inventions and Non-Competition Agreement (the "**Confidential Information Agreement**"), which may be amended by the Parties from time to time without regard to this Agreement. The Confidential Information Agreement contains provisions that are intended by the Parties to survive and do survive termination of this Agreement.

3.1 **Permissible Communications.** Notwithstanding anything to the contrary in the Confidential Information Agreement, Executive acknowledges that nothing in the Confidential Information Agreement shall be construed to prohibit Executive from (a) filing a charge or complaint with, or participating in any proceeding before, a government agency authorized to enforce and investigate suspected violations of federal anti-discrimination laws, labor relations laws, occupational health and safety laws, wage and hour laws, and such similar state or local laws; (b) reporting possible violations of federal securities laws to the appropriate government enforcing agency and making such other disclosures that are expressly protected under such laws, or (c) responding truthfully to inquiries from, or otherwise cooperating with, any governmental or regulatory investigation (the activities set forth in clauses (a) through (c) are collectively referred to as the "**Protected Activities**"). Executive understands that in connection with such Protected Activity, Executive is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company; *provided, however,* that Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Proprietary Information under the Confidential Information Agreement to any parties other than the appropriate government agencies. Executive further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Board's written consent shall constitute a material breach of this Agreement.

3.2 **Defend Trade Secrets Act.** Pursuant to the Defend Trade Secrets Act of 2016, Executive acknowledges that Executive will not have criminal or civil liability under any Federal or State trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney and may use the trade secret information in the court proceeding, if Executive (x) files any document containing the trade secret under seal and (y) does not disclose the trade secret, except pursuant to court order.

4. **OUTSIDE ACTIVITIES DURING EMPLOYMENT.** Except with the prior written consent of the Board, which shall not be unreasonably withheld, Executive will not, while employed by the Company, undertake or engage in any other employment, occupation, or business enterprise that would interfere with Executive's responsibilities and the performance of Executive's duties hereunder, except for (i) reasonable time devoted to volunteer services for or on behalf of such religious, educational, non-profit, and/or other charitable organization as Executive may wish to serve, (ii) reasonable time devoted to activities in the non-profit and business communities consistent with Executive's duties, (iii) advisory or board of director roles set forth on Exhibit B or as otherwise approved by the Board, which will not be unreasonably withheld, (iv) direct investments in private companies, provided that such company is not a Competing Business (as defined in the Confidential Information Agreement) and Executive is not involved in the business of such company, and (v) such other activities as may be specifically approved by the Board. This restriction shall not, however, preclude Executive from owning less than five percent (5%) of the total outstanding shares of a publicly traded company, or employment or service in any capacity with any entity within the Company Group.

5. **NO CONFLICT WITH EXISTING OBLIGATIONS.** Executive represents that Executive's performance of all the terms of this Agreement and as an executive of the Company do not and will not breach any agreement or obligation of any kind made prior to Executive's employment by the Company, including agreements or obligations Executive may have with prior employers or entities for which Executive has provided services. Executive has not entered into, and Executive agrees that Executive will not enter into, any agreement or obligation, either written or oral, in conflict herewith.

6. **TERMINATION OF EMPLOYMENT.** The Parties acknowledge that Executive's employment relationship with the Company is at-will. The provisions in this Section govern the amount of compensation, if any, to be provided to Executive upon termination of employment and do not alter this at-will status.

6.1 **Termination by the Company Without Cause.**

(a) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6.1 at any time without "Cause" (as defined in Section 6.2(b) below) by giving notice as described in Section 7.1 of this Agreement. A termination pursuant to Sections 6.3 and 6.5 below is not a termination without "Cause" for purposes of receiving the benefits described in this Section 6.1.

(b) If the Company terminates Executive's employment at any time without Cause and provided that such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h) a "***Separation from Service***"), then Executive shall be entitled to receive the Accrued Obligations (defined below) and, subject to Executive's compliance with the obligations in Section 6.1(c) below, then Executive shall also be entitled to receive (collectively, the "***Severance Benefits***"):

(i) an amount equal to Executive's then current Base Salary for twelve (12) months (the "***Severance Period***"), less all applicable withholdings and deductions, paid in equal installments beginning on the Company's first regularly scheduled payroll date following the Release Effective Date (as defined in Section 6.1(c) below), with the remaining installments occurring on the Company's regularly scheduled payroll dates thereafter;

(ii) an amount equal to the bonus (if any) that Executive would have earned pursuant to the Bonus Plan with respect to any full Performance Period (as defined in the Bonus Plan) through which Executive continued to provide services, notwithstanding the employment requirement set forth in Section 6.3 of the Bonus Plan, which shall be paid at the same time and in the same manner that bonus awards are paid to the Company's other participants in the Bonus Plan; and

(iii) accelerated time-based vesting of the number of shares of Common Stock of Parent subject to the Option that would have vested during the Severance Period if Executive were actively employed with the Company during the Severance Period; and

(iv) payment of that portion of the premiums required to continue Executive's group health care coverage under the applicable provisions of Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**") that exceeds the active employee rate, provided that Executive timely elects to continue coverage under COBRA, until the earliest of (A) the close of the Severance Period, (B) the expiration of Executive's eligibility for the continuation coverage under COBRA, or (C) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment (such period from the termination date through the earliest of (A), (B) or (C), the "**COBRA Payment Period**"). Notwithstanding the foregoing, if at any time the Company determines in its sole discretion that the payment of the COBRA premiums would result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code, or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company will instead pay Executive on the last day of each remaining month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings for the remainder of the COBRA Payment Period, regardless of whether Executive elects COBRA coverage (the "**Special Severance Payment**"). Executive may, but is not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. If Executive becomes eligible for coverage under another employer's group health plan or otherwise ceases to be eligible for COBRA during the COBRA Payment Period, Executive must immediately notify the Company of such event, and all payments and obligations under this clause will cease.

(c) Executive will be paid all of the Accrued Obligations on the Company's first payroll date after Executive's date of termination from employment or earlier if required by law. Executive shall receive the Severance Benefits pursuant to Section 6.1(b) of this Agreement if: (i) Executive signs and delivers to the Company an effective, general release of claims in favor of the Company Group and representatives, in a form acceptable to the Company (the "**Release**"), by the 60th day following the termination date or such earlier date as set forth in the Release, which cannot be revoked in whole or part (if applicable) by such date or such earlier date as set forth in the Release (the date that the Release can no longer be revoked is referred to as the "**Release Effective Date**"); (ii) if Executive holds any other positions with the Company, Executive resigns such position(s) to be effective no later than the date of Executive's termination date (or such other date as requested by the Board); (iii) Executive returns all Company property in proper order and condition, reasonable wear and tear excepted, (including, but not limited to, all books, documents, papers, materials and any other property or assets relating to the business or affairs of the Company Group which may be in Executive's possession or under his control but excluding copies of records related to Executive's compensation from the Company and any equity ownership in the Parent); (iv) Executive complies with all post-termination obligations under this Agreement and the Confidential Information Agreement; and (v) Executive complies with the terms of the Release, including without limitation any non-disparagement and confidentiality provisions contained in the Release. To the extent that any Severance Benefits are deferred compensation under Section 409A of the Code, and are not otherwise exempt from the application of Section 409A, then, if the period during which Executive may consider and sign the Release spans two calendar years, the payment of Severance Benefits will not be made or begin until the later calendar year.

(d) For purposes of this Agreement, "**Accrued Obligations**" are (i) Executive's accrued but unpaid salary through the date of termination, (ii) any unreimbursed business expenses incurred by Executive payable in accordance with the Company's standard expense reimbursement policies, and (iii) benefits owed to Executive under any qualified retirement plan or health and welfare benefit plan in which Executive was a participant in accordance with applicable law and the provisions of such plan.

(e) The Severance Benefits provided to Executive pursuant to this Section 6.1 is in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program.

(f) Any damages caused by the termination of Executive's employment without Cause would be difficult to ascertain; therefore, the Severance Benefits for which Executive is eligible pursuant to Section 6.1(b) above in exchange for the Release is agreed to by the Parties as liquidated damages, to serve as full compensation, and not a penalty.

6.2 **Termination by the Company for Cause.**

(a) Subject to Section 6.2(c) below, the Company shall have the right to terminate Executive's employment with the Company at any time for Cause by giving notice as described in Section 7.1 of this Agreement.

(b) "**Cause**" for termination shall mean that the Board has determined in its sole discretion that Executive has engaged in any of the following: (i) any material breach of the terms of this Agreement by Executive, or the willful failure of Executive to diligently and properly perform Executive's material duties for the Company Group; (ii) Executive's misappropriation or unauthorized use of any Company Group's tangible or intangible property that causes or is likely to cause material harm to such Company Group entity or its reputation, or material breach of the Confidential Information Agreement or any other similar agreement regarding confidentiality, intellectual property rights, non-competition or non-solicitation; (iii) any material failure to comply with the Company Policies or any other policies and/or directives of the Board; (iv) Executive's use of illegal drugs or any illegal substance, or Executive's use of alcohol in any manner that materially interferes with the performance of Executive's duties under this Agreement; (v) any (A) dishonest or illegal action (including, without limitation, embezzlement) by Executive, or (B) other action, whether or not dishonest or illegal, by Executive, in either case which is materially detrimental to the interest and well-being of any Company Group entity, including, without limitation, harm to its reputation; (vi) Executive's failure to fully disclose any material conflict of interest Executive may have with any Company Group entity in a transaction between such Company Group entity and any third party which is materially detrimental to the interest and well-being of such Company entity; (vii) any adverse action or omission by Executive which would be required to be disclosed pursuant to public securities laws or which would limit the ability of Parent or any entity affiliated with Parent to sell securities under any Federal or state law or which would disqualify Parent or any affiliated entity from any exemption otherwise available to it; or (viii) become prohibited by law or any order from any regulatory body or governmental body from being an employee or director of any company, firm or entity; *provided, however*, that prior to any termination of Executive for "Cause," if the grounds for such Cause are reasonably capable of cure by Executive, the Board shall provide Executive with written notice of the grounds for Cause and provide Executive with ten (10) business days in which to cure such Cause.

(c) In the event Executive's employment is terminated at any time for Cause, Executive will not receive Severance Benefits or any other severance compensation or benefits, except that, pursuant to the Company's standard payroll policies, the Company shall pay to Executive the Accrued Obligations.

6.3 **Resignation by Executive.**

(a) Executive may resign from Executive's employment with the Company at any time by giving notice as described in Section 7.1.

(b) In the event Executive resigns from Executive's employment with the Company for any reason (other than a resignation for Good Reason as described in Section 6.4 below), Executive will not receive Severance Benefits or any other severance compensation or benefits, except that, pursuant to the Company's standard payroll policies, the Company shall pay to Executive the Accrued Obligations.

6.4 **Resignation by Executive for Good Reason.**

(a) Provided Executive has not previously been notified of the Company's intention to terminate Executive's employment, Executive may resign from employment with the Company for Good Reason (as defined in Section 6.4(b) below).

(b) "**Good Reason**" for resignation shall mean the occurrence of any of the following without Executive's prior consent: (i) a material diminution in Executive's authority, duties or responsibilities; (ii) a material diminution in Executive's Base Salary; (iii) a requirement that Executive report to a corporate officer or employee instead of reporting to the Board; (iv) Executive's principal place of employment is relocated from the Executive's current residence in Grand Rapids, MI; or (v) the Company materially breaches its obligations under this Agreement. In addition to any requirements set forth above, in order for any of the above events to constitute "Good Reason," Executive must (X) inform the Board of the existence of the event within sixty (60) days of the initial existence of the event, after which date the Company shall have no less than thirty (30) days to cure the event which otherwise would constitute "Good Reason" hereunder and (Y) Executive must terminate his employment with the Company for such "Good Reason" no later than ninety (90) days after the initial existence of the event which prompted Executive's termination. Any actions taken by the Company to accommodate a disability of Executive or pursuant to the Family and Medical Leave Act shall not be a Good Reason for purposes of this Agreement.

(c) In the event Executive resigns from Executive's employment for Good Reason, and provided that such termination constitutes a Separation from Service, then subject to Executive's compliance with the obligations in Section 6.1(c) above, Executive shall be eligible to receive the same Severance Benefits as described in Section 6.1 and on the same terms and conditions set forth in Section 6.1(c) and Section 6.1(e) as if Executive had been terminated by the Company without Cause.

(d) Any damages caused by the termination of Executive's employment for Good Reason would be difficult to ascertain; therefore, the Severance Benefits for which Executive is eligible pursuant to Section 6.1(b) above in exchange for the Release is agreed to by the Parties as liquidated damages, to serve as full compensation, and not a penalty.

6.5 **Termination by Virtue of Death or Disability of Executive.**

(a) In the event of Executive's death while employed pursuant to this Agreement, all obligations of the Parties hereunder shall terminate immediately, and the Company shall, pursuant to the Company's standard payroll policies, pay to Executive's legal representatives all Accrued Obligations.

(b) Subject to applicable state and federal law, the Company shall at all times have the right, upon written notice to Executive, to terminate this Agreement based on Executive's Disability. Termination by the Company of Executive's employment based on "**Disability**" shall mean termination because a qualified medical doctor mutually acceptable to the Company and Executive or Executive's personal representative has certified in writing that: (A) Executive is unable, because of a medically determinable physical or mental disability, to perform the essential functions of Executive's job, with or without a reasonable accommodation, for more than one hundred and eighty (180) calendar days measured from the last full day of work; or (B) by reason of mental or physical disability, it is unlikely that Executive will be able, within one hundred and eighty (180) calendar days, to resume the essential functions of Executive's job, with or without a reasonable accommodation, and to otherwise discharge Executive's duties under this Agreement. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, and other applicable law. In the event Executive's employment is terminated based on Executive's Disability, Executive will not receive Severance Benefits or any other severance compensation or benefit, except that, pursuant to the Company's standard payroll policies, the Company shall pay to Executive the Accrued Obligations.

6.6 **Change in Control Benefits.** In the event the Company (or any surviving or acquiring corporation) terminates Executive's employment without Cause or Executive resigns for Good Reason within twelve (12) months following the effective date of a Change in Control (as defined in the Liquidia Corporation 2020 Long-Term Incentive Plan, as amended by the Parent from time to time), then Executive shall be entitled to the Accrued Obligations and, provided that Executive complies with the obligations in Section 6.1(c) of this Agreement (including the requirement to provide an effective Release), Executive shall be eligible to receive the same Severance Benefits as described in Section 6.1(b) and on the same conditions as if Executive had been terminated by the Company without Cause; *provided, however*, that (a) the Severance Period shall be increased to eighteen (18) months; (b) Executive shall receive a bonus equal to the Target Amount multiplied by 1.5; and (c) in the event that Executive's outstanding equity as of the closing of such Change in Control is assumed or continued (in accordance with its terms) by the surviving entity in such Change in Control, then 100% of the unvested portion of such equity shall become vested.

6.7 **Cooperation With Company After Termination of Employment.** Following termination of Executive's employment for any reason and for a period of one (1) year thereafter, Executive agrees to cooperate (a) with a Company Group entity in (i) the defense of any legal matter involving any matter that arose during Executive's employment with the Company, and (ii) all matters relating to the winding up of Executive's pending work and the orderly transfer of any such pending work to such other employees as may be designated by the Company; and (b) with all government authorities on matters pertaining to any investigation, litigation or administrative proceeding pertaining to any Company Group entity. The Company will reimburse Executive for any reasonable travel and out of pocket expenses incurred by Executive in providing such cooperation. The Company will also pay Executive a per diem amount equal to Executive's Base Salary as of the date of termination divided by two hundred and thirty (230) for each day or partial day that Executive devotes to fulfilling his obligation to cooperate under this Section 6.7, unless Executive is then receiving continued payment of his Base Salary under 6.1(b)(i), above. Following termination of Executive's employment for any reason, and in the event of a failure by Executive (following reasonable efforts by the Company to secure his voluntary cooperation) to resign from any position as officer or director of any Company Group entity, with such resignation to be effective no later than the date of Executive's termination date (or such other date as requested by the Board), the Company is hereby irrevocably authorized to appoint its then-current Chief Executive Officer to act in Executive's name and on his behalf to execute any documents and to do all things reasonably necessary to effect such resignation. Further, Executive shall not, at any time after termination of Executive's employment for any reason, represent himself as being an agent or representative of any Company Group entity, unless expressly authorized in a written agreement executed by an authorized officer of the Company.

6.8 **Application of Section 409A.**

(a) It is intended that all of the severance payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively, "**Section 409A**") provided under Treasury Regulations Sections 1.409A-1(b)(4) and 1.409A-1(b)(9), and this Agreement will be construed in a manner that complies with Section 409A. If not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Section 409A, and incorporates by reference all required definitions and payment terms.

(b) The preceding provisions shall not be construed as a guarantee by the Company of any particular tax effect to Executive under this Agreement. The Company shall not be liable to Executive for any payment made under this Agreement which is determined to result in an additional tax, penalty or interest under Section 409A, nor for reporting in good faith any payment as an amount includible in gross income under Section 409A.

(c) No severance payments will be made under this Agreement unless Executive's termination of employment constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)).

(d) For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulations Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement (whether severance payments or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

(e) If the Company determines that the severance benefits provided under this Agreement constitutes "deferred compensation" under Section 409A and if Executive is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i) of the Code at the time of Executive's Separation from Service, then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the Severance Benefits will be delayed as follows: on the earlier to occur of (i) the date that is six months and one day after Executive's Separation from Service, and (ii) the date of Executive's death (such earlier date, the "**Delayed Initial Payment Date**"), the Company will (1) pay to Executive a lump sum amount equal to the sum of the Severance Benefits that Executive would otherwise have received through the Delayed Initial Payment Date if the commencement of the payment of the Severance Benefits had not been delayed pursuant to this Section 6.8, and (2) commence paying the balance of the Severance Benefits in accordance with the applicable payment schedule set forth in Section 6.1. No interest shall be due on any amounts deferred pursuant to this Section 6.8.

6.9 **Parachute Payments.**

(a) Notwithstanding any other provisions of this Agreement to the contrary, in the event that it shall be determined that any payment or distribution to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (a "**Payment**") would be nondeductible by the Company for Federal income tax purposes because of Section 280G of the Code, the Company shall reduce the aggregate present value of the Payments under this Agreement to the Reduced Amount (as defined below) if, and only if, reducing the Payments under this Agreement will provide Executive with a greater net after-tax amount than would be the case if no such reduction was made, taking into account the applicable federal, state, local and foreign income, employment and other taxes, including the excise tax imposed by Section 4999 of the Code. If a reduction in the Payments is necessary, such reduction shall occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards other than stock options; (3) cancellation of accelerated vesting of stock options; and (4) reduction of other benefits paid to Executive. Within any such category of payments and benefits (that is, clauses (1), (2), (3) or (4) of this Section 6.9(a)), a reduction shall occur first with respect to amounts that are not "deferred compensation" within the meaning of Section 409A of the Code and then with respect to amounts that are. The "**Reduced Amount**" shall be an amount expressed in present value that maximizes the aggregate present value of Payments under this Agreement without causing any Payment to be nondeductible by the Company because of Section 280G of the Code.

(b) All determinations to be made under this Section 6.9 shall be made at the Company's expense by a firm of certified public accountants of national standing selected by the Company (the "**Accounting Firm**") which may be the firm regularly auditing the financial statements of the Company. The Company and Executive shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably require in order to make a determination under this Section. To the extent requested by Executive, the Company shall cooperate with Executive in good faith in valuing, and the Accounting Firm shall value, services to be provided by Executive (including refraining from performing services pursuant to a covenant not to compete) before, on or after the date of the transaction which cause the application of Section 280G of the Code such that payments in respect of such services may be considered to be "reasonable compensation" within the meaning of the regulations under Section 280G of the Code. In making its determinations hereunder, the Accounting Firm shall apply reasonable, good faith interpretations regarding the applicability of Section 280G and Section 4999, along with any other applicable portions of the Code or other tax laws. The Accounting Firm shall make all determinations required to be made under this Section and shall provide detailed supporting calculations to the Company and Executive within 30 days after the Termination Date or such earlier time as is requested by the Company, and provide an opinion to Executive that he or she has substantial authority not to report any excise tax on his or her Federal income tax return with respect to any Payments. Any such determination by the Accounting Firm shall be binding upon the Company and Executive. Subject to Sections 6.1(c) and 6.9, within five business days thereafter, the Company shall pay to or distribute to or for the benefit of Executive such amounts as are then due to Executive under this Agreement.

(c) As a result of the uncertainty in the application of Section 280G of the Code at the time of the initial determination by the Accounting Firm or the Company hereunder, it is possible that Payments, as the case may be, will have been made by the Company which should not have been made (“**Overpayment**”) or that additional Payments, as the case may be, which will not have been made by the Company could have been made (“**Underpayment**”), in each case, consistent with the calculations required to be made hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against Executive which the Accounting Firm believes has a high probability of success determines that an Overpayment has been made, promptly on notice and demand Executive shall repay to the Company any such Overpayment paid or distributed by the Company to or for the benefit of Executive together with interest at the applicable Federal rate provided for in Section 7872(f)(2)(A) of the Code; provided, however, that no such amount shall be payable by Executive to the Company if and to the extent such payment would not either reduce the amount on which Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code.

7. **GENERAL PROVISIONS.**

7.1 **Notices.** Any notices required hereunder to be in writing shall be deemed effectively given: (a) upon personal delivery to the Party to be notified, (b) when sent by electronic mail or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive’s address as listed on the Company payroll, or at such other address as the Company or Executive may designate by ten (10) days advance written notice to the other.

7.2 **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

7.3 **Survival.** Provisions of this Agreement which by their terms must survive the termination of this Agreement in order to effectuate the intent of the Parties will survive any such termination, whether by expiration of the term, termination of Executive’s employment, or otherwise, for such period as may be appropriate under the circumstances.

7.4 **Waiver**. If either Party should waive any breach of any provisions of this Agreement, it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

7.5 **Complete Agreement**. This Agreement constitutes the entire agreement between Executive and the Company with regard to the subject matter hereof. This Agreement is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter and supersedes any prior oral discussions or written communications and agreements. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in writing signed by Executive and an authorized officer of the Company, subject to the approval of the Board, its compensation committee or (if necessary) the stockholders of the Company. The Parties have entered into a separate Confidential Information Agreement and have entered or may enter into separate agreements related to equity. These separate agreements govern other aspects of the relationship between the Parties, have or may have provisions that survive termination of Executive's employment under this Agreement, may be amended or superseded by the Parties without regard to this Agreement and are enforceable according to their terms without regard to the enforcement provision of this Agreement.

7.6 **Headings**. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

7.7 **Successors and Assigns**. The Company shall assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any company or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said Company or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a Party, but may not otherwise assign this Agreement or its rights and obligations hereunder. Executive may not assign or transfer this Agreement or any rights or obligations hereunder, other than to Executive's estate upon death.

7.8 **Withholding**. All amounts payable hereunder shall be subject to applicable tax withholding.

7.9 **Choice of Law**. This Agreement in all respects shall be governed by and interpreted in accordance with the laws of the State of North Carolina, both procedural and substantive, without regard to conflicts of law, except to the extent that federal laws and regulations preempt otherwise applicable law.

7.10 **Mandatory Mediation**. Prior to and as a condition of either Party's filing suit in state or federal court, the Parties shall engage in a mediated settlement conference in accordance with the North Carolina Superior Court Rules Implementing Statewide Mediation. The Parties shall mediate in good faith until settlement is reached or an impasse is declared by the mediator.

7.11 **Jurisdiction.** Each Party hereby irrevocably submits to the exclusive jurisdiction of the United States District Court located in Wake County, North Carolina, or any state court located within such state, in respect of any claim relating to this Agreement or Executive's employment with the Company, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding in which any such claim is made that said Party is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts or that the venue thereof may not be appropriate or that this Agreement may not be enforced in or by such courts. Any appellate proceedings shall take place in the appropriate courts having appellate jurisdiction over the courts set forth in this Section.

7.12 **Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one Party, but all of which taken together will constitute one and the same Agreement. Facsimile signatures and signatures transmitted by PDF shall be equivalent to original signatures.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first written above.

LIQUIDIA TECHNOLOGIES, INC.

By: /s/ Michael Kaseta

Name: Michael Kaseta

Title: Chief Financial Officer

Executive:

/s/ Damian deGoa

DAMIAN DEGOA

Exhibit A

CONFIDENTIALITY, INVENTIONS AND NON-COMPETITION AGREEMENT

Exhibit B

LIST OF ADVISORY AND BOARD ROLES

Afia Healthcare (Healthcare IT company for Behavioral Health Organizations)

LIQUIDIA CORPORATION
NONSTATUTORY STOCK OPTION INDUCEMENT AWARD NOTICE

This Notice evidences the award of nonstatutory stock options (each, an “**Option**” or collectively, the “**Options**”) that have been granted to you, **Damian deGoa**, subject to and conditioned upon your agreement to the terms of the attached Nonstatutory Stock Option Inducement Award Agreement (the “**Agreement**”). The Options entitle you to purchase shares of common stock, par value \$0.001 per share (“**Common Stock**”), of Liquidia Corporation, a Delaware corporation (the “**Company**” or “**Liquidia**”).

The Option has **not** been granted pursuant to the Liquidia Corporation 2020 Long Term Incentive Plan (the “**Plan**”), but rather is a stand-alone award intended to constitute an inducement grant under NASDAQ Listing Rule 5635(c)(4). However, unless otherwise defined herein or in the Agreement, capitalized terms shall have the meaning set forth in the Plan (the “**Applicable Plan Provisions**”).

The number of shares you may purchase and the exercise price at which you may purchase them are specified below. This Notice constitutes part of and is subject to the terms and provisions of the Agreement, which is incorporated by reference herein. **You must return an executed copy of this Notice to the Company within 30 days of the date hereof. If you fail to do so, the Options may be rendered null and void in the Company’s discretion.**

Grant Date: December 14, 2020

Number of Options: 2,000,000 Options, each permitting the purchase of one Share

Exercise Price: \$3.00 per share

Expiration Date: The Options expire at 5:00 P.M. Eastern Time on the last business day coincident with or prior to the 10th anniversary of the Grant Date (the “**Expiration Date**”), unless fully exercised or terminated earlier.

Exercisability Schedule: Subject to the terms and conditions described in the Agreement, the Options become exercisable in accordance with the schedule below:

- 25% of the Options become exercisable on the first anniversary of the Grant Date (the “**Initial Vesting Date**”), and
- 2.083% of the Options become exercisable on the date each month after the Initial Vesting Date and on such date every month thereafter, through the fourth anniversary of the Grant Date.

Acceleration Events: The extent to which you may purchase shares under the Options may be accelerated in the following circumstances:

- in the event that any transaction resulting in a Change in Control occurs, and you have remained in continuous Service with the Company through such date, then 100% of the then-unvested portion of the Option shall become vested and exercisable as of immediately before the effective time of and contingent upon the Change in Control;
-

- if your Service with the Company is terminated either by the Company or its successor without Cause or by you for Good Reason (as such terms are defined in your employment agreement), then the Option, to the extent outstanding and unvested, shall become immediately vested and exercisable in the portion of the Option that would have become vested and exercisable as if you had remained in continuous Service with the Company through the date that is twelve (12) months following your termination of Service;
- if the Company receives tentative approval by the U.S. Food and Drug Administration (“*FDA*”) of the Company’s New Drug Application for LIQ861 prior to June 30, 2022, and you have remained in continuous Service with the Company through such date, then 25% of the then-unvested portion of the Option shall become vested and exercisable as of the date of the FDA’s approval; or
- if the Company achieves commercial availability of the subcutaneous treprostinil product with cartridge supplies sufficient to support the market for one (1) year by December 31, 2021, and you have remained in continuous Service with the Company through such date, then 25% of the then-unvested portion of the Option shall become vested and exercisable as of the date the Company can document by competent proof to the Board of the achievement of such milestones determined in the discretion of the Company.

LIQUIDIA CORPORATION

By: /s/ Michael Kaseta

Date: December 15, 2020

I acknowledge that I have carefully read the attached Agreement and agree to be bound by all of the provisions set forth in these documents.

Enclosures: *Nonstatutory Stock Option Inducement Award Agreement
*Prospectus
*Exercise Form

OPTIONEE

/s/ Damian deGoa

Date: December 15, 2020

NONSTATUTORY STOCK OPTION INDUCEMENT AWARD AGREEMENT

1. **Terminology and Administration.** Capitalized terms used in this Agreement are defined in the correlating Stock Option Notice and/or the Glossary at the end of the Agreement. However, unless otherwise defined herein or in the Notice, capitalized terms shall have the meaning set forth in the Applicable Plan Provisions. All questions of interpretation concerning this Agreement shall be determined by the Administrator.

2. **Exercise of Options.**

(a) **Exercisability.** The Options will become exercisable in accordance with the Exercisability Schedule set forth in the Stock Option Notice, so long as you are in the Service of the Company from the Grant Date through the applicable exercisability dates. None of the Options will become exercisable after your Service with the Company ceases, unless the Stock Option Notice provides otherwise with respect to exercisability that arises as a result of your cessation of Service.

(b) **Right to Exercise.** You may exercise the Options, to the extent exercisable, at any time on or before 5:00 P.M. Eastern Time on the Expiration Date or the earlier termination of the Options, unless otherwise provided under applicable law. Notwithstanding the foregoing, if at any time the Administrator determines that the delivery of Shares under this Agreement is or may be unlawful under the laws of any applicable jurisdiction, or Federal, state or foreign securities laws, the right to exercise the Options or receive Shares pursuant to the Options shall be suspended until the Administrator determines that such delivery is lawful. If at any time the Administrator determines that the delivery of Shares under this Agreement is or may violate the rules of the national securities exchange on which the shares are then listed for trade, the right to exercise the Options or receive Shares pursuant to the Options shall be suspended until the Administrator determines that such exercise or delivery would not violate such rules. Section 3 below describes certain limitations on exercise of the Options that apply in the event of your death, Total and Permanent Disability, or termination of Service. The Options may be exercised only in multiples of whole Shares and may not be exercised at any one time as to fewer than one hundred Shares (or such lesser number of Shares as to which the Options are then exercisable). No fractional Shares will be issued under the Options.

(c) **Exercise Procedure.** In order to exercise the Options, you must provide the following items to the Secretary of the Company or his or her delegate before the expiration or termination of the Options:

- (i) notice, in such manner and form as the Administrator may require from time to time, specifying the number of Shares to be purchased under the Options;
- (ii) full payment of the Exercise Price for the Shares or properly executed, irrevocable instructions, in such manner and form as the Administrator may require from time to time, to effectuate a broker-assisted cashless exercise, each in accordance with Section 2(d) of this Agreement; and
- (iii) full payment of applicable withholding taxes pursuant to Section 6 of this Agreement.

An exercise will not be effective until the Secretary of the Company or his or her delegate receives all of the foregoing items, and such exercise otherwise is permitted under and complies with all applicable federal, state and foreign securities laws. Notwithstanding the foregoing, if the Administrator permits payment by means of delivering properly executed, irrevocable instructions, in such manner and form as the Administrator may require from time to time, to effectuate a broker-assisted cashless exercise and such instructions provide for sale of Shares under a limit order rather than at the market, the exercise will not be effective until the earlier of the date the Company receives delivery of cash or cash equivalents in full payment of the Exercise Price or the date the Company receives confirmation from the broker that the sale instruction has been fulfilled, and the exercise will not be effective unless the earlier of such dates occurs on or before termination of the Options.

(d) Method of Payment. You may pay the Exercise Price by:

- (i) delivery of cash, certified or cashier's check, money order or other cash equivalent acceptable to the Administrator in its discretion;
- (ii) a broker-assisted cashless exercise in accordance with Regulation T of the Board of Governors of the Federal Reserve System through a brokerage firm designated or approved by the Administrator;
- (iii) subject to such limits as the Administrator may impose from time to time, tender (via actual delivery or attestation) to the Company of other shares of Common Stock of the Company which have a Fair Market Value on the date of tender equal to the Exercise Price;
- (iv) subject to such limits as the Administrator may impose from time to time, net share settlement;
- (v) any other method approved by the Administrator; or
- (vi) any combination of the foregoing.

(e) Issuance of Shares upon Exercise. The Company shall issue to you the Shares underlying the Options you exercise as soon as practicable after the exercise date, subject to the Company's receipt of the aggregate exercise price and the requisite withholding taxes, if any. Upon issuance of such Shares, the Company may deliver, subject to the provisions of Section 6 below, such Shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason, or may retain such Shares in uncertificated book-entry form. Any share certificates delivered will, unless the Shares are registered or an exemption from registration is available under applicable federal and state law, bear a legend restricting transferability of such Shares.

3. Termination of Service.

(a) Termination of Unexercisable Options. If your Service with the Company ceases for any reason, the Options that are then unexercisable, after giving effect to any exercise acceleration provisions set forth on the Notice, will terminate immediately upon such cessation.

(b) Exercise Period Following Termination of Service. If your Service with the Company ceases for any reason other than discharge for Cause, the Options that are then exercisable, after giving effect to any exercise acceleration provisions set forth on the Notice, will terminate upon the earliest of:

- (i) the expiration of 90 days following such cessation, if your Service ceases on account of (1) your termination by the Company other than a discharge for Cause, or (2) your voluntary termination other than for Total and Permanent Disability or death;

(ii) the expiration of 12 months following such cessation, if your Service ceases on account of your Total and Permanent Disability or death;

(iii) the expiration of 12 months following your death, if your death occurs during the periods described in clauses (i) or (ii) of this Section 3(b), as applicable; or

(iv) the Expiration Date.

In the event of your death, the exercisable Options may be exercised by your executor, personal representative, or the person(s) to whom the Options are transferred by will or the laws of descent and distribution.

(c) Misconduct. The Options will terminate in their entirety, regardless of whether the Options are then exercisable, immediately upon your discharge from Service for Cause, or upon your commission of any of the following acts during the exercise period following your termination of Service: (i) fraud on or misappropriation of any funds or property of the Company, or (ii) your breach of any provision of any employment, non-disclosure, non-competition, non-solicitation, assignment of inventions, or other similar agreement executed by you for the benefit of the Company, as determined by the Administrator, whose determination will be conclusive.

(d) Change in Status. In the event that your Service is with a business, trade or entity that, after the Grant Date, ceases for any reason to be part or an Affiliate of the Company, your Service will be deemed to have terminated for purposes of this Section 3 upon such cessation if your Service does not continue uninterrupted immediately thereafter with the Company or an Affiliate of the Company.

4. Nontransferability of Options. These Options and, before exercise, the underlying Shares are nontransferable otherwise than by will or the laws of descent and distribution and, during your lifetime, the Options may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative. Except as provided above, the Options and, before exercise, the underlying Shares may not be assigned, transferred, pledged, hypothecated, subjected to any "put equivalent position," "call equivalent position" (as each preceding term is defined by Rule 16(a)-1 under the Securities Exchange Act of 1934), or short position, or disposed of in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

5. Nonqualified Nature of the Options. The Options are not intended to qualify as incentive stock options within the meaning of Code section 422, and this Agreement shall be so construed. You hereby acknowledge that, upon exercise of the Options, you will recognize compensation income in an amount equal to the excess of the then Fair Market Value of the Shares over the Exercise Price and must comply with the provisions of Section 6 of this Agreement with respect to any tax withholding obligations that arise as a result of such exercise.

6. Withholding of Taxes.

(a) At the time the Options are exercised, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll or any other payment of any kind due to you and otherwise agree to make adequate provision for foreign, federal, state and local taxes required by law to be withheld, if any, which arise in connection with the Options. The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the Options or issuance of share certificates representing Shares.

(b) The Administrator may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the Options either by electing to have the Company withhold from the Shares to be issued upon exercise that number of Shares, or by electing to deliver to the Company already-owned shares, in either case having a Fair Market Value not in excess of the amount necessary to satisfy the statutory minimum withholding amount due.

7. Adjustments.

(a) In the event of a merger, consolidation, stock rights offering, statutory share exchange or similar event affecting Liquidia (each, a “**Corporate Event**”) or a stock dividend, stock split, reverse stock split, separation, spinoff, reorganization, extraordinary dividend of cash or other property, share combination or subdivision, recapitalization, capital reduction distribution, or similar event affecting the capital structure of Liquidia (each, a “**Share Change**”) that occurs at any time after the Grant Date, the Administrator shall make equitable and appropriate substitutions or proportionate adjustments to the Option with respect to (i) the kind of shares of Common Stock or other securities covered by the Option, (ii) the number of shares of Common Stock or other securities covered by this Option and the exercise price, base price or other price per share, if any, and other relevant terms of the Option, and (iii) all other numerical limitations relating to this Option contained in this Agreement; provided, however, that any fractional shares resulting from any such adjustment shall be eliminated. Such adjustments shall be determined by the Administrator, and its determination shall be final, binding and conclusive.

(b) In the case of Corporate Events, the Administrator may make such other adjustments to this Option as it determines to be appropriate and desirable, which adjustments may include, without limitation, (i) the cancellation of this Option in exchange for payments of cash, securities or other property or a combination thereof having an aggregate value equal to the value of such awards, as determined by the Administrator in its sole discretion (it being understood that in the case of a Corporate Event with respect to which stockholders of Liquidia receive consideration other than publicly traded equity securities of the ultimate surviving entity, any such determination by the Administrator that the value of this Option shall for this purpose be deemed to equal the excess, if any, of the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event over the exercise price or base price of such stock option shall conclusively be deemed valid and that this Option right may be cancelled for no consideration upon a Corporate Event if its exercise price or base price equals or exceeds the value of the consideration being paid for each share of Common Stock pursuant to such Corporate Event), (ii) the substitution of securities or other property (including, without limitation, cash or other securities of Liquidia and securities of entities other than Liquidia) for the shares of Common Stock subject to this Option, and (iii) the substitution of equivalent awards, as determined in the sole discretion of the Administrator, of the surviving or successor entity or a parent thereof.

(c) Unless the Administrator determines otherwise, all awards outstanding shall terminate upon the dissolution or liquidation of Liquidia.

8. Non-Guarantee of Employment or Service Relationship. Nothing in this Agreement will alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between you and the Company, or as a contractual right for you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without Cause or notice and whether or not such discharge results in the failure of any of the Options to become exercisable or any other adverse effect on your interests under this Agreement.

9. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the Shares until such Shares have been issued to you upon the due exercise of the Options. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

10. The Company's Rights. The existence of the Options shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

11. Entire Agreement. This Agreement, together with the correlating Notice and, where applicable, the Applicable Plan Provisions, contain the entire agreement between you and the Company with respect to the Options. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the Options shall be void and ineffective for all purposes.

12. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; provided, however, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Options or Shares as determined in the discretion of the Administrator, except as provided in a written document signed by you and the Company.

13. Section 409A. This Agreement and the Options granted hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. This Agreement and the Options shall be administered, interpreted and construed in a manner consistent with this intent. Nothing in this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Options. Should any provision of this Agreement be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it may be modified and given effect, in the sole discretion of the Administrator and without requiring your consent, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A of the Code. The foregoing, however, shall not be construed as a guarantee or warranty by the Company of any particular tax effect to you.

15. Electronic Delivery of Documents. By your signing the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Options, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

16. No Future Entitlement. By execution of the Notice, you acknowledge and agree that: (i) the grant of these Options is a one-time benefit which does not create any contractual or other right to receive future grants of stock options, or compensation in lieu of stock options, even if stock options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, but not limited to, the times when stock options shall be granted or shall become exercisable, the maximum number of shares subject to each stock option, and the purchase price, will be at the sole discretion of the Administrator; (iii) the value of these Options is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (iv) the value of these Options is not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of these Options ceases upon termination of employment with the Company or transfer of employment from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) if the underlying Common Stock does not increase in value, these Options will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if these Options do not increase in value and you irrevocably release the Company from any such claim that does arise.

17. Personal Data. For the purpose of implementing, administering and managing these Options, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third party vendors or any potential party to any Change in Control transaction or capital raising transaction involving the Company. You understand that personal data (including but not limited to, name, home address, telephone number, employee number, employment status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, cancelled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of these Options and you expressly authorize such transfer as well as the retention, use, and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage these Options. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept a stock option.

18. Governing Law. The validity, construction and effect of this Agreement, and of any determinations or decisions made by the Administrator relating to this Agreement, and the rights of any and all persons having or claiming to have any interest under this Agreement, shall be determined exclusively in accordance with the laws of the State of Delaware, without regard to its provisions concerning the applicability of laws of other jurisdictions. As a condition of this Agreement, you agree that you will not bring any action arising under, as a result of, pursuant to or relating to, this Agreement in any court other than a federal or state court in the districts which include Delaware, and you hereby agree and submit to the personal jurisdiction of any federal court located in the district which includes Delaware or any state court in the district which includes Delaware. You further agree that you will not deny or attempt to defeat such personal jurisdiction or object to venue by motion or other request for leave from any such court.

19. Resolution of Disputes. Any dispute or disagreement which shall arise under, or as a result of, or pursuant to or relating to, this Agreement shall be determined by the Administrator in good faith in its absolute and uncontrolled discretion, and any such determination or any other determination by the Administrator under or pursuant to this Agreement and any interpretation by the Administrator of the terms of this Agreement, will be final, binding and conclusive on all persons affected thereby. You agree that before you may bring any legal action arising under, as a result of, pursuant to or relating to, this Agreement you will first exhaust your administrative remedies before the Administrator. You further agree that in the event that the Administrator does not resolve any dispute or disagreement arising under, as a result of, pursuant to or relating to, this Agreement to your satisfaction, no legal action may be commenced or maintained relating to this Agreement more than twenty-four (24) months after the Administrator's decision.

20. Headings. The headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

{Glossary begins on next page}

GLOSSARY

(a) **“Administrator”** means the Board or the committee(s) or officer(s) appointed by the Board that have authority to administer this Agreement.

(b) **“Affiliate”** means any entity, whether now or hereafter existing, which controls, is controlled by, or is under common control with, Liquidia Corporation or any successor to Liquidia Corporation. For this purpose, “control” (including the correlative meanings of the terms “controlled by” and “under common control with”) shall mean ownership, directly or indirectly, of 50% or more of the total combined voting power of all classes of voting securities issued by such entity, or the possession, directly or indirectly, of the power to direct the management and policies of such entity, by contract or otherwise.

(c) **“Cause”** has the meaning ascribed to such term or words of similar import in your written employment or service contract with the Company as in effect at the time at issue and, in the absence of such agreement or definition, means (i) your plea of guilty or nolo contendere to, or conviction of, (A) a felony (or its equivalent in a non-United States jurisdiction) or (B) other conduct of a criminal nature that has or is likely to have a material adverse effect on the reputation or standing in the community of Liquidia Corporation, any of its Affiliates or a successor to Liquidia Corporation or an Affiliate, as determined by the Administrator in its sole discretion, or that legally prohibits you from working for Liquidia Corporation, any of its Subsidiaries or a successor to Liquidia Corporation or a Subsidiary; (ii) a breach by you of a regulatory rule that adversely affects your ability to perform your employment duties to Liquidia Corporation, any of its Subsidiaries or a successor to Liquidia Corporation or a Subsidiary, in any material respect; or (iii) your failure, in any material respect, to (A) perform your employment duties, (B) comply with the applicable policies of Liquidia Corporation, or of its Subsidiaries, or a successor to Liquidia Corporation or a Subsidiary, or (C) comply with covenants contained in any contract or employment agreement to which you are a party; provided, however, that you shall be provided a written notice describing in reasonable detail the facts which are considered to give rise to a breach described in this clause and you shall have 30 days following receipt of such written notice (the “Cure Period”) during which you may remedy the condition and, if so remedied, no Cause for Termination of Service shall exist.

(d) **“Change in Control”** means the first of the following to occur: (i) a Change in Ownership of Liquidia Corporation, (ii) a Change in Effective Control of Liquidia Corporation, or (iii) a Change in the Ownership of Assets of Liquidia Corporation, as described herein and construed in accordance with Section 409A of the Code.

(i) A “Change in Ownership of Liquidia Corporation” shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire, ownership of the capital stock of Liquidia Corporation that, together with the stock held by such Person or Group, constitutes more than 50% of the total fair market value or total voting power of the capital stock of Liquidia Corporation. However, if any one Person is, or Persons Acting as a Group are, considered to own more than 50%, on a fully diluted basis, of the total fair market value or total voting power of the capital stock of Liquidia Corporation, the acquisition of additional stock by the same Person or Persons Acting as a Group is not considered to cause a Change in Ownership of Liquidia Corporation or to cause a Change in Effective Control of Liquidia Corporation (as described below). An increase in the percentage of capital stock owned by any one Person, or Persons Acting as a Group, as a result of a transaction in which Liquidia Corporation acquires its stock in exchange for property will be treated as an acquisition of stock.

(ii) A “Change in Effective Control of Liquidia Corporation” shall occur on the date either (A) a majority of members of Liquidia Corporation’ Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of Liquidia Corporation’ Board before the date of the appointment or election, or (B) any one Person, or Persons Acting as a Group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons) ownership of stock of Liquidia Corporation possessing 50% or more of the total voting power of the stock of Liquidia Corporation.

(iii) A “Change in the Ownership of Assets of Liquidia Corporation” shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire (or has or have acquired during the 12-month period ending on the date of the most recent acquisition by such Person or Persons), assets from Liquidia Corporation that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of Liquidia Corporation immediately before such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of Liquidia Corporation, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

The following rules of construction apply in interpreting the definition of Change in Control:

(A) A “Person” means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, other than employee benefit plans sponsored or maintained by Liquidia Corporation and by entities controlled by Liquidia Corporation or an underwriter, initial purchaser or placement agent temporarily holding the capital stock of Liquidia Corporation pursuant to a registered public offering.

(B) Persons will be considered to be Persons Acting as a Group (or Group) if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the corporation. If a Person owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a Group with other shareholders only with respect to the ownership in that corporation before the transaction giving rise to the change and not with respect to the ownership interest in the other corporation. Persons will not be considered to be acting as a Group solely because they purchase assets of the same corporation at the same time or purchase or own stock of the same corporation at the same time, or as a result of the same public offering.

(C) A Change in Control shall not include a transfer to a related person as described in Section 409A of the Code or a public offering of capital stock of Liquidia Corporation.

(D) For purposes of the definition of Change in Control, Section 318(a) of the Code applies to determine stock ownership. Stock underlying a vested option is considered owned by the individual who holds the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). For purposes of the preceding sentence, however, if a vested option is exercisable for stock that is not substantially vested (as defined by Treasury Regulation §1.83-3(b) and (j)), the stock underlying the option is not treated as owned by the individual who holds the option.

(e) “**Code**” means the Internal Revenue Code of 1986, as amended.

(f) “**Company**” includes Liquidia Corporation and its Affiliates, except where the context otherwise requires. For purposes of determining whether a Change in Control has occurred, Company shall mean only Liquidia Corporation.

(g) **“Fair Market Value”** means, on a per share basis as of any date, unless otherwise determined by the Administrator:

(i) if the principal market for the Common Stock (as determined by the Administrator if the Common Stock is listed or admitted to trading on more than one exchange or market) is a national securities exchange or an established securities market, unless otherwise determined by the Administrator, the official closing price per share of Common Stock for the regular market session on that date on the principal exchange or market on which the Common Stock is then listed or admitted to trading or, if no sale is reported for that date, on the last preceding day on which a sale was reported, all as reported by such source as the Administrator may select;

(ii) if the principal market for the Common Stock is not a national securities exchange or an established securities market, but the Common Stock is quoted by a national quotation system, the average of the highest bid and lowest asked prices for the Common Stock on that date as reported on a national quotation system or, if no prices are reported for that date, on the last preceding day on which prices were reported, all as reported by such source as the Administrator may select; or

(iii) if the Common Stock is neither listed or admitted to trading on a national securities exchange or an established securities market, nor quoted by a national quotation system, the value determined by the Administrator in good faith by the reasonable application of a reasonable valuation method, which method may, but need not, include taking into account an appraisal of the fair market value of the Common Stock conducted by a nationally recognized appraisal firm selected by the Administrator.

Notwithstanding the preceding, for foreign, federal, state and local income tax reporting purposes and for such other purposes as the Administrator deems appropriate, the Fair Market Value shall be determined by the Administrator in accordance with uniform and nondiscriminatory standards adopted by it from time to time.

(i) **“Service”** means your employment or other service relationship with the Company and its Affiliates. Your Service will be considered to have ceased with the Company and its Affiliates if, immediately after a sale, merger or other corporate transaction, the trade, business or entity with which you are employed or otherwise have a service relationship is not the Company or its successor or an Affiliate of the Company or its successor.

(j) **“Shares”** mean the shares of Common Stock underlying the Options.

(k) **“Stock Option Notice”** or **“Notice”** means the written notice evidencing the award of the Options that correlates with and makes up a part of this Agreement.

(l) **“Total and Permanent Disability”** means, you are (i) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until your death or result in death, or (ii) determined to be totally disabled by the Social Security Administration or other governmental or quasi-governmental body that administers a comparable social insurance program outside of the United States in which you participate and which conditions the right to receive benefits under such program on you being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to last until your death or result in death. The Administrator shall have sole authority to determine whether you have suffered a Total and Permanent Disability and may require such medical or other evidence as it deems necessary to judge the nature and permanency of your condition.

(m) **“You”** or **“Your”** means the recipient of the award of Options as reflected on the Stock Option Notice. Whenever the Agreement refers to “you” under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to your estate, personal representative, or beneficiary to whom the Options may be transferred by will or by the laws of descent and distribution, the word “you” shall be deemed to include such person.

EXERCISE FORM

Liquidia Corporation
P.O. Box 110085
Research Triangle Park
North Carolina, 27709

Gentlemen:

I hereby exercise the Options granted to me on _____, _____, by Liquidia Corporation (the "Company"), subject to all the terms and provisions of the applicable grant agreement and the applicable grant agreement, and notify you of my desire to purchase _____ shares of Common Stock of the Company at a price of \$ _____ per share pursuant to the exercise of said Options.

Total Amount Enclosed: \$ _____

Date: _____

(Optionee)

Received by LIQUIDIA CORPORATION

By: _____



Liquidia Corporation
419 Davis Drive, Suite 100
Morrisville, NC 27560

MEDIA RELEASE

www.liquidia.com

Liquidia Corporation Announces Chief Executive Officer Transition

RESEARCH TRIANGLE PARK, N.C., December 14, 2020 - Liquidia Corporation (NASDAQ: LQDA) today announced Damian deGoa has been appointed as Chief Executive Officer (CEO) and a director of the Company, effective immediately. He succeeds Neal F. Fowler who has retired as CEO and a director of the Company. Mr. Fowler has agreed to provide assistance to the Company for a short period of time to support a smooth transition.

“Damian is a strategic and proven leader in the healthcare industry, having led several companies in various stages of operations, most notably as Chief Executive Officer of RareGen from its formation in Summer 2018 through its acquisition by Liquidia in November 2020,” said Dr. Stephen Bloch, Chairman of the Company’s Board of Directors. “We are thrilled to welcome Damian’s wealth of experience in the pulmonary arterial hypertension industry during this important time in Liquidia’s history, having just acquired RareGen and as the Company works with the U.S. Food and Drug Administration to address the items in the Complete Response Letter for LIQ861’s New Drug Application to support the drug’s approval.”

“We are extremely appreciative of Neal’s contributions to Liquidia as our Chief Executive Officer and as a member of the Board of Directors during his accomplished tenure, said Dr. Seth Rudnick, a member of the Company’s Board of Directors. “Neal successfully led the transformation of the Company from a private early-stage clinical pharmaceutical company in early 2008 and we wish him every success in his future endeavors.”

Mr. deGoa joins Liquidia with an extensive background in business strategy and the commercialization of treprostinil for the treatment of patients with pulmonary arterial hypertension (PAH). Prior to Liquidia, Mr. deGoa served as the Chief Executive Officer of RareGen, LLC (“RareGen”) from September 2018 until RareGen’s acquisition by Liquidia in November 2020. Prior to September 2018, Mr. deGoa was the Managing Director of PBM Capital Group where he led several portfolio investments, divestments and operations. From April 2015 to April 2017, Mr. deGoa served as Chief Executive Officer of Breas Medical Group, a PBM Capital portfolio company which was acquired by Fosun Pharma in March 2017, and subsequently served as a director of Breas Medical Group from March 2017 to February 2020. Prior to joining PBM Capital Group, Mr. deGoa held various roles at Perrigo Company from August 2007 until December 2012, including Head of International Business Development, Divisional Finance Lead for Perrigo Company’s nutrition segment and Director of Corporate Development and Rx Business Development.

“I am excited to join Liquidia during this critical time in the Company’s history. The convenience, ease-of-use, and portability of LIQ861 would be meaningful for the PAH community, and it is our priority to respond fully and promptly to the FDA’s CRL. We will continue to build the parenteral treprostinil business that was acquired from RareGen, and look for value creating opportunities with our PRINT technology and pipeline,” said Damian deGoa, Chief Executive Officer of Liquidia Corporation. “I want to thank Neal for his steady-hand and leadership. His contributions have helped build the foundation for the Company. I wish him well in his retirement.”



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Mr. deGoa holds a Bachelor of Arts in Economics and Philosophy from the University of Michigan and a Master's in Business Administration in Finance from DePaul University.

In connection with Mr. deGoa's appointment as Chief Executive Officer, Mr. deGoa was granted a nonstatutory stock option to purchase up to 2,000,000 shares of the Company's common stock, \$0.001 par value per share ("Common Stock"), having an exercise price per share equal to the closing price of the Common Stock on the Nasdaq Stock Market LLC on December 14, 2020 (the "Option"). The Option was granted outside of the Company's 2020 Long-Term Incentive Plan as an inducement material to his acceptance of employment with the Company. The Option contains the following vesting terms: 25% of the shares of Common Stock underlying the Option will vest on December 14, 2021 and the remainder will vest in equal monthly installments thereafter subject to Mr. deGoa's continuous service to Liquidia through the applicable vesting date, becoming fully vested on December 14, 2024; *provided, however, that, notwithstanding the foregoing vesting schedule, (i) 25% of the then-unvested shares of Common Stock underlying the Option will vest upon the achievement of a certain regulatory milestone and (ii) 25% of the then-unvested shares of Common Stock underlying the Option will vest upon the achievement of a certain commercial milestone; provided, further, that upon a change in control (as defined in the accompanying Nonstatutory Stock Option Agreement) 100% of the unvested portion of the Option shall become vested and exercisable as of the date of the change in control provided that Mr. deGoa is actively employed by Liquidia on such date. Additionally, in the event Mr. deGoa is terminated by Liquidia without "Cause" or Mr. deGoa terminates his employment for "Good Reason" (as such terms are defined in Mr. deGoa's employment agreement with Liquidia), the number of shares of Common Stock subject to the Option that would have vested during the 12-month severance period shall vest as if Mr. deGoa was actively employed by Liquidia during such period. The Option was approved by the Compensation Committee of the Company's Board of Directors in compliance with and in reliance on Nasdaq Listing Rule 5635(c)(4).*

About Liquidia Corporation

Liquidia Corporation operates through the company's subsidiaries, Liquidia Technologies, Inc. and RareGen. The Company, through Liquidia Technologies, Inc., is a late-stage clinical biopharmaceutical company focused on the development and commercialization of products using its PRINT technology. It is focused on developing two product candidates: LIQ861, an inhaled dry powder formulation of treprostinil for the treatment of pulmonary arterial hypertension (PAH), and LIQ865, an injectable, sustained-release formulation of bupivacaine for the management of local post-operative pain for three to five days after a procedure. RareGen provides commercialization for rare disease pharmaceutical products, such as Sandoz Inc.'s generic treprostinil for PAH.

Liquidia Corporation is headquartered in Research Triangle Park, NC. For more information, please visit www.liquidia.com.



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MEDIA RELEASE

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Cautionary Statements Regarding Forward-Looking Statements

This press release may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release other than statements of historical facts, including statements regarding our future results of operations and financial position, our strategic and financial initiatives, our business strategy and plans and our objectives for future operations, are forward-looking statements. Such forward-looking statements, including statements regarding clinical trials, clinical studies and other clinical work (including the funding therefor, anticipated patient enrollment, safety data, study data, trial outcomes, timing or associated costs), regulatory applications and related anticipated submission contents and timelines, including potential resubmission of the NDA following our receipt of a Complete Response Letter (CRL) in November 2020, the potential for eventual FDA approval of the NDA for LIQ861, the timeline or outcome related to our patent litigation pending in the U.S. District Court for the District of Delaware or its *inter partes* review with the Patent Trial and Appeal Board (PTAB), the issuance of patents by the U.S. Patent and Trademark Office (USPTO) and our ability to execute on our strategic or financial initiatives, involve significant risks and uncertainties and actual results could differ materially from those expressed or implied herein. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “would,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to a number of risks discussed in Liquidia’s filings with the SEC, including the impact of the coronavirus (COVID-19) outbreak on our company and our financial condition and results of operations, the ability of Liquidia and RareGen to integrate their businesses successfully and to achieve anticipated cost savings and other synergies, the possibility that other anticipated benefits of the completed merger transaction between Liquidia and RareGen will not be realized, including without limitation, anticipated revenues, expenses, earnings and other financial results, and growth and expansion of the new combined company’s operations, and the anticipated tax treatment, as well as a number of uncertainties and assumptions. Moreover, we operate in a very competitive and rapidly changing environment and our industry has inherent risks. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events discussed in this press release may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Nothing in this press release should be regarded as a representation by any person that these goals will be achieved, and we undertake no duty to update our goals or to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise.



Liquidia Corporation
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MEDIA RELEASE

www.liquidia.com

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