

Cytosorbents Corp  
Form PRE 14A  
April 05, 2019

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

SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

CYTOSORBENTS CORPORATION  
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)  
Title of each class of securities to which transaction applies:

(2)

Aggregate number of securities to which transaction applies:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4)

Proposed maximum aggregate value of transaction:

(5)

Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

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CytoSorbents Corporation  
7 Deer Park Drive, Suite K  
Monmouth Junction, New Jersey 08852

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual Meeting of the holders of shares of common stock, each having a par value of \$0.001 per share (“Common Stock”), of CytoSorbents Corporation (“CytoSorbents” or the “Company”), will be held at The Nasdaq Stock Market located at 1 Liberty Plaza, 165 Broadway, New York, NY 10006, on June 4, 2019 at 10:00 a.m. Eastern time, to consider and take action with respect to the following:

1.  
To elect five directors, who shall each serve for a term of one year;
2.  
To authorize our Board of Directors, in its discretion, to amend and restate the First Amended and Restated Certificate of Incorporation of the Company (the “Certificate of Incorporation”) to increase the total number of authorized shares of common stock, par value \$0.001 per share (“Common Stock”) from 50,000,000 to 100,000,000;
3.  
To approve an amendment and restatement of the CytoSorbents Corporation 2014 Long-Term Incentive Plan (the “2014 Long-Term Incentive Plan,” or “Plan”);
4.  
To ratify the appointment of WithumSmith+Brown, PC as the Company’s independent auditors to audit the Company’s financial statements for the fiscal year ending December 31, 2019; and
5.  
To conduct such other business as may properly come before the Annual Meeting or any adjournments thereof.

Holders of Common Stock of record at the close of business on April 12, 2019 are entitled to notice of, and to vote at, the Annual Meeting or any adjournments thereof.

This year, instead of mailing a printed copy of our proxy materials, including our Annual Report, to each stockholder of record, we have decided to provide access to these materials in a fast and efficient manner via the Internet. This reduces the amount of paper necessary to produce these materials, as well as the costs associated with mailing these materials to all stockholders. Accordingly, on April 12, 2019, we began mailing a Notice Regarding Internet Availability of Proxy Materials, or the Notice, to all stockholders of record as of April 12, 2019, and posted our proxy materials on the website referenced in the Notice ([www.proxyvote.com](http://www.proxyvote.com)). As more fully described in the Notice, all stockholders may choose to access our proxy materials on the website referred to in the Notice or may request to receive a printed set of our proxy materials. In addition, the Notice and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

By Order of the Board of Directors,

/s/ Kathleen P. Bloch

Kathleen P. Bloch, CPA  
Chief Financial Officer and Secretary  
Monmouth Junction, New Jersey  
Dated: April 12, 2019

**YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU OWN.  
WHETHER OR NOT YOU EXPECT TO ATTEND IN PERSON, PLEASE PROMPTLY VOTE YOUR PROXY BY  
ACCESSING THE INTERNET SITE AND FOLLOWING THE INSTRUCTIONS ON THE PROXY CARD OR BY  
REQUESTING A PRINTED COPY OF THE PROXY MATERIALS AND MARKING, DATING, SIGNING AND**

RETURNING THE PROXY CARD.

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CytoSorbents Corporation  
7 Deer Park Drive, Suite K  
Monmouth Junction, New Jersey 08852

PROXY STATEMENT

Mailed on April                   , 2019  
Annual Meeting of Stockholders to be held on June 4, 2019

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of CytoSorbents Corporation (“CytoSorbents” or the “Company”) to be used at the Annual Meeting of the holders of shares of common stock, par value \$0.001 per share (“Common Stock”), of CytoSorbents, to be held on June 4, 2019 and at any adjournment thereof, or the Annual Meeting. The time and place of the Annual Meeting are stated in the Notice Regarding Internet Availability of Proxy Materials and the Notice of Annual Meeting of Stockholders that accompanies this proxy statement.

The expense of soliciting proxy cards, including the costs of preparing, assembling and mailing the Notice Regarding Internet Availability of Proxy Materials and the Notice of Annual Meeting of Stockholders, proxy statement and proxy card, will be borne by us. This year, instead of mailing a printed copy of our proxy materials, including our Annual Report, to each stockholder of record, we have decided to provide access to these materials in a fast and efficient manner via the Internet. This reduces the amount of paper necessary to produce these materials, as well as the costs associated with mailing these materials to all stockholders. Accordingly, on April                   , 2019, we began mailing the Notice Regarding Internet Availability of Proxy Materials to all stockholders of record as of April 12, 2019 and posted our proxy materials on the website referenced therein ([www.proxyvote.com](http://www.proxyvote.com)). As more fully described in the Notice Regarding Internet Availability of Proxy Materials, all stockholders may choose to access our proxy materials on the website referred to therein or may request to receive a printed set of our proxy materials. In addition, the Notice Regarding Internet Availability of Proxy Materials and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

VOTING RIGHTS

Only stockholders as of the close of business on April 12, 2019, the record date fixed by the Board of Directors of CytoSorbents (the “Board”), are entitled to notice of and to vote at the Annual Meeting. As of the record date, there were                    shares of Common Stock issued and outstanding and no other outstanding classes of voting securities. Each holder of our Common Stock is entitled to one vote per share on each matter presented at the Annual Meeting. The presence of the holders of a majority of the shares of Common Stock issued, outstanding and entitled to vote, in person or represented by duly executed proxies, at the Annual Meeting is necessary to constitute a quorum for the transaction of business at the Annual Meeting.

A plurality of the votes cast by stockholders entitled to vote for the election of directors is required to elect the directors. Cumulative voting for the election of directors is not permitted. The affirmative vote of a majority of the outstanding shares of capital stock of the Company entitled to vote thereon is required to authorize the Board of Directors, in its discretion, to amend and restate the Certificate of Incorporation. The affirmative vote a majority of the votes cast at the Annual Meeting, in person or by duly executed proxies, is required to approve the amendment and restatement of the 2014 Long-Term Incentive Plan and approve the ratification of the appointment of WithumSmith+Brown, PC as our independent registered public accounting firm for the fiscal year ending December 31, 2019.

Shares of Common Stock represented by valid proxy cards, completed, duly signed, dated, returned to the Company and not revoked, as well as shares that are properly voted via the Internet, as explained below, will be voted at the Annual Meeting as directed on the proxy. You may also vote your shares by telephone by calling 1-800-690-6903 and following the instructions on the proxy card.

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In the election of directors, stockholders may either vote “FOR” the nominees for election or “WITHHOLD” their votes from the nominees for election. Shares that are represented by valid proxy cards or shares that are properly voted via the Internet and that are marked “WITHHELD” with regard to the election of the nominees for director will be deemed present at the Annual Meeting for purposes of determining a quorum but will have no effect on the election of any director from whom votes are withheld. If no vote is specified on the proxy and in the absence of directions to the contrary, the shares will be voted “FOR” the election of the nominees for director named in this proxy statement. Stockholders may vote “FOR”, “AGAINST”, or “ABSTAIN” with regard to authorizing the Board of Directors, in its discretion, to amend and restate the Certificate of Incorporation. Shares that are represented by valid proxy cards or that are properly voted via the Internet or telephone and that are marked “ABSTAIN” with regard to authorizing the Board of Directors, in its discretion, to amend and restate the Certificate of Incorporation will have the same effect as a vote “AGAINST” this proposal. If no vote is specified on the proxy and in the absence of directions to the contrary, the shares will be voted “FOR” authorizing the Board of Directors, in its discretion, to amend and restate the Certificate of Incorporation.

Stockholders may vote “FOR”, “AGAINST”, or “ABSTAIN” with regard to the approval of the amendment and restatement of the 2014 Long-Term Incentive Plan. Shares that are represented by valid proxy cards or that are properly voted via the Internet or telephone and that are marked “ABSTAIN” with regard to the approval of the amendment and restatement of the 2014 Long-Term Incentive Plan will have the same effect as a vote “AGAINST” this proposal. If no vote is specified on the proxy and in the absence of directions to the contrary, the shares will be voted “FOR” the ratification of the appointment of our independent auditors.

Stockholders may vote “FOR”, “AGAINST”, or “ABSTAIN” with regard to the ratification of the appointment of our independent auditors named in this proxy statement. Shares that are represented by valid proxy cards or that are properly voted via the Internet or telephone and that are marked “ABSTAIN” with regard to the ratification of the appointment of the independent auditors will have the same effect as a vote “AGAINST” this proposal. If no vote is specified on the proxy and in the absence of directions to the contrary, the shares will be voted “FOR” the ratification of the appointment of our independent auditors.

Stockholders may vote their shares via the Internet by following the instructions included in the Notice Regarding Internet Availability of Proxy Materials by accessing the Internet at [www.proxyvote.com](http://www.proxyvote.com) and following the instructions contained on that website. In addition, the law of the State of Delaware, under which CytoSorbents is incorporated, permits electronic voting, provided that each proxy submitted by a stockholder via the Internet or telephone contains or is submitted with information from which it can be determined that such proxy was authorized by the stockholder. Submitting a proxy via the Internet or telephone will not affect your right to vote in person should you decide to attend the Annual Meeting. If you vote your shares via the Internet or telephone, you are responsible for any Internet access or telephone charges that you may incur.

If you are a stockholder of record, that is, you are listed as a stockholder in the Company’s books and records, you may vote your shares via the Internet at [www.proxyvote.com](http://www.proxyvote.com) rather than by returning the proxy card that accompanies this proxy statement. Once you access that website, in order to vote your shares, you will be required to provide the login control number contained on your proxy card. After providing this information, you will be prompted to complete an electronic proxy card. Your votes will be indicated on your computer screen and you will be prompted to submit or revise your electronic proxy card as desired.

If you are a beneficial owner of shares, that is, you own your shares through a bank or broker, you should receive from your bank or broker a voting instruction form that outlines the methods by which you can vote your shares. A number of banks and brokers have arranged for beneficial owners to vote their shares via the Internet or telephone and will provide voting instructions on the voting instruction form. If your bank or broker uses Broadridge Financial Solutions, you may vote your shares via the Internet at [www.proxyvote.com](http://www.proxyvote.com) or by phone by calling the telephone number shown on the voting instruction form received from your broker or bank. If you do not give instructions to your bank or broker within ten days of the Annual Meeting, it may vote on matters that the New York Stock Exchange, or NYSE, determines to be “routine,” but will not be permitted to vote your shares with respect to “non-routine” items. Under the

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NYSE rules, the authorization of the Board of Directors to amend and restate the Certificate of Incorporation to increase the number of shares authorized for issuance thereunder and the ratification of the appointment of our independent auditors are routine matters, while the election of our directors and the amendment and restatement of the 2014 Long-Term Incentive Plan are not. When a bank or broker has not received instructions from the beneficial owners or persons entitled to vote and the bank or broker cannot vote on a particular matter because it is not routine, then there is a “broker non-vote” on that matter. Broker non-votes do not count as votes “FOR” or “AGAINST” any proposal but will be counted in determining whether there is a quorum for the Annual Meeting. Please note that your bank or broker will not be able to vote your shares with respect to the election of directors and the amendment and restatement of the 2014 Long-Term Incentive Plan if you have not provided directions to your bank or broker. We strongly encourage you to submit your voting instructions and exercise your right to vote as a stockholder.

If you request a printed copy of the proxy materials by mail, mark, date, sign, and return the enclosed proxy card to Broadridge Representatives of Broadridge Financial Solutions, Inc., and our inspectors of election will tabulate and certify the votes. Alternatively, a representative of our transfer agent may serve as inspector of election.

A postage prepaid envelope addressed to Broadridge Financial Solutions will be provided with requested printed proxy materials.

The Board does not know of any other business to be presented for consideration at the Annual Meeting. If any other business properly comes before the Annual Meeting or any adjournment thereof, the proxies will be voted on such matters in the discretion of the proxy holders. The Delaware General Corporation Law provides that, unless otherwise provided in the proxy and unless the proxy is coupled with an interest, a stockholder may revoke a proxy previously given at any time prior to its exercise at the Annual Meeting. A stockholder who has voted shares by returning a proxy card or by delivering a proxy via the Internet or by phone may revoke it at any time before it is exercised at the Annual Meeting by:

- delivering to any of the persons named as proxies on the proxy card, or addressed to and received by the Secretary, an instrument revoking the proxy;
- appearing at the Annual Meeting and voting in person and executing a later dated proxy which is exercised at the Annual Meeting; or
- casting a later vote via the Internet or telephone.

Attendance at the Annual Meeting will not, by itself, revoke a proxy. We plan to announce preliminary voting results at the Annual Meeting and will report the final results in a Current Report on Form 8-K, which we intend to file with the Securities and Exchange Commission shortly after the Annual Meeting.

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The stockholders named in the following table are known to us to be the beneficial owner of 5% or more of our Common Stock. Unless otherwise indicated, the information is as of April 12, 2019. For purposes of this table, and as used elsewhere in this proxy statement, the term “beneficial owner” means any person who, directly or indirectly, has or shares the power to vote, or to direct the voting of, shares of our Common Stock, the power to dispose, or to direct the disposition of, a security or has the right to acquire shares within sixty (60) days. Except as otherwise indicated, we believe that the owners listed below exercise sole voting and dispositive power over their shares.

Name and Address of Beneficial Owner	Number of Shares Beneficially Owned	Percentage Beneficially Owned
The Robert F. Shipley Family Trust P.O. Box 894 Nogales, Arizona 85628	2,773,363(1)	%
BlackRock, Inc. 55 East 52nd St. New York, NY 10055	1,985,640	%

(1)

The Robert F. Shipley Family Trust’s ownership is comprised solely of shares held in a trust.

**STOCK OWNERSHIP OF DIRECTORS, NOMINEES FOR DIRECTOR AND EXECUTIVE OFFICERS**

The following table and notes thereto set forth information with respect to the beneficial ownership of shares of our Common Stock as of April 12, 2019 (except as otherwise indicated below) by each of our directors and director nominees, each named executive officer and by our directors and executive officers as a group, based upon information furnished to us by such persons. Except as otherwise indicated, we believe that each beneficial owner listed below exercises sole voting and dispositive power over his or her shares.

Name of Beneficial Owner(1)	Number of Shares	Percentage of Common Stock(1)
Al W. Kraus	188,121(2)	*
Phillip P. Chan, MD, PhD	718,131(3)	%
Vincent J. Capponi, MS	471,235(4)	%
Kathleen P. Bloch, CPA	237,494(5)	*
Eric R. Mortensen, MD, PhD	111,915(6)	*
Michael G. Bator	50,700(7)	*
Edward R. Jones, MD, MBA	75,700(8)	*
Alan D. Sobel, CPA	46,200(9)	*
All current directors, director nominees and executive officers as a group (8 persons)	1,899,496	%

\*

Less than 1%

(1)

Applicable percentage of ownership is based on \_\_\_\_\_ shares of our Common Stock outstanding as of April 12, 2019. Beneficial ownership is determined in accordance with the rules of the SEC and means voting or investment power with respect to securities. Shares of our Common Stock issuable upon the exercise of stock options exercisable currently or within 60 days of April 12, 2019, are deemed outstanding and to be beneficially owned by the person holding such option for purposes of computing such person's percentage ownership but are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

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(2)

Includes 55,746 shares of Common Stock, and 132,375 shares of Common Stock issuable pursuant to stock options currently exercisable.

(3)

Includes 261,581 shares of Common Stock, and 456,550 shares of Common Stock issuable pursuant to stock options currently exercisable.

(4)

Includes 101,975 shares of Common Stock, and 369,260 shares of Common Stock issuable pursuant to stock options currently exercisable.

(5)

Includes 46,944 shares of Common Stock, of which 9,000 shares of Common Stock are held by Ms. Bloch's husband as to which she disclaims beneficial ownership, and 190,550 shares of Common Stock issuable pursuant to stock options currently exercisable.

(6)

Includes 5,665 shares of Common Stock and 106,250 shares of Common Stock issuable pursuant to stock options currently exercisable.

(7)

Includes 4,500 shares of Common Stock and 46,200 shares of Common Stock issuable pursuant to stock options currently exercisable.

(8)

Includes 5,500 shares of Common Stock and 70,200 shares of Common Stock issuable pursuant to stock options currently exercisable.

(9)

Includes 46,200 shares of Common Stock issuable pursuant to stock options currently exercisable.

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PROPOSAL 1

NOMINATION AND ELECTION OF DIRECTORS

Our bylaws provide that our Board shall consist of not less than three members. Each director serves for a one-year term, with each director being elected at each Annual Meeting. Five directors are currently serving on the Board. Our Board is authorized to increase or decrease the total number of directors within the limitations prescribed by our bylaws.

The directorships expiring this year are currently filled by Phillip P. Chan, Al W. Kraus, Edward R. Jones, Michael G. Bator and Alan D. Sobel. If each director is elected, the total number of directors comprising our Board will remain at five (5) directors effective immediately following the Annual Meeting. If elected, each director's term will expire in 2020.

The nominees for election at this Annual Meeting have informed us that they are willing to serve for the term to which they are nominated, if elected. If any nominee should become unavailable for election or is unable to serve as a director, the shares represented by proxies voted in favor of that nominee will be voted for any substitute nominee that may be named by the Board.

Set forth in the table below is certain information about the nominees for election as directors, including each nominee's age and length of service as a director of CytoSorbents, principal occupation and business experience for at least the past five years and the names of other publicly held companies on whose boards the director serves or has served in the past five years. There are no family relationships among any of our directors, nominees for director and executive officers.

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Name	Age	Director Since	Principal Occupation, Other Business Experience During Past Five Years and Other Directorships
Phillip P. Chan, MD, PhD	48	2008	<p>Dr. Chan became a director of CytoSorbents in 2008, and since January 2009 has served as our President and Chief Executive Officer. Prior to joining CytoSorbents, Dr. Chan led healthcare and life science investments for the NJTC Venture Fund from 2003 to 2008, most recently as a Partner. In 2006, Dr. Chan co-founded Andrew Technologies, a medical device company commercializing its U.S. Food and Drug Administration, or FDA, -approved HydraSolve™ lipoplasty system for plastic surgery. He is an Internal Medicine physician with a strong background in clinical medicine and research. Dr. Chan received his MD and PhD from the Yale University School of Medicine, completed his Internal Medicine residency at the Beth Israel Deaconess Medical Center at Harvard Medical School, and received his Board certification. He also holds a BS in cell and molecular biology from Cornell University.</p>
Al W. Kraus(1)(2)(3)	74	2003	<p>Mr. Kraus has been a director of CytoSorbents since 2003, and has been Chairman of our Board since 2009. From 2003 through 2008, Mr. Kraus also served as our President and Chief Executive Officer. Prior to joining CytoSorbents, from 2001 to 2003, Mr. Kraus served as President and Chief Executive Officer of NovoVascular Inc., an early stage company developing coated stent technology. From 1996 to 1998, Mr. Kraus served as President and Chief Executive Officer of Althin Healthcare and from 1998 to 2000, served as President and Chief Executive Officer of Althin Medical Inc., a manufacturer of products for the treatment of end stage renal disease. While Chief Executive Officer of Althin Healthcare, he provided strategic direction and management for operations throughout the Americas. From 1985 through 1989, Mr. Kraus served as Chief Executive Officer of Victor Technologies, formerly known as Micronics, a computer company, and from 1979 to 1985, he was U.S. Subsidiary Manager and Chief Operating Officer of Gambro Inc., a leading medical technology and healthcare company. Mr. Kraus was the Chief Operating Officer of Gambro when it went public in the United States in an offering led by Morgan Stanley. Mr. Kraus holds a BS in Business Administration from St. Joseph's University.</p>

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Name	Age	Director Since	Principal Occupation, Other Business Experience During Past Five Years and Other Directorships
Edward R. Jones, MD, MBA(1)(3)	70	2007	<p>Dr. Jones has been a director of the Company since April 2007. Dr. Jones has been an attending physician at Albert Einstein Medical Center and Chestnut Hill Hospital as well as Clinical Professor of Medicine at Temple University Hospital since 1985. Dr. Jones has published or contributed to the publishing of 30 chapters, articles, and abstracts on the subject of treating kidney-related illnesses. He has been a member of the Renal Physicians Association, the Philadelphia County Medical Society for 17 years, and is a past board member of the National Kidney Foundation of the Delaware Valley. From March 2009 to March 2011, Dr. Jones is past-President of, and past Counselor at, the Renal Physicians Association. Dr. Jones is past Chairman of Kidney Care Partners, and he is past President of Delaware Valley Nephrology and Hypertension, Associates. He retired from that practice in June 30, 2018. Dr. Jones graduated from The Medical University of South Carolina and completed his Internal Medicine Residency at Temple University Hospital (TUH). He later served as Chief Medical Resident at Temple University Hospital. He was a fellow in the Renal and Electrolyte Section of the University of Pennsylvania after which he joined the faculty of Temple where he ran the renal physiology laboratory while teaching and providing patient care. Dr. Jones received his MBA in healthcare management from St Joseph's University in Philadelphia.</p>

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Name	Age	Director Since	Principal Occupation, Other Business Experience During Past Five Years and Other Directorships
Michael G. Bator(2)	55	2015	<p>Mr. Bator has been a director of CytoSorbents since July 2015. Mr. Bator is a founder and partner of Quartz Advisory Group, LLC, a capital markets investment bank. Mr. Bator is the founder and partner of Certus Advisory, a consulting firm he founded in February 2015. From April 2015 to December 2016, Mr. Bator was the Chief Financial Officer of Trek Therapeutics, a development stage pharmaceutical company. From January 2001 until February 2015, Mr. Bator held several positions with Jennison Associates, a United States mutual and pension fund management company, where he was most recently Managing Director, Healthcare Research. Prior to that time, he worked in management consulting with Cambridge Pharma Consultancy, Lexington Strategy, and The Boston Consulting Group. Since March 2015, Mr. Bator has served on the board of directors of 3DBio Corporation, a private company focused on bioprinted cartilage implants used in reconstructive and orthopedic surgery. Since June 2017, Mr. Bator has served on the board of directors of Hippo Technologies, LLC., a technology company focused on helping consumers manage their prescriptions. Mr. Bator received his MBA in Finance from Wharton Business School at the University of Pennsylvania, and his BA from Princeton University.</p>
Alan D. Sobel, CPA(1)(3)	58	2014	<p>Mr. Sobel has been a director of CytoSorbents since 2014. Since 1996, Mr. Sobel has served as the Managing Member of Sobel &amp; Co., LLC, a full-service accounting, auditing, taxation, and business consulting firm. He has provided corporate advisory and consulting services, including mergers and acquisitions, for clients in the real estate, manufacturing, pharmaceutical, and distribution businesses, among others. Mr. Sobel is a Certified Public Accountant, and has served in various leadership roles including Chairman of the Audit Committee of the New Jersey Society of Certified Public Accountants. Mr. Sobel received his BS in accounting from Bentley College and his MS in taxation from Fairleigh Dickinson University.</p>

(1)  
Member of the Nominating and Corporate Governance Committee.

(2)  
Member of the Compensation Committee.

(3)  
Member of the Audit Committee.

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### Director Experience, Qualifications, Attributes and Skills

We believe that the backgrounds and qualifications of our directors and director nominees, considered as a group, provide a broad mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Our Nominating and Corporate Governance Committee does not have a specific policy with regard to the consideration of diversity in identifying director nominees. However, our Nominating and Corporate Governance Committee values diversity on our Board and considers the diversity of the professional experience, education and skills, as well as diversity of origin, in identifying director nominees. Our Board is composed of a diverse group of leaders in their respective fields. Many of the current directors have leadership experience at major domestic and international companies with operations inside and outside the United States, as well as experience serving on other companies' boards, which provides an understanding of different business processes, challenges and strategies facing boards and other companies. Collectively, our directors have experience as chief executive officers, presidents, or general partners of medical-device companies, physician or other professional organizations, and investment companies which brings unique perspectives to the Board. Furthermore, our directors also have other experience that makes them valuable members, such as prior experience with financing transactions or mergers and acquisitions that provides insight into issues faced by companies.

The following highlights the specific experience, qualification, attributes and skills of our individual Board members that have led our Nominating and Corporate Governance Committee to conclude that these individuals should serve on our Board:

Phillip P. Chan, MD, PhD, our current President and Chief Executive Officer, brings extensive experience in company management, business strategy, medicine, science, investing, and fundraising. Prior to joining CytoSorbents, Dr. Chan was a Partner at NJTC Venture Fund, LP, where he led healthcare and life sciences investments. Dr. Chan co-founded Andrew Technologies, a medical device company commercializing its FDA-approved HydraSolve™ lipoplasty system for plastic surgery. He is an MD and PhD internal medicine physician with a strong background in clinical medicine and research.

Al W. Kraus, our Chairman of the Board and former President and CEO, has more than 25 years' experience managing publicly-traded and privately-held companies in the dialysis, medical device products, personal computer and custom software industries.

Edward R. Jones, MD, MBA has significant experience serving as a Medical Director of numerous dialysis facilities. From March 2009 to March 2011, Dr. Jones was President of the Renal Physicians Association and thereafter served as a counselor at the Renal Physicians Association until June 2018. From January 2014 until June 2018, Dr. Jones served as Chairman of Kidney Care Partners and President of Delaware Valley Nephrology and Hypertension, Associates.

Michael G. Bator has extensive experience in management consulting as well as mutual and pension fund management. He has served as an equity analyst and Director specializing in healthcare investments for more than 14 years while employed at Jennison Associates. He also has prior experience as a Chief Financial Officer for a publicly-traded company and as a Director of a private company.

Alan D. Sobel, CPA has been a licensed CPA since 1987 and he has worked in public accounting in the areas of audit, consulting and tax, assisting both private and publicly-traded entities. Mr. Sobel has served as a consultant and advisor to Chief Executive Officers and senior management in the pharmaceutical, biotech, and other FDA manufacturing clients, including providing expertise in mergers and acquisitions undertaken by these entities. He has worked extensively with Boards of Directors and Audit Committees as part of his role as lead auditor on SEC engagements.

### Vote Required for Election

The receipt of a plurality of the votes cast by stockholders entitled to vote in the election of directors is required for the election of the nominees listed above as directors of CytoSorbents.

### Recommendation of the Board

The Board of Directors recommends a vote for all of the Director nominees.

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**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE MATTERS**

**Independence of Directors**

Our Board has determined that each of Messrs. Kraus, Bator and Sobel and Dr. Jones are independent as that term is defined under the applicable independence listing standards of the Nasdaq Global Market (“Nasdaq”).

**Meetings**

Our Board held six meetings during the year ended December 31, 2018. During the year, no incumbent director attended fewer than 75% of the aggregate of all meetings of the Board held during the period in which he served as a director and the total number of meetings held by the committee on which he served during the period. It is the policy of our Board that each director attends our annual meetings of stockholders. All incumbent directors who were directors at the time attended the 2018 Annual Meeting of Stockholders.

**Board Leadership Structure and Role in Risk Oversight**

Our Board evaluates its leadership structure and role in risk oversight on an ongoing basis.

The Board believes that its current leadership structure, with Dr. Chan serving as President and Chief Executive Officer and Mr. Kraus serving as our independent non-executive Chairman, is appropriate for the Company at this time as it promotes balance between the Board’s independent authority to oversee our business and the President and Chief Executive Officer and his management team who manage the business on a day-to-day basis. Both Dr. Chan and Mr. Kraus are actively engaged on significant matters affecting us, such as long-term strategy. The President and Chief Executive Officer has overall responsibility for all aspects of our operation, while the Chairman has a greater focus on governance of the Company, including oversight of the Board. We believe this balance of shared leadership between the two positions is a strength for the Company. As our independent non-executive Chairman, Mr. Kraus calls and chairs regular and special meetings of the Board and all executive sessions of the independent directors, chairs and presides at annual or special meetings of stockholders, provides meaningful input into the agenda of Board meetings, authorizes the retention of outside advisors, consultants and legal counsel who report directly to the Board, consults frequently with committee chairs and has the right to and often does attend Board committee meetings.

The Board, acting primarily through the Audit Committee, is also responsible for oversight of our risk management practices, while management is responsible for the day-to-day risk management processes. This division of responsibilities is the most effective approach for addressing the risks facing the Company, and the Company’s board leadership structure supports this approach. Through our President and Chief Executive Officer, and other members of management, the Board receives periodic reports regarding the risks facing the Company. In addition, the Audit Committee assists the Board in its oversight role by receiving periodic reports regarding our risk and control environment.

The Compensation Committee also reviews the Company’s compensation practices to confirm that they do not create risks likely to have a material adverse effect on the Company. This review includes comparing the compensation practices of the Company with peer companies in the life sciences sector as well as insuring that the compensation packages of key executives are tied to the long-term success of the Company and therefore correlated to increases in stockholder value.

**Committees of the Board**

Our Board currently has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. These committees, their principal functions and their respective memberships are described below.

**Audit Committee**

The current members of the Audit Committee are Mr. Sobel, who serves as Chairman, Mr. Kraus and Dr. Jones. Each of the members of the Audit Committee is independent as defined by the applicable

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Nasdaq listing standards and Securities and Exchange Commission (“SEC”) rules applicable to audit committee members. The Board has determined that Mr. Sobel qualifies as an “audit committee financial expert,” as such term is defined by Item 407(d)(5) of Regulation S-K as promulgated by the SEC.

The Audit Committee was established in accordance with section 3(a)(58)(A) of the Exchange Act. The Audit Committee oversees our financial reporting process and system of internal control over financial reporting, and selects and oversees the performance of, and approves in advance the services provided by, our independent auditors. The Audit Committee provides an open avenue of communication among our independent auditors, financial and senior management and the Board. The Audit Committee meets regularly with our independent auditors without management present, and from time to time with management in separate private sessions, to discuss any matters that the Committee or these individuals believe should be discussed privately with the Audit Committee, including any significant issues or disagreements that may arise concerning our accounting practices or financial statements. In addition, the Audit Committee assists the Board in its oversight role by receiving periodic reports regarding our risk and control environment.

In 2018, the Audit Committee held five meetings and all members were present at 75% of or all of the meetings. A copy of the Audit Committee’s charter is posted on our website at [www.cytosorbents.com](http://www.cytosorbents.com). Our website is not a part of this proxy statement, and all references to our website address in this proxy statement are intended to be inactive textual references only.

### Review and Approval of Related Person Transactions

Our Board has adopted written policies and procedures for the review, approval or ratification of transactions involving CytoSorbents and any executive officer, director, director nominee, 5% stockholder and certain of their immediate family members (each of whom we refer to as a “related person”). The policies and procedures cover any transaction involving \$120,000 or more with a related person (a “related person transaction”) in which the related person has a material interest and which does not fall under an explicitly stated exception set forth in the applicable disclosure rules of the SEC.

Any proposed related person transaction must be reported to the Chairman of our Audit Committee. The policy calls for the transaction to be reviewed and, if deemed appropriate, approved by the Audit Committee. The transaction should be approved in advance whenever practicable. If not practicable, the Audit Committee will review, and may, if deemed appropriate, ratify the related person transaction. The policy also permits the Chairman of the Audit Committee to approve related person transactions that arise between committee meetings, subject to ratification by the Audit Committee at its next meeting. Any related person transaction that is ongoing in nature will be reviewed annually.

A related person transaction will be considered approved or ratified if it is authorized by the Audit Committee or Chairman after full disclosure of the related person’s interest in the transaction. The transaction may be approved or ratified only if the Audit Committee determines that the transaction is not inconsistent with the Company’s best interests. In considering related person transactions, the Audit Committee will consider any information considered material to investors and the following factors:

- the related person’s interest in the transaction;
- the approximate dollar value of the transaction;
- whether the transaction was undertaken in the ordinary course of our business;
- whether the terms of the transaction are no less favorable to us than terms that we could have reached with an unrelated third party; and
-

the purpose and potential benefit to us of the transaction.

The policy provides that related party transactions involving the compensation of our executive officers will be reviewed and approved by the Compensation Committee or our Board, in accordance with the Compensation Committee's charter.

There were no such related party transactions in 2018.

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Nominating and Corporate Governance Committee

The current members of the Nominating and Corporate Governance Committee are Mr. Sobel, who serves as Chairman, Mr. Kraus and Dr. Jones. Each of the members of the Nominating and Corporate Governance Committee is independent as defined by the applicable Nasdaq listing standards.

The Nominating and Corporate Governance Committee assists the Board in fulfilling its responsibilities regarding the oversight of the composition of the Board and other corporate governance matters. Among its other duties, the Nominating and Corporate Governance Committee evaluates nominees and reviews the qualifications of individuals eligible to stand for election and reelection as directors and makes recommendations to the Board on this matter; oversees compliance with our Code of Business Conduct and Ethics; reviews and approves related party transactions; recommends and advises the Board on certain other corporate governance matters; and oversees the Board's performance evaluation process.

During 2018, the Nominating and Corporate Governance Committee held one meeting. A copy of the Nominating and Corporate Governance Committee's charter is posted on our website at [www.cytosorbents.com](http://www.cytosorbents.com).

Evaluation and Identification of Director Nominees

The Nominating and Corporate Governance Committee considers a number of factors in identifying and evaluating director nominees. While all nominees should have the highest personal integrity, meet any required regulatory qualifications and have a record of exceptional ability and judgment, the Board relies on the judgment of members of the Nominating and Corporate Governance Committee, with input from our President and Chief Executive Officer, to assess the qualifications of potential Board nominees with a view to the contributions that they would make to the Board and to CytoSorbents. Because our Board believes that its members should ideally reflect a mix of experience and other qualifications, there is no rigid formula. Our Nominating and Corporate Governance Committee does not have a specific policy with regard to the consideration of diversity in identifying director nominees; however, our Nominating and Corporate Governance Committee values diversity on our Board and considers the diversity of the professional experience, education and skills, as well as diversity of origin, in identifying director nominees. In evaluating potential candidates, the Nominating and Corporate Governance Committee will consider, among others things, the degree to which a potential candidate fulfills a current Board need, such as the need for an audit committee financial expert, as well as the candidate's ability and commitment to understand CytoSorbents and its industry and the candidate's ability to devote the time necessary to fulfill the role of director (including, without limitation, regularly attending and participating in meetings of the Board and its Committees). In considering potential candidates, the Nominating and Corporate Governance Committee will consider the overall competency of the Board in the following areas:

- industry knowledge;
- accounting and finance;
- business judgment;
- management;
- leadership;
- business strategy;
-

crisis management; and

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corporate governance.

In addition, the Nominating and Corporate Governance Committee may consider other factors, as appropriate in a particular case, including, without limitation, the candidate's:

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sound business and personal judgment;

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diversity of origin, experience, background and thought;

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- senior management experience and demonstrated leadership ability;
- accountability and integrity;
- financial literacy;
- industry or business knowledge, including science, technology, and marketing acumen;
- the extent, nature and quality of relationships and standing in the research and local communities;
- in connection with nominees to be designated as “independent” directors, “independence” under regulatory definitions, as well as in the judgment of the Nominating and Corporate Governance Committee;
- independence of thought and ideas; and
- other board appointments and service.

The Nominating and Corporate Governance Committee considers recommendations for nominations from a variety of sources, including members of the Board, business contacts, community leaders and members of management. As described below, the Nominating and Corporate Governance Committee will also consider stockholder recommendations for Board nominees. The Nominating and Corporate Governance Committee’s process for identifying and evaluating candidates is the same with respect to candidates recommended by members of the Board, management, stockholders or others.

**Stockholder Director Nominee Recommendations**

The Nominating and Corporate Governance Committee will consider director nominees recommended by stockholders. Stockholders who wish their proposed nominee to be considered by the Nominating and Corporate Governance Committee for nomination at our next annual stockholders’ meeting should follow the procedures set forth in our bylaws as described in “Stockholder Proposals and Nomination of Director Candidates” in this proxy statement.

**Compensation Committee**

The current members of the Compensation Committee are Mr. Kraus, who serves as Chairman, and Mr. Bator. Each of the current members of the Compensation Committee is independent as defined by the applicable Nasdaq listing standards.

Decisions regarding the compensation of our executive officers are made by the Compensation Committee. The Compensation Committee’s principal responsibilities include reviewing the Company’s overall compensation philosophy and the adequacy and market competitiveness of our compensation plans and programs, evaluating the Company’s compensation policies and practices to determine whether these policies and practices create incentives for a particular employee group to take actions which could put the Company at undue risk, evaluating the performance of and reviewing and approving compensation for our executive officers, evaluating and recommending director compensation, and reviewing and discussing with management the compensation disclosures included in this proxy statement. The Compensation Committee also administers our equity-based and other incentive plans, including assuming responsibility for granting, or delegating as appropriate the authority for granting, and making decisions with respect to, awards under our equity compensation and other incentive plans. On an annual basis the

Compensation Committee approves a pool of options to be awarded to non-executive employees and delegates the authority for granting these awards to the Chief Executive Officer. The roles of management and our compensation consultant, Radford, an Aon-Hewitt company (“Radford”), are discussed below under “Significant Corporate Governance Standards” and “Compensation Setting Process.” The Compensation Committee held three meetings during 2018. A copy of the Compensation Committee’s charter is posted on our website at [www.cytosorbents.com](http://www.cytosorbents.com).

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Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our Board or Compensation Committee. With the exception of Al W. Kraus, who served as our President and Chief Executive Officer from 2003 to 2008, none of the members of the Compensation Committee has ever been an employee or one of our officers.

Stockholder Communications to the Board of Directors

Stockholders may send communications to our Board in writing, addressed to the full Board or a specific committee of the Board, c/o Amy Vogel, Investor Relations, CytoSorbents Corporation, 7 Deer Park Drive, Suite K, Monmouth Junction, New Jersey 08852, telephone (732) 398-5394 or avogel@cytosorbents.com. Such correspondence will be logged in and forwarded to the Board.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our employees (including our principal executive officer, chief financial officer and other members of our finance and administration department) and our directors. Our Code of Business Conduct and Ethics is posted on our website at [www.cytosorbents.com](http://www.cytosorbents.com). In addition, we intend to post on our website all disclosures that are required by law or Nasdaq listing standards concerning any amendments to, or waivers from, any provision of our Code of Business Conduct and Ethics.

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## DIRECTOR COMPENSATION

The following table shows for the fiscal year ended December 31, 2018 certain information with respect to the compensation of all non-employee directors of the Company.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	Option Awards (\$)(2)	Total (\$)
Michael G. Bator	\$ 22,000	—	68,275(3)	\$ 90,275
Edward R. Jones, MD, MBA	\$ 23,100	—	68,275(4)	\$ 91,375
Al W. Kraus	\$ 48,400	—	136,432(5)	\$ 184,832
Alan D. Sobel, CPA	\$ 31,900	—	68,275(6)	\$ 100,175

(1)

In 2018, each of our non-employee directors received a grant of 3,300 restricted stock units which will vest upon a “Change in Control” of the Company, as defined in the Company’s 2014 Long-Term Incentive Plan. The values of these grants have been calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (“ASC Topic 718”). Because a “Change of Control” is not contemplated or probable at this time, there is no amount associated with these awards.

(2)

The value of option awards granted to directors is based upon the grant date fair value of awards calculated in accordance with ASC Topic 718. For information regarding our valuation of option awards, see “Stock-based Compensation” in Note 10 of our financial statements for the period ended December 31, 2018.

(3)

In connection with his service as a director in 2018, we issued Mr. Bator options to purchase 14,450 shares of our Common Stock at an exercise price of \$7.90 per share, which were granted on March 15, 2018 and expire on March 15, 2028. One quarter of these shares vested on March 31, 2018, one quarter vested on June 30, 2018, one quarter vested on September 30, 2018 and one quarter vested on December 31, 2018.

(4)

In connection with his service as a director in 2018 we issued Dr. Jones options to purchase 14,450 shares of our Common Stock at an exercise price of \$7.90 per share, which were granted on March 15, 2018 and expire on March 15, 2028. One quarter of these shares vested on March 31, 2018, one quarter vested on June 30, 2018, one quarter vested on September 30, 2018 and one quarter vested on December 31, 2018.

(5)

In connection with Mr. Kraus’ service as a director in 2018 we issued options to purchase 28,875 shares of our Common Stock at an exercise price of \$7.90 per share, which were granted on March 15, 2018 and expire on March 15, 2028. One quarter of these shares vested on March 31, 2018, one quarter vested on June 30, 2018, one quarter vested on September 30, 2018 and one quarter vested on December 31, 2018.

(6)

In connection with his service as a director in 2018 we issued Mr. Sobel options to purchase 14,450 shares of our Common Stock at an exercise price of \$7.90 per share, which were granted on March 15, 2018 and expire on March 15, 2028. One quarter of these shares vested on March 31, 2018, one quarter vested on June 30, 2018, one quarter vested on September 30, 2018 and one quarter vested on December 31, 2018.

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In early 2018, the Board approved a new fee schedule for its members which became effective January 1, 2018. Pursuant to the revised fee schedule, the Chairman of the Board is entitled to an annual retainer of \$36,300 and each non-employee Board member is entitled to an annual retainer of \$16,500. Each member of the Audit Committee and Nominating and Corporate Governance Committee is entitled to an additional \$6,600 per year, and each member of the Compensation Committee is entitled to an additional \$5,500 per year. The Chairmen of the Audit Committee and the Nominating and Corporate Governance Committee are entitled to an additional \$15,400 per year. In addition, each of our directors is eligible to receive reimbursement for actual out-of-pocket expenses incurred by them in connection with their attendance at meetings of the Board and Board committees and an annual equity grant.

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In November 2018, the Board commissioned Radford to evaluate compensation for both the Board and management and make recommendations to approximately align these two groups with the interests of stockholders. The Board continues to evaluate future Board compensation and will seek to finalize as soon as possible.

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Below is information about Phillip P. Chan, Vincent J. Capponi, Kathleen P. Bloch and Eric R. Mortensen, our named executive officers. This information includes each officer's age, his or her position with CytoSorbents, the length of time he or she has held each position and his or her business experience for at least the past five years. Our Board elects our executive officers annually, and executive officers serve until they resign or the Board terminates their position. There are no family relationships among any of our directors, nominee for director and executive officers.

Name	Age	Position
Phillip P. Chan, MD, PhD	48	President and Chief Executive Officer
Vincent J. Capponi, MS	61	Chief Operating Officer
Kathleen P. Bloch, CPA, MBA	64	Chief Financial Officer
Eric R. Mortensen, MD, PhD	60	Chief Medical Officer

**Phillip P. Chan, MD, PhD.** Dr. Chan became a director of the Company in 2008, and since January 2009 has served as President and Chief Executive Officer. Prior to joining CytoSorbents, Dr. Chan led healthcare and life science investments for the NJTC Venture Fund from 2003 to 2008, most recently as a Partner. In 2006, Dr. Chan co-founded Andrew Technologies, a medical device company commercializing its FDA-approved HydraSolve™ lipoplasty system for plastic surgery. He is an Internal Medicine physician with a strong background in clinical medicine and research. Dr. Chan received his MD and PhD from the Yale University School of Medicine, completed his Internal Medicine residency at the Beth Israel Deaconess Medical Center at Harvard Medical School, and received his Board certification. He also holds a BS in cell and molecular biology from Cornell University.

**Vincent J. Capponi, MS.** Mr. Capponi joined the Company as Vice President of Operations in 2002 and became our Chief Operating Officer in July 2005. He has more than 20 years of management experience in medical device, pharmaceutical and imaging equipment at companies including Upjohn, Sims Deltec and Sabratek. Prior to joining CytoSorbents in 2002, Mr. Capponi held several senior management positions at Sabratek and its diagnostics division GDS and was interim president of GDS diagnostics in 2001. From 1998 to 2000, Mr. Capponi was Senior Vice President and Chief Operating Officer for Sabratek and Vice President Operations from 1996 to 1998. He received his MS in Chemistry and his BS in Chemistry and Microbiology from Bowling Green State University.

**Kathleen P. Bloch, MBA, CPA.** Ms. Bloch has more than 20 years of executive financial experience in both public and private companies. She became Chief Financial Officer of the Company in May 2013. Previously, she served as Chief Financial Officer of Laureate Biopharmaceutical Services, Inc., a leader in biopharmaceutical contract development and manufacturing from November 2010 to May 2013. Prior to that, from September 2007 to November 2010, Ms. Bloch served as Chief Operating Officer and CFO of PC Group, Inc., a \$70 million in revenue, Nasdaq-listed, publicly traded company with a diverse group of holdings, including several medical device subsidiaries. Ms. Bloch served as Chief Financial Officer of Silver Line Building Products Corporation, one of the world's largest manufacturers of vinyl windows, from August 1999 to August 2007. She began her career at the accounting firm of Peat Marwick International. Ms. Bloch holds an MBA and a BS in accounting from LaSalle University, and is a Certified Public Accountant.

**Eric R. Mortensen, MD, PhD.** Dr. Mortensen has more than 20 years of management and clinical trial experience in the pharmaceutical industry. He began his employment as Chief Medical Officer of CytoSorbents effective June 1, 2017. Prior to that, for two years, Dr. Mortensen served as the Vice President & Therapeutic Area Clinical Head for Inflammation and Immunology at Pfizer, leading Pfizer's global, late-stage development organization for programs in inflammatory diseases including studies for Enbrel® and Xeljanz®. Prior to that, Dr. Mortensen held various other clinical managerial positions at Pfizer from 2008 through 2014. Before working at Pfizer, Dr. Mortensen spent five years at Merck Research Laboratories, where he was responsible for registration studies of the COX2 inhibitors rofecoxib and etoricoxib. Dr. Mortensen received his medical degree from the Harvard University and Massachusetts Institute of Technology Division of Health Sciences and Technology, and his doctorate in biophysics from the Graduate School of Arts and Sciences at Harvard University. Dr. Mortensen completed his residency training in internal medicine at Massachusetts General Hospital and a fellowship in gastroenterology at the University of Michigan Medical Center, Ann Arbor.



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### COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis explains how our executive compensation program is designed and operates with respect to our named executive officers by describing the objectives of our executive compensation program, what the compensation program is designed to reward, and each compensation component that we provide. In addition, we explain how and why our Compensation Committee arrived at specific compensation policies and decisions involving our named executive officers for the fiscal year ended December 31, 2018.

This Compensation Discussion and Analysis contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. The actual compensation programs that we adopt in the future may differ materially from currently planned programs as summarized in this discussion.

#### Significant Executive Compensation Actions

Our Compensation Committee, which consists of two independent directors, sets the compensation of our named executive officers. For 2018, based in part upon recommendations made by Radford the Compensation Committee took the following actions with respect to the compensation of our named executive officers:

- increased base salaries to advance them towards more competitive market levels;
- approved cash bonuses linked to the Company's 2018 performance, which bonuses were determined, approved and paid in the first quarter of 2019;
- approved bonuses in the form of restricted stock units linked to the Company's 2018 performance, which bonuses were determined, approved and granted in the first quarter of 2019; and
- approved additional long-term incentive compensation in the form of a combination of restricted stock units and stock options, including options which were subject to vesting based upon the Company's ability to meet certain predetermined milestones related to 2018 operating performance, to further align the incentives of the executives and stockholders, retain key executives and reward performance.

#### Significant Corporate Governance Standards

We have endeavored to maintain high standards in our executive compensation practices. We conduct an annual review of our compensation programs for executive officers and other employees to assess the level of risk associated with those programs and the effectiveness of our policies and practices for monitoring and managing these risks. Following a selection process, in November 2018, we engaged Radford to assist the Compensation Committee in evaluating our executive compensation practices. Radford has helped the Compensation Committee review and make appropriate changes to our executive compensation guiding principles, update our compensation peer group, evaluate the competitiveness of our named executive officers' compensation, and assist it in the course of its deliberations concerning executive compensation decisions. Radford serves at the discretion of our Compensation Committee, and they do not provide any other services to us. Prior to retaining Radford, Willis Towers Watson, a compensation consultant, was engaged to assist the Compensation Committee in evaluating our executive compensation practices, including with respect to 2018 compensation. Willis Towers Watson helped the Compensation Committee review and make appropriate changes to our executive compensation guiding principles, update our compensation peer group, evaluate the competitiveness of our named executive officers' compensation, and assist it in the course of its deliberations concerning executive compensation decisions. Willis Towers Watson served at the discretion of our Compensation Committee, and they did not provide any other services to us.

#### Executive Compensation Philosophy and Objectives

We operate an innovative and novel blood purification technology which we are commercializing throughout the world through direct sales and distributor and partner relationships. Our CytoSorb® device is used to prevent or treat

life threatening inflammation in the ICU and cardiac surgery which, if untreated,  
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may lead to organ failure or even death. We have received CE Mark approval of our CytoSorb® device and are seeking FDA approval of the device. While we have limited direct competitors, we compete for capital with other early stage microcap companies in the life sciences space. To effectively operate in this dynamic market, we need a highly talented and seasoned team of executives and business professionals.

We compete with pharmaceutical and medical device companies in seeking to attract and retain a skilled management team. To meet this challenge, we have adopted a compensation philosophy designed to offer our named executive officers compensation and benefits that are market competitive and that meet our goals of attracting, retaining and motivating highly skilled individuals to help us achieve our financial and strategic objectives.

Our executive compensation program is designed to achieve the following principal objectives:

- attract and retain talented and experienced individuals;

- offer total compensation opportunities that take into consideration the practices of other comparably positioned life sciences companies;

- directly and substantially link total compensation to measurable corporate and individual performance;

- create and sustain a sense of urgency surrounding strategy execution and the achievement of key business objectives; and

- strengthen the alignment of the interests of our named executive officers and stockholders through equity-based, long-term incentives and reward our named executive officers for creating long-term stockholder value.

### Compensation-Setting Process

#### Role of the Compensation Committee

Our Compensation Committee is responsible for overseeing our executive compensation philosophy and our executive compensation program, determining and approving the compensation for our named executive officers, negotiating executive employment contracts, and helping to establish appropriate compensation for Board members and other key employees. Our Compensation Committee regularly reports to our Board on its deliberations, but is ultimately responsible for compensation decisions, as described in the Compensation Committee's charter.

Our Compensation Committee reviews, on at least an annual basis, our executive compensation program, including our incentive compensation plans, to determine whether they are appropriate, properly coordinated, and achieve their intended purposes, and recommends to our Board any modifications or new plans or programs. It also reviews the compensation of our named executive officers and makes decisions about the various components that comprise their compensation packages.

#### Role of Management

In carrying out its responsibilities, our Compensation Committee works with members of our management team, including our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Chief Medical Officer. Typically, our management team assists our Compensation Committee by providing information about our corporate, financial and individual performance, competitive market data and management's perspective and recommendations on compensation matters.

Typically, our Chief Executive Officer makes recommendations to our Compensation Committee regarding the compensation of our executive officers, including our named executive officers (except with respect to his own compensation), and, at the request of the Compensation Committee, attends Compensation Committee meetings (except with respect to discussions involving his own compensation).

#### Use of Competitive Data

To assess the competitiveness of our executive compensation program and compensation levels, our Compensation Committee examines the competitive compensation data for senior executives of other similar life science companies on the Nasdaq.

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## Compensation Program Design for 2018

In designing our compensation program for 2018, we were cognizant of our need to motivate our named executive officers to meet our short-term goals and long-term strategic objectives. Thus, we emphasized the use of equity in the form of options to purchase shares of our Common Stock and restricted stock units to incent our named executive officers to focus on the growth of our overall enterprise value and, correspondingly, to create sustainable long-term value for our stockholders. We believe that stock options and restricted stock units offer our named executive officers a valuable long-term incentive that aligns their interests with the interests of our stockholders.

The equity compensation awarded to our named executive officers in 2018 is discussed below under “Executive Compensation Program Components — Equity Compensation.”

We also offer cash compensation to our named executive officers in the form of base salaries at levels that we believe help us provide competitive compensation packages. In 2018, our Compensation Committee recognized a need to review annual base salaries of its named executive officers. The Company considered competitive compensation data for senior executives of all life science companies on the Nasdaq between a market cap of \$200 million to \$500 million. Using this information as a reference and recognizing the need to remain competitive in our market, our Compensation Committee increased the base salary of our named executive officers for 2018.

We do not provide significant perquisites or other personal benefits to our executive officers. Our executive officers participate in broad-based company-sponsored health and welfare programs on substantially the same basis as our other salaried employees.

## Executive Compensation Program Components

The following describes each component of our executive compensation program, the rationale for each component and how compensation amounts and awards were determined for 2018.

## Base Salary

Base salary represents the fixed portion of our named executive officers’ compensation, which we view as an important element to attract, retain and motivate highly talented executives. Base salaries represent a significant portion of the total compensation opportunity for our named executive officers.

In 2018, our Compensation Committee conducted a review of each named executive officer’s base salary with input from our Chief Executive Officer. Our Compensation Committee then considered and made adjustments as it determined to better approach a salary which would be reasonable and necessary to reflect the scope of each named executive officer’s role, performance, experience, prior base salary level, position, company stage, company finances, and market conditions. In making these adjustments, our Compensation Committee also considered the median of the base salary range for all life science companies on the Nasdaq between a market cap of \$200 million to \$500 million. The changes in the base salaries of our named executive officers from 2017 to 2018 are set forth in the following table:

Named Executive Officer	2018 Base Salary	2017 Base Salary	% Increase from 2017 to 2018
Phillip P. Chan, MD, PhD	\$ 400,000	\$ 378,000	5.8%
Vincent J. Capponi, MS	\$ 332,000	\$ 314,000	5.7%
Kathleen P. Bloch, CPA	\$ 295,000	\$ 275,000	7.3%
Eric R. Mortensen, MD, PhD	\$ 339,000	\$ 330,000	2.7%

## Annual Cash Bonuses

Cash bonuses are solely discretionary based upon the approval of the Board. There are no target bonuses. In determining whether to award cash bonuses, the Compensation Committee considers the operational performance of the Company relative to its operating plan, including revenue growth and cost containment, management’s ability to meet specified performance milestones, as well as individual



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performance indicators. Historically, the Compensation Committee has not offered executives annual cash bonuses but instead awarded bonuses in the form of restricted stock units. However, following its review of the Company's overall compensation philosophy, the Compensation Committee determined to award a mixture of cash bonuses and restricted stock units to executives in recognition of the Company's 2018 performance and the performance of each executive, which bonuses were paid in the first quarter of 2019.

### Equity Compensation

We use equity awards to motivate and reward our named executive officers, to encourage long-term corporate performance based on the value of our Common Stock and to align the interests of our named executive officers with those of our stockholders.

In order to better align the interests of our named executive officers with our stockholders, in 2018, the Compensation Committee awarded executives bonuses in the form of restricted stock units. These restricted stock units vest one third at the time of the award, one third one year from the first anniversary of the award, and one third on the second anniversary of the award, subject to the grantee's continued service as of each applicable vesting date. In determining whether to award restricted stock unit bonuses, the Compensation Committee considered the performance of the Company relative to its operating plan, including revenue growth and cost containment, management's ability to meet specified performance milestones, as well as individual performance indicators.

In addition, in 2018, we granted our named executive officers stock options which would only vest upon the achievement of corporate milestones, as follows:

- (a)  
35% vest upon achieving 2018 budgeted revenues and not exceeding budgeted operating expenses, based upon metrics as determined by the Board;
- (b)  
32.5% vest upon achievement of certain regulatory approval and clinical trial objectives in calendar year 2018, as determined by the Board;
- (c)  
17.5% vest upon meeting certain financial and operating goals for calendar year 2018, as determined by the Board;  
and
- (d)  
15% vest upon achievement of one or more new or expanded major strategic partnerships in calendar year 2018, as determined by the Board.

On February 19, 2019, the Board determined, in its discretion, that 60% of these performance milestones had been met.

In addition, in 2017 and 2018, our Compensation Committee granted restricted stock units to named executive officers which would vest in the event of a "Change in Control" as defined in the Company's 2014 Long-Term Incentive Plan. See "Executive Compensation — Grants of Plan-Based Awards."

### Retirement and Other Benefits

Our named executive officers are eligible to participate in our tax-qualified Section 401(k) retirement savings plan on the same basis as our other employees who satisfy the plan's eligibility requirements, including requirements relating to age and length of service. Under this plan, participants may elect to reduce their current compensation by up to the statutory limit, \$18,500 in fiscal 2018 plus an additional \$6,000 for participants 50 years or older and have us contribute the amount of this reduction to the Section 401(k) plan. During 2018, we matched up to 20% of employee contributions, but not exceeding \$2,700 per employee. We intend for the 401(k) plan to qualify under Section 401 of the Internal Revenue Code so that contributions by employees or by us to the 401(k) plan, and income earned on plan contributions, are not taxable to employees until withdrawn from the 401(k) plan.

Additional benefits received by our named executive officers include medical, dental, vision, short-term disability, long term disability, life and accidental death and dismemberment insurance, and Health Savings Account

contributions. These benefits are provided on substantially the same basis as to all of our full-time employees.

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Historically, we have not provided perquisites or other personal benefits to our named executive officers. Currently, we do not view perquisites or other personal benefits as a component of our executive compensation program. Our future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by our Compensation Committee.

### Employment Agreements

On July 14, 2015, we entered into employment agreements with Dr. Phillip P. Chan, President and Chief Executive Officer, Vincent J. Capponi, Chief Operating Officer, and Kathleen P. Bloch, Chief Financial Officer. On May 23, 2017, we entered into an employment agreement with Dr. Eric R. Mortensen, which agreement became effective June 1, 2017. With the exception of his own agreement, each of these agreements was negotiated on our behalf by our CEO, with the oversight and approval of our Compensation Committee. Our CEO's employment agreement was negotiated directly with our Compensation Committee. We believe that these employment agreements were necessary to retain these individuals and induce them to lead us in achieving our goals as a publicly traded company. The employment agreements with Dr. Chan, Mr. Capponi, and Ms. Bloch expired on December 31, 2018. The parties continue to operate under the terms of the expired agreements as they negotiate new agreements.

For a summary of the material terms and conditions of these employment agreements, see the section entitled "Compensation of Named Executive Officers — Employment Agreements."

### Post-Employment Compensation Arrangements

The employment agreements provide each of our named executive officers with certain protection in the event of his or her termination of employment under specified circumstances, including following a change of control of our Company. We believe that these protections serve our executive retention objectives by helping our named executive officers maintain continued focus and dedication to their responsibilities to maximize stockholder value, including in the event that there is a potential transaction that could involve a change in control of our Company. The terms of these agreements were determined after review by our Compensation Committee of our retention goals for each named executive officer and an analysis of competitive market data.

For a summary of the material terms and conditions of these severance and change in control arrangements, see the sections entitled "Compensation of Named Executive Officers — Employment Agreements" and "Executive Compensation — Potential Payments upon Termination or Change of Control."

### Other Compensation Policies

#### Hedging and Pledging

All of our executive officers and members of the Board are prohibited from entering into hedging or pledging transactions in respect of our Common Stock or other securities issued by us.

#### Compensation Recovery Policy

We have not implemented a policy regarding retroactive adjustments to any cash or equity-based incentive compensation paid to our named executive officers and other employees where the payments were predicated upon the achievement of financial results that were subsequently the subject of a financial restatement.

#### Tax and Accounting Considerations

##### Deductibility of Executive Compensation

Generally, Section 162(m) of the Internal Revenue Code disallows a tax deduction to any publicly-held corporation for any remuneration in excess of \$1.0 million paid in any taxable year to its chief executive officer and each of its three next most highly-compensated named executive officers (other than its chief financial officer). Remuneration in excess of \$1.0 million may be deducted if, among other things, it

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qualifies as “performance-based compensation” within the meaning of the Internal Revenue Code. Additionally, under a Section 162(m) exception for private companies that subsequently become publicly held, any compensation paid pursuant to a compensation plan in existence before the effective date of the public offering of securities will not be subject to the \$1.0 million limitation until the earliest of: (i) the expiration of the compensation plan, (ii) a material modification of the compensation plan (as determined under Section 162(m)), (iii) the issuance of all the employer stock and other compensation allocated under the compensation plan, or (iv) the first meeting of stockholders at which directors are elected after the close of the third calendar year following the year in which the public offering of securities occurred.

The 2017 tax reform legislation removed the “performance-based compensation” exception from Section 162(m), effective for taxable years beginning after December 31, 2017, such that compensation paid to our covered executive officers in excess of \$1 million will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017.

Despite the Compensation Committee’s efforts to structure certain variable compensation in a manner intended to be exempt from Section 162(m) and therefore not subject to its deduction limits, because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) and the regulations issued thereunder, including the uncertain scope of the transition relief under the legislation repealing Section 162(m)’s exemption from the deduction limit, no assurance can be given that compensation intended to satisfy the requirements for exemption from Section 162(m) in fact will. Further, the Compensation Committee reserves the right to modify compensation that was initially intended to be exempt from Section 162(m) if it determines that such modifications are consistent with our business needs. In addition, our Compensation Committee may, in its judgment, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

**Taxation of “Parachute” Payments and Deferred Compensation**

Sections 280G and 4999 of the Internal Revenue Code provide that named executive officers and directors who hold significant equity interests and certain other service providers may be subject to an excise tax if they receive payments or benefits in connection with a change of control of our Company that exceed certain prescribed limits, and that we (or a successor) may forfeit a deduction on the amounts subject to this additional tax. Section 409A of the Internal Revenue Code imposes significant additional taxes in the event that an employee, including a named executive officer, director, or service provider receives “nonqualified deferred compensation” that does not satisfy the conditions of Section 409A.

We did not provide any named executive officer with a “gross-up” or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Sections 280G, 4999 or 409A of the Internal Revenue Code during 2018. We have not agreed and are not otherwise obligated to provide any named executive officer with a “gross-up” or other reimbursement under Section 409A.

**Accounting for Stock-Based Compensation**

We follow the FASB ASC Topic 718 for our stock-based compensation awards. ASC 718 requires companies to calculate the grant date “fair value” of their stock-based awards using a variety of assumptions. This calculation is performed for accounting purposes and reported in the compensation tables that accompany this Compensation Discussion and Analysis, even though recipients may never realize any value from their awards. ASC 718 also requires companies to recognize the compensation cost of their stock-based awards in their statements of operations over the period that the recipient of the award is required to render service in exchange for the award.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Securities and Exchange Commission regulations. Based on its review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement and, through incorporation by reference, in CytoSorbents Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Submitted by:

The Compensation Committee of the Board of Directors

Al W. Kraus, Chairman

Michael G. Bator

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## Summary Compensation Table

The following table shows for the fiscal years ended December 31, 2018, 2017 and 2016, compensation awarded to or paid to, or earned by, our named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards(1) (\$)	Option Awards(2) (\$)	All Other Compensation	Total (\$)
Phillip P. Chan, MD, PhD President and Chief Executive Officer	2018	400,000	160,000	337,550(3)	337,745	12,000	1,247,295
	2017	378,000	—	227,500(4)	210,097	12,000	827,597
	2016	350,000	—	121,940(5)	23,262	12,000	507,202
Vincent J. Capponi, MS Chief Operating Officer	2018	332,000	132,800	298,300(3)	316,520	—	1,079,620
	2017	314,000	—	201,253(4)	198,185	—	713,438
	2016	291,000	—	107,870(5)	21,932	—	420,802
Kathleen P. Bloch, MBA, CPA Chief Financial Officer	2018	295,000	118,000	272,395(3)	268,188	—	953,583
	2017	275,000	—	183,753(4)	167,861	—	626,614
	2016	255,000	—	98,490(5)	18,609	—	372,099
Eric R. Mortensen, MD, PhD Chief Medical Officer	2018	339,000	101,700	109,900(3)	229,466	—	780,066
	2017	186,576	—	—	116,700	—	303,276

(1)

In 2018, 2017 and 2016, each of our named executive officers received grants of restricted stock units which will vest upon a “Change in Control” of the Company, as defined in the Company’s 2014 Long-Term Incentive Plan. The value of these grants has been calculated in accordance with ASC Topic 718. Because a “Change of Control” is not contemplated or probable at this time, there is no amount associated with these awards.

(2)

The value of option awards granted to our named executive officers is based upon the grant date fair value of awards calculated in accordance with ASC Topic 718. For information regarding our valuation of option awards, see “Stock-based Compensation” in Note 10 of our financial statements for the period ended December 31, 2018.

(3)

On February 28, 2018, certain named executive officers received restricted stock units which will vest one third on the date of the grant, one third on the first anniversary of the grant, and one third on the second anniversary of the grant. The amount shown represents the fair market value of the vested and unvested restricted stock units awarded on February 28, 2018.

(4)

On February 24, 2017, certain named executive officers received restricted stock units which will vest one third on the date of the grant, one third on the first anniversary of the grant, and one third on the second anniversary of the grant. The amount shown represents the fair market value of the vested and unvested restricted stock units awarded on February 24, 2017.

(5)

On June 7, 2016, certain named executive officers received restricted stock units which will vest one third on the date of the grant, one third on the first anniversary of the grant, and one third on the second anniversary of the grant. The amount shown represents the fair market value of the vested and unvested restricted stock units awarded on June 7, 2016.

#### Employment Agreements

Dr. Phillip P. Chan

On July 14, 2015, we entered into an executive employment agreement with Dr. Chan relating to his employment as our President and Chief Executive Officer. Pursuant to his employment agreement, Dr. Chan receives reimbursement for certain travel expenses in the amount of \$12,000 per year. Dr. Chan's employment agreement also provides for terms of benefits afforded to Dr. Chan, including the ability to participate in various group insurance plans, reimbursement for reasonable business expenses, liability

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insurance, vacation time and bonuses. Dr. Chan's employment agreement had an initial term of three years and became retroactively effective as of January 1, 2015. Accordingly, Dr. Chan's employment agreement expired on December 31, 2018. The parties continue to operate under the terms of the expired agreement as a new agreement is negotiated.

In addition, Dr. Chan's employment agreement provides for benefits if his employment is terminated under certain circumstances, as more fully described under "Executive Compensation — Potential Payments upon Termination or Change of Control."

Vincent J. Capponi, MS

On July 14, 2015, we entered into an executive employment agreement with Mr. Capponi relating to his employment as our Chief Operating Officer. Mr. Capponi's employment agreement provides for terms of benefits afforded to Mr. Capponi, including the ability to participate in various group insurance plans, reimbursement for reasonable business expenses, liability insurance, vacation time and bonuses. Mr. Capponi's employment agreement had an initial term of three years and became retroactively effective as of January 1, 2015. Accordingly, Mr. Capponi's employment agreement expired on December 31, 2018. The parties continue to operate under the terms of the expired agreement as a new agreement is negotiated.

In addition, Mr. Capponi's employment agreement provides for benefits if his employment is terminated under certain circumstances, as more fully described under "Executive Compensation — Potential Payments upon Termination or Change of Control."

Kathleen P. Bloch, MBA, CPA

On July 14, 2015, the Company entered into an executive employment agreement with Ms. Bloch relating to her employment as our Chief Financial Officer. Under the terms of her employment agreement, Ms. Bloch receives up to forty (40) hours of paid time off each calendar year for attendance at continuing education programs, and reimbursement for the cost of attending CE programs up to a maximum amount of \$1,000 per year, prorated for partial years. Ms. Bloch's employment agreement also provides for terms of benefits afforded to Ms. Bloch, including the ability to participate in various group insurance plans, reimbursement for reasonable business expenses, liability insurance, vacation time and bonuses. Ms. Bloch's employment agreement had an initial term of three years and became retroactively effective as of January 1, 2015. Accordingly, Ms. Bloch's employment agreement expired on December 31, 2018. The parties continue to operate under the terms of the expired agreement as a new agreement is negotiated.

In addition, Ms. Bloch's employment agreement provides for benefits if her employment is terminated under certain circumstances, as more fully described under "Executive Compensation — Potential Payments upon Termination or Change of Control."

Eric R. Mortensen, MD, PhD

On May 23, 2017, the Company entered into an executive employment agreement with Dr. Mortensen relating to his employment as our Chief Medical Officer. Dr. Mortensen's employment agreement has an initial term of thirty-one months and became effective as of June 1, 2017. Under the terms of his employment agreement, Dr. Mortensen receives up to forty (40) hours of paid time off each calendar year for attendance at continuing education ("CE") programs, and reimbursement for the cost of attending CE programs up to a maximum amount of \$1,000 per year, prorated for partial years. The Company also agreed to pay for the cost of the one-time conversion or transfer of his Pennsylvania Medical License to New Jersey, up to a maximum of \$500, and up to \$500 each year for annual renewal of his New Jersey Medical License for the term of the employment agreement. Further, Dr. Mortensen's employment agreement provides for terms of benefits afforded to Dr. Mortensen, including the ability to participate in various group insurance plans, reimbursement for reasonable business expenses, liability insurance, vacation time and bonuses.

In addition, Dr. Mortensen's employment agreement provides for benefits if his employment is terminated under certain circumstances, as more fully described under "Executive Compensation — Potential Payments upon Termination or Change of Control."

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## Grants of Plan-Based Awards

The following table provides information regarding plan-based awards granted to our named executive officers in 2018:

Name	Grant date	Estimated future payouts under equity incentive plan awards Target (#)(1)	Exercise or base price of option awards (\$/Sh)	Grant date fair value of stock and option awards (\$)(2)(3)
Phillip P. Chan, MD, PhD				
RSUs(2)	3/15/2018	10,300	—	—
RSUs(3)	2/28/2018	43,000	\$ 7.85	\$ 337,550
Options(4)	3/15/2018	70,650	\$ 7.90	\$ 337,745
Vincent J. Capponi, MS				
RSUs(2)	3/15/2018	10,100	—	—
RSUs(3)	2/28/2018	38,000	\$ 7.85	\$ 298,300
Options(4)	3/15/2018	66,210	\$ 7.90	\$ 316,520
Kathleen P. Bloch, CPA				
RSUs(2)	3/15/2018	8,800	—	—
RSUs(3)	2/28/2018	34,700	\$ 7.85	\$ 272,395
Options(4)	3/15/2018	56,100	\$ 7.90	\$ 268,188
Eric R. Mortensen, MD, PhD				
RSUs(2)	3/15/2018	20,000	—	—
RSUs(3)	2/28/2018	14,000	\$ 7.85	\$ 109,900
Options(4)	3/15/2018	48,000	\$ 7.90	\$ 229,466

(1)

The value of awards granted to our named executive officers is based upon the grant date fair value of awards calculated in accordance with ASC Topic 718. For information regarding our valuation of option awards, see “Stock-based Compensation” in Note 10 of our financial statements for the period ended December 31, 2018.

(2)

Represents restricted stock units that will vest upon a “Change in Control” of the Company, as defined in the Company’s 2014 Long-Term Incentive Plan. Because a “Change of Control” is not contemplated or probable at this time, there is no amount associated with these awards.

(3)

Vesting as to one-third of these restricted stock units shall occur on each of the date of the grant, the first anniversary of the date of grant, and the second anniversary of the date of grant, subject to the grantee’s continued service as of each applicable vesting date. The grant date fair value represents the fair market value of the vested and unvested restricted stock units awarded on February 28, 2018.

(4)

Represents stock options granted pursuant to the Company's 2014 Long-Term Incentive Plan which vested on the achievement of certain milestones connected to the Company's operations, subject to approval by the Board. See "Compensation Discussion and Analysis — Equity Compensation."

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## Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the equity awards we have made to our named executive officers that have not been exercised and remained outstanding as of December 31, 2018.

Name	Option Awards			Stock Awards		
	Number of Securities Underlying Unexercised Options (#) Exercisable	Equity incentive plan awards: number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)(2)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested (\$)(3)
Phillip P. Chan, MD, PhD	20,000		4.325	1/4/2020		
	89,100		3.450	5/5/2020		
	30,500		2.875	4/4/2023		
	66,500		4.875	3/28/2024		
	7,000		8.070	4/8/2025		
	77,600		4.690	6/7/2026		
	95,200		5.600	2/24/2027		
		70,650(1)	7.900	3/15/2028		
					258,209	2,086,329
Vincent J. Capponi, MS	20,000		4.325	1/4/2020		
	21,300		3.450	5/5/2020		
	30,000		2.875	4/4/2023		
	62,700		4.875	3/28/2024		
	6,600		8.070	4/8/2025		