
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 8-K

Current Report

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

Date of Report (Date of earliest event reported): July 17, 2017

AXOGEN, INC.

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction
of incorporation)

001-36046

(Commission File
Number)

41-1301878

(IRS Employer Identification No.)

13631 Progress Boulevard, Suite 400,
Alachua, Florida

(Address of Principal Executive Offices)

32615

(Zip Code)

(386) 462-6800

Registrant's telephone number, including area code

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Emerging growth company

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

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

On July 17, 2017 AxoGen, Inc. (the “Company”) issued a press release announcing the appointment of Jon S. Gingrich as the Company's Chief Commercial Officer, effective as of July 17, 2017.

In connection with his employment and appointment as the Company's Chief Commercial Officer, Mr. Gingrich entered into an Executive Employment Agreement with AxoGen Corporation, a wholly owned subsidiary of the Company (“AC”), dated as of July 17, 2017 (the “Gingrich Employment Agreement”) that provides for at-will employment. Under the Gingrich Employment Agreement, Mr. Gingrich will receive a base salary of \$320,000 (to be reviewed on an annual basis), be eligible to participate in AC's current bonus program and receive benefits afforded to other executive officers. For 2017, Mr. Gingrich's bonus under the bonus program will be pro-rated based on his start date and he will have a target rate set at 40% of his base salary subject to conditions established by the Company's Board of Directors. Mr. Gingrich will also receive a \$25,000 signing bonus.

Mr. Gingrich was also granted a non-qualified inducement stock option (the “Option Agreement”) for 115,000 shares of the Company's common stock on July 17, 2017, such option has a ten-year term, an exercise price of \$16.85 which is equal to the fair market value of the Company's common stock based on the closing price of the Company common stock on the option grant date and is subject to the terms of the Option Agreement. Such option will vest as to 25% of the shares after one year and 12.5% every six months thereafter until fully vested; provided, however, that such option shall automatically accelerate and become fully exercisable in the event that, following a Change in Control (as defined in the Gingrich Employment Agreement), Mr. Gingrich is terminated without “Substantial Cause” (as defined in the Gingrich Employment Agreement) within 6 months of the Change of Control or he resigns for “Good Reason” (as defined in the Gingrich Employment Agreement) within 3 months of the Change of Control. In addition, Mr. Gingrich has been granted performance stock units (the “PSUs” and each, a “PSU”) representing 12,000 shares of the Company's common stock (the “Shares”) pursuant to the Company's 2010 Stock Incentive Plan and form of PSU agreement (the “PSU Agreement”) that will vest up to 150% based on continued service and attainment of certain gross revenue targets. On February 15, 2019, the Compensation Committee of the Board of Directors of the Company will make a determination of the total number of Shares that will vest based on the actual performance of the Company. Once the number of Shares has been determined, 33.33% will vest on each of February 15, 2019 and February 15, 2020 and 33.34% will vest on February 15, 2021, provided that Mr. Gingrich has been continuously employed through each vesting date as to the particular number of Shares vesting. In the event of a “Change in Control” (as defined in the PSU Agreement), the vesting of all or a portion of the PSUs shall accelerate.

In the event Mr. Gingrich's employment is terminated without Substantial Cause or he resigns for Good Reason upon or within 90 days following a Change in Control (as defined in the Gingrich Employment Agreement), he will be entitled to a severance payment consisting of: (A) 12 months of base salary; (B) an amount equal to any bonuses paid to Mr. Gingrich during the 12-month period prior to termination of employment; and (C) continued health coverage for up to 12 months, subject to certain conditions set forth in the Gingrich Employment Agreement.

Mr. Gingrich, age 48, brings more than 20 years of global medical device and health care sales, marketing, and general management experience to the Company. From April 1, 2013 until joining AxoGen he served as Global Vice President and General Manager, Skeletal Health Solutions and Group Global Vice President, Marketing, Breast and Skeletal Health Solutions for Hologic Inc., a global health care and life science developer, manufacturer, and supplier of diagnostic, medical imaging, and surgical products. Prior to joining Hologic, he spent 15 years (July 1, 1997- December 31, 2012) with Boston Scientific, holding several commercial and international positions of increasing responsibility. From 2011-2012 Mr. Gingrich served as Vice President, International Commercialization, Cardiac Rhythm Management and as General Manager, Cardiac Rhythm Management of Japan from 2008-2011. Other Boston Scientific roles included Director, International Sales Operations and Training; Director, Marketing and Sales, Japan; Director, Sales Operations, Endoscopy; Global Marketing Product Manager, Endoscopy; and Executive Territory Sales Manager, Endoscopy. He was also in sales and marketing roles with Unilever N.V., a consumer goods companies. Gingrich earned a Bachelor of Science Degree in Business Administration (Marketing and Management) from the University of Richmond.

Mr. Gingrich does not have any family relationship with any director or executive officer, or a person nominated to be a director or executive officer of the Company or AC. Mr. Gingrich has not engaged in any transactions with

the Company or AC that are required to be disclosed under Item 404(a) of Regulation S-K, nor have any such transactions been proposed. There are no arrangements or understandings between Mr. Gingrich and any other person(s) pursuant to which Mr. Gingrich was appointed as the Company's Chief Commercial Officer.

The foregoing descriptions of the Gingrich Employment Agreement, the Option Agreement and the PSU Agreement are qualified in their entirety by reference to the full text of such agreements, which are filed as Exhibits 10.1, 10.2 and 10.3, respectively, to this Current Report on Form 8-K.

The full text of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1*	Executive Employment Agreement dated as of July 17, 2017, by and between AxoGen Corporation and Jon S. Gingrich.
10.2*	Form of Non-Qualified Stock Option Inducement Award Agreement to be granted by AxoGen, Inc. to Jon S. Gingrich on July 17, 2017.
10.3*	Form of Performance Stock Unit Award Agreement pursuant to the AxoGen, Inc. 2010 Stock Incentive Plan, as amended and restated as of April 5, 2017 (incorporated by reference to Exhibit 10.23 of the Registrant's Annual Report on Form 10-K, filed on March 1, 2017).
99.1	AxoGen, Inc. Press Release, dated July 17, 2017.

* Management contract or compensatory plan or arrangement.

SIGNATURE

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

AXOGEN, INC.

Date: July 18, 2017

By: /s/ Gregory G. Freitag

Gregory G. Freitag
General Counsel & Senior VP of Business
Development

EXHIBIT INDEX

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* Management contract or compensatory plan or arrangement.

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "Agreement"), effective as of July 17, 2017, is made by and between AXOGEN CORPORATION, a Delaware corporation ("AXOGEN" or "Employer"), and Jon S. Gingrich ("Employee") (collectively, the "Parties").

RECITALS:

A . WHEREAS, AXOGEN believes it is in its best interest to employ Employee, and Employee desires to be employed by AXOGEN; and

B . WHEREAS, AXOGEN and Employee desire to set forth the terms and conditions on which Employee shall be employed by and perform duties on behalf of AXOGEN.

NOW, THEREFORE, in consideration of the promises set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is acknowledged by this Agreement, the Parties to this Agreement, intending to be legally bound, agree as follows:

1 . Employment. AXOGEN hereby employs Employee, and Employee hereby accepts such employment, beginning July 17, 2017, all upon the terms and conditions set forth in this Agreement, including those set forth in the attached Schedules and Exhibits.

(a) Duties of Employee. The duties of Employee are set forth on Schedule 1 of this Agreement, which is attached hereto and incorporated herein by reference.

(b) Compensation and Benefits. The compensation and benefits to which Employee may be entitled pursuant to this Agreement are set forth on Schedule 2 of this Agreement, which is attached hereto and incorporated herein by reference.

2 . Invention Assignment and Confidentiality Agreement. Contemporaneously with the execution and delivery of this Agreement, Employee shall enter into an Invention Assignment and Confidentiality Agreement attached hereto as Exhibit "A" to this Agreement (the "Invention and Confidentiality Agreement"), which shall be incorporated herein by reference.

3 . Non-Competition Agreement. Contemporaneously with the execution and delivery of this Agreement, Employee shall enter into a Non-Solicitation and Non-Competition Agreement attached hereto as Exhibit "B" to this Agreement (the "NSNC Agreement") which shall be incorporated herein by reference.

4. Termination.

(a) At-will. Either AXOGEN or Employee may terminate this Agreement at any time during the course of Employee's employment and for any reason, upon giving written notice to the other party. Employer shall have no further liability or obligation to Employee other than to pay for services rendered through Employee's last date of employment. If Employee elects to terminate this Agreement and provides Employer with any notice period prior to the date of termination, Employer may elect to terminate this Agreement immediately thereon and incur no further obligation to Employee other than for wages worked through the date of termination of this Agreement. It is the intention of the Parties that at all times this shall be an at-will employment relationship during the course of Employee's employment with Employer. Nothing contained in this Agreement shall be deemed or construed to create a contractual relationship between the Parties for a specific duration of time.

(b) Death. In the event of the death of the Employee, this Agreement shall terminate on the date of Employee's death, without any liability to or upon the Employer other than to pay for services rendered prior to the date of the Employee's death.

(c) Permanent Disability. For purposes of this Agreement, the term "Permanent Disability" shall mean a physical or mental incapacity of Employee, which renders Employee unable to perform Employee's duties pursuant to this Agreement, and which shall continue for ninety (90) consecutive days or one hundred and eighty (180) days during any twelve-month period. If AXOGEN or Employee terminates Employee's employment by reason of Permanent Disability of Employee, this Agreement

shall terminate immediately upon written notice by AXOGEN to Employee, or the date Employee gives notice to terminate employment to AXOGEN, without any liability to or upon the Employer other than to pay for services rendered through the termination date.

5. Change in Control.

(a) Definition. For the purposes of this Agreement, a "Change in Control" shall mean the occurrence of any of the following events:

(i) any "person" (as that term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act")), who holds less than twenty percent (20%) of the combined voting power of the securities of AXOGEN or its parent company AxoGen, Inc. ("INC."), becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of AXOGEN or INC. representing fifty percent (50%) or more of the combined voting power of the securities of either AXOGEN or INC. then outstanding; or

(ii) during any period of twenty-four (24) consecutive months, individuals, who, at the beginning of such period constitute all members of the Board of Directors of INC. (the "Board") and cease, for any reason, to constitute at least a majority of the Board, unless the election of each director who was not a director at the beginning of the period was either nominated for election by, or approved by a vote of, at least two-thirds of the directors then still in office who were directors at the beginning of the period; or

(iii) AXOGEN or INC. consolidates or merges with another company, and AXOGEN or INC. is not the continuing or surviving corporation, provided, however, that any consolidation or merger whereby INC. continues as the majority holder of AXOGEN securities or a merger or consolidation of AXOGEN and INC. will not constitute a Change in Control; or

(iv) shares of AXOGEN's or INC.'s common stock are converted into cash, securities, or other property, other than by a merger of AXOGEN or INC., pursuant to Section 5(a)(iii), in which the holders of AXOGEN's or INC.'s common stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation as immediately after the merger; or

(v) AXOGEN or INC. sells, leases, exchanges, or otherwise transfers all, or substantially all, of its assets (in one transaction or in a series of related transactions), provided, however, that any such transaction related to AXOGEN whereby INC. continues as the majority holder of AXOGEN securities or INC. is the sole other party to the transaction, will not constitute a Change in Control; or

(vi) the holders of AXOGEN's or INC.'s stock approve a plan or proposal for the liquidation or dissolution of AXOGEN or INC.

(b) Severance.

(i) Termination in Connection with a Change of Control. In the event of Employee's termination of employment by AXOGEN without Substantial Cause (as defined below) upon or within one hundred and eighty (180) days following a Change in Control or by Employee for Good Reason (as defined below), Employee will be entitled to a severance payment consisting of: (A) twelve (12) months of Employee's base salary; and (B) an amount equal to any bonuses paid to Employee during the twelve (12) month period prior to Employee's termination of employment. For purposes of this Agreement, "Substantial Cause" means:

(A) the commission by Employee of any act of fraud, theft, or embezzlement;

(B) any material breach by Employee of this Agreement, provided that AXOGEN shall have first delivered to Employee written notice of the alleged breach, specifying the

exact nature of the breach in detail, and provided, further, that Employee shall have failed to cure or substantially mitigate such breach within ten (10) days after receiving such written notice;

(C) a commission or conviction of any felony, or of any misdemeanor involving moral turpitude, or entry of a plea of guilty or nolo contendere to any felony or misdemeanor;

(D) material failure to adhere to AXOGEN's or INC.'s corporate codes, policies or procedures which have been adopted in good faith for a valid business purpose as in effect from time to time; or

(E) failure to meet reasonable performance standards as determined by AXOGEN or INC.

For purposes of this Agreement, "Good Reason" shall mean Employee's resignation from employment upon or within ninety (90) days following a Change of Control, if AXOGEN or INC. is not the surviving entity, provided that Substantial Cause for termination of Employee's employment does not exist at the time of such resignation and the resignation is the result of the occurrence of any one or more of the following:

a) the assignment to Employee of any duties inconsistent in any respect with his position (including status, offices, titles, and reporting requirements), authorities, duties, or other responsibilities as in effect immediately prior to the Change in Control of Employer or INC. or any other action of Employer or INC. which results in a diminishment in such position, authority, duties, or responsibilities, other than an insubstantial and inadvertent action which is remedied by Employer or INC. promptly after receipt of notice thereof given by Employee;

b) a reduction by AXOGEN in Employee's base salary as in effect on the date hereof and as the same shall be increased from time to time hereafter;

c) the failure by AXOGEN to (i) continue in effect any material compensation or benefit plan, program, policy or practice in which Employee was participating at the time of the Change in Control of Employer or INC. or (ii) provide Employee with compensation and benefits at least equal (in terms of benefit levels and/or reward opportunities) to those provided for under each employee benefit plan, program, policy and practice as in effect immediately prior to the Change in Control of Employer or INC. (or as in effect following the Change in Control of Employer or INC., if greater).

(ii) Termination not in Connection with a Change of Control. In the event of Employee's termination of employment by AXOGEN without Substantial Cause prior to a Change of Control, Employee shall be entitled to a severance payment consisting of: (A) twelve (12) months of Employee's base salary; and (B) an amount equal to any bonuses paid to Employee during the twelve (12) month period prior to Employee's termination of employment. Notwithstanding anything to the contrary contained in this Section 5(b)(ii), no severance payment will be owed to Employee if Employee is terminated by AXOGEN for Substantial Cause within nine months of the first date of Employee's employment with AXOGEN.

(c) Payment of Severance. As a condition of receiving any severance under this section 5, Employee and must sign (and not revoke) a separation, waiver and release agreement (to be prepared by Employer at the time of Employee's termination) of all claims (known and unknown) against Employer and INC. arising out of or relating to his employment with Employer or termination thereof, excluding claims for severance under this section 5, as well as any other terms and conditions required by Employer. Payment of any severance for Employee will be made in a lump sum on the first payroll date following the 60th day following the date of Employee's termination of employment. Notwithstanding the foregoing, if the Employee is a "specified employee" on Employee's termination date, the postponement provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"),

as described in Section 8(n) below, shall apply, if applicable.

So long as Employer or INC. is subject to federal COBRA and Employee timely elects continuation coverage under COBRA, Employer or INC. shall pay the premiums for the Employee and his covered dependent's COBRA (i) for the first twelve (12) months of the COBRA continuation period, or (ii) until such time as the Employee obtains new employment that provides reasonable and comparable health care coverage (including without limitation, coverage of dependents), whichever period is shorter. Employee has the duty to immediately notify the applicable entity, in writing, if the event in (ii) above occurs.

6. Surrender of Records and all Employer and INC. Property. Upon the termination of Employee's employment for any reason, whether by AXOGEN or Employee, Employee agrees to return to AXOGEN and INC., in good condition, (i) any and all equipment belonging to AXOGEN or INC. including, without limitation, computers, cell phones, and personal digital assistants, and (ii) any and all data, computer files, customer lists and contact information, documents and other materials in Employee's possession, or removed by Employee from AXOGEN's or INC.'s premises, whether now in Employee's possession or not, which materials were obtained in connection with Employee's employment with AXOGEN, including any and all copies (whether complete or partial) and extracts thereof, and (iii) any and all other company property or Confidential Information and materials as they are defined in Employee's Invention Assignment and Confidentiality Agreement, in the Employee's control or possession.

7. Miscellaneous Provisions.

- (a) Amendments to this Agreement only in Writing. The provisions of this Agreement and the attached Schedules and Exhibits shall only be amended, supplemented, or waived by a written agreement executed by both a duly authorized officer of AXOGEN and Employee.
- (b) Assignments. Employee shall not assign Employee's rights and/or obligations pursuant to this Agreement or the attached Schedules and Exhibits. AXOGEN may assign its rights and/or obligations pursuant to this Agreement and the attached Schedules and Exhibits at any time without prior notice to Employee. In the event of a Change of Control in which AXOGEN or INC. is not the surviving entity, any reference to AXOGEN or INC. shall be deemed to refer to the surviving entity.
- (c) Binding Effect. All of the terms and provisions of this Agreement and the attached Schedules and Exhibits, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective administrators, executors, legal representatives, heirs, successors and permitted assigns.
- (d) The Provisions of this Agreement are Severable. If any part of this Agreement, or any of the Schedules or Exhibits entered into pursuant to this Agreement, is contrary to, prohibited by, or deemed invalid under any applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder of this Agreement and its Schedules and Exhibits shall not be so invalidated, and shall be given full force and effect so far as possible.
- (e) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 1 through 7 shall survive and remain in effect beyond the execution and delivery of this Agreement in accordance with their respective terms of duration.
- (f) Waivers. The failure or delay of AXOGEN at any time to require performance by Employee of any provision of this Agreement or the attached Schedules and Exhibits, even if known, shall not affect the right of AXOGEN to require performance of that provision or to exercise any right, power or remedy pursuant to this Agreement or the attached Schedules and Exhibits. Any waiver by AXOGEN of any breach of any provision of this Agreement or the attached Schedules and Exhibits shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy pursuant to this Agreement or the attached Schedules and Exhibits.

- (g) Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (i) hand-delivered by messenger or courier service; (ii) sent by an overnight-mail service (e.g. FedEx or UPS); or (iii) mailed (airmail, if international) by registered or certified mail (postage prepaid), return receipt requested, and addressed to:

If to Employee:

Employee's most current address on file with AXOGEN.

If to AXOGEN:
AXOGEN Corporation
13631 Progress Blvd., Ste. 400
Alachua, FL 32615 Attn: CEO

With a copy to: AXOGEN Corporation
13631 Progress Blvd., Ste. 400
Alachua, FL 32615
Attn: Human Resources

or to such other address as any party may designate by written notice complying with the terms of this section. Each such notice shall be deemed delivered (a) on the date delivered, if by personal delivery, or (b) on the date upon which the return receipt is signed, delivery is refused, or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

- (h) Governing Law. This Agreement and the attached Schedules and Exhibits and all transactions contemplated by this Agreement or the attached Schedules and Exhibits shall be governed by, and construed and enforced in accordance with, the internal laws of the State of Florida, without regard to principles of conflicts of laws.
- (i) Jurisdiction and Venue. The Parties acknowledge that a substantial portion of negotiations, anticipated performance and execution of this Agreement and the attached Schedules and Exhibits occurred, or shall occur, in Alachua County, Florida, and the Parties irrevocably and unconditionally (a) agree that any suit, action or legal proceeding arising out of, or relating to, this Agreement or the attached Schedules and Exhibits shall be brought in the courts of record of the State of Florida in Alachua County, or the United States District Court, Northern District of Florida, Gainesville Division; (b) consent to the jurisdiction of each such court in any such suit, action or proceeding; (c) waive any objection which they may have to the laying of venue of any such suit, action or proceeding in any of such courts; and (d) agree that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in said state.
- (j) Remedies Available to Either Party Cumulative. No remedy conferred upon any party pursuant to this Agreement (or the attached Schedules and Exhibits) is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement (or the attached Schedules and Exhibits) now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement (or the attached Schedules and Exhibits) shall preclude any other or further exercise of such right, power or remedy.
- (k) Entire Agreement. This Agreement and the attached Schedules and Exhibits represents the entire understanding and agreement between the Parties with respect to the subject matter contained herein and supersedes all other negotiations, understandings and representations (if any) made by and between the Parties.
- (l) Section and Paragraph Headings. Section and paragraph headings used throughout this Agreement and the attached Schedules and Exhibits are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or the attached Schedules and Exhibits.
- (m) Preparation of Agreement. This Agreement shall not be construed more strongly against any party regardless of who is responsible for its preparation. The Parties acknowledge that each party contributed to its negotiations and is equally responsible for its preparation.

- (n) Section 409A of the Code. Notwithstanding any provision of this Agreement to the contrary, this Agreement is intended to meet the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the extent applicable, the Parties intend to administer this Agreement in a manner that is consistent with those requirements or an exception thereto, and this Agreement shall be construed and interpreted in accordance with such intent. Any payments that are considered deferred compensation under Section 409A of the Code and that are paid to a "specified employee" (as defined in Section 409A of the Code) upon separation from service shall be subject to a six (6) month delay, if required by Section 409A of the Code. If required by Section 409A of the Code, any amounts otherwise payable during the six (6) month period that commences on and follows the Employee's termination date shall be paid in one lump sum amount on the first payroll date following the six (6) month period following the Employee date of termination (or within thirty (30) days of the Employee's death, if earlier). For purposes of Section 409A of the Code, all payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" (within the meaning of such term under Section 409A of the Code). Each payment made under this Agreement shall be treated as a separate payment. In no event shall the Employee, directly or indirectly, designate the calendar year of a payment. All reimbursements under this Agreement shall be provided in a manner that complies with Section 409A of the Code, if applicable. If required by regulations or other guidance issued under Section 409A of the Code or a court of competent jurisdiction, the provisions regarding payments hereunder shall be amended to provide for such payments to be made at the time allowed under such regulations, guidance or authority that most closely achieves the intent of this Agreement.
- (o) Liability Insurance. AXOGEN shall cover the Employee under directors and officers liability insurance both during the term of this Agreement and for the one year period following the termination of this Agreement, in the same amount and to the same extent as AXOGEN covers its officers and directors.

[Signature Page Follows]

EMPLOYEE AND AXOGEN have executed this Agreement as of the 17th day of July, 2017.

AXOGEN CORPORATION

/s/ Karen Zaderej

Name: Karen Zaderej

Title: CEO

EMPLOYEE:

/s/ Jon S. Gingrich

Jon S. Gingrich

SCHEDULE AND EXHIBIT LIST

Schedule 1 Duties of Employee

Schedule 2 Compensation and Benefits

Exhibit A - Invention Assignment and Confidentiality Agreement

Exhibit B - Non-Solicitation and Non-Competition Agreement

**SCHEDULE 1
DUTIES OF EMPLOYEE**

The duties of Employee with AXOGEN CORPORATION ("AXOGEN" or "Employer") are as follows:

1. Employee's Title: AXOGEN hereby employs Employee as Chief Commercial Officer, which title may change at AXOGEN's discretion.
2. Employee's Duties: During employment with AXOGEN, Employee's duties will include, without limitation, the following:

- (a) Description of Duties. Employee shall perform all duties in connection with Employee's position, or as otherwise designated by AXOGEN, including, without limitation, the following duties:

Provide both operational and programmatic support to AXOGEN and INC. Supervise the global marketing and sales functions, lead the brand strategy and execution, lead the identification of and support the development of new products, lead the strategic plan for commercialization, prioritization and development of existing and new markets, lead the sales execution thru both direct and independent sales team globally to achieve or exceed quota and provide support and input into investor relations. As a member of the senior management team, be involved in strategic planning, evaluation, and professional development initiatives.

Report to AXOGEN Designated Manager. Employee shall report to the CEO of AXOGEN

- (b) Compliance With Employee Policies, Procedures, Rules and Regulations Employee shall comply with all AXOGEN policies, procedures, rules and regulations for employees as such policies and procedures may exist or be established from time to time.

- (c) No Other Business Activities.

- (i) Employee shall devote Employee's entire professional time, energy and skill to the performance of Employee's duties pursuant to the Agreement, the service of AXOGEN, and promotion of AXOGEN's interests. The Parties agree that Employee may not during Employee's employment, except as permitted in writing by AXOGEN, be engaged in any other business activity, whether or not such activity is pursued for gain, profit, or other pecuniary advantage including, without limitation, management or management consulting activities.

- (ii) Notwithstanding the preceding subsection, Employee may invest Employee's personal assets in businesses or real estate that are not in competition with AXOGEN where the form or manner of such investment will not require services on the part of Employee, and in which Employee's participation is solely that of a passive investor.

**SCHEDULE 2
COMPENSATION AND BENEFITS**

Subject to the terms and conditions of the Executive Employment Agreement (the "Agreement"), Employee may be entitled to receive from AXOGEN Corporation ("AXOGEN" or "Employer") the following compensation and benefits:

1. Base Salary.

(a) Amount. Employee's salary during employment with AXOGEN will be at the rate of

\$320,000 (Three Hundred Twenty Thousand Dollars) annually, (the "Base Salary") effective upon execution and delivery of the Agreement and Employee's first day of employment with AXOGEN.

(b) Payment. The Base Salary shall be payable in accordance with the existing payroll practices of AXOGEN, which practices may be changed by AXOGEN from time to time at its sole discretion. The Base Salary shall be subject to all appropriate withholding taxes.

(c) Review of Base Salary. The Base Salary shall be reviewed by AXOGEN on an annual basis; however, AXOGEN reserves the right to increase or decrease the Base Salary at any time during the employment relationship in its sole discretion.

(d) Additional Compensation. In addition to the Base Salary, Employee may also be eligible to receive stock options, benefits, paid vacations and holidays during Employee's Employment.

2 . Business Expenses and Reimbursements. Employee shall be eligible for reimbursement by AXOGEN in accordance with AXOGEN's normal reimbursement practices for ordinary and necessary business expenses incurred by Employee in the performance of Employee's duties for AXOGEN, so long as Employee timely submits to AXOGEN accurate invoices and receipts of all expenses submitted for reimbursement pursuant to this section. Employee will be reimbursed for moving expenses if the move is completed within two years of the start of employment up to a maximum of \$50,000.

3 . Benefits. Employee will be permitted to participate in such benefit plans of AXOGEN that may be in effect from time to time, to the extent Employee is eligible under the terms of those plans. Nothing herein shall be construed to require AXOGEN to institute or continue any particular plan or benefit. AXOGEN reserves the right to add, change, or eliminate any benefits at any time at its sole discretion.

4 . Vacations and Holidays. Employee will be entitled to paid vacation of 4 weeks per calendar year, prorated the first calendar year of employment and holidays in accordance with the holiday policies of AXOGEN in effect for its employees from time to time. Vacation must be taken by Employee at such time or times as approved by AXOGEN.

5. Bonus.

(a) Calculation. During the Employment Period, Employee may receive a bonus based on an AXOGEN bonus plan, as determined by AXOGEN in its sole discretion. Bonus for 2017 will be pro rated based on Employee start date and his target rate set at 40% of salary subject to the conditions of such bonus as established by the AXOGEN Board of directors.

(b) Payment. The Bonus if paid shall be paid in accordance with, and subject to, the normal payroll policies of AXOGEN with respect to similar forms of compensation, including, without limitation, being subject to all appropriate withholding taxes.

6 . Compensation Review. AXOGEN shall, from time to time, but no less frequently than annually, review Employee's compensation (including benefits) and may, in its sole discretion, increase, or decrease, or eliminate any or all of the benefits. Any such increase or decrease in the compensation package shall be valid only if in writing, executed by a duly authorized officer of AXOGEN, and such writing shall constitute an amendment to this Paragraph 6 (and to the Agreement and any applicable Schedules or Exhibits) solely as to the benefits, without waiver or modification of any other terms, conditions or provisions of the Agreement.

7. No Other Compensation. Employee agrees that the compensation and benefits set forth in the

Agreement, this Schedule 2, the employee stock option agreement with respect to 115,000 shares of common stock and performance stock unit agreement on even date herewith are the sole and exclusive compensation and benefits to which Employee is entitled pursuant to the Agreement, this Schedule 2 and the stock option and performance stock unit agreements, and that Employee shall have no rights to receive any other compensation or benefits of any nature from AXOGEN.

8. Signing Bonus. Employee will be paid \$25,000 as a signing bonus subject to repayment to the Company, by offset or otherwise, in the event Employees employment is terminated the earlier of Employee's relocation to the Company's corporate office or two years from the date of this Agreement.

EXHIBIT A OF EMPLOYMENT AGREEMENT
INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT

THIS INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT (the "Invention and Confidentiality Agreement") is entered into as of the date first written below, by and between AXOGEN Corporation ("AXOGEN" or "Employer") and the undersigned AXOGEN employee, ("Employee") for and in consideration of Employee's continued employment by AXOGEN and the compensation that Employee shall receive during Employee's employment, the Parties agree as follows:

1 . Employee's Covenants, Representations and Warranties. Both during and after the termination of Employee's employment by AXOGEN for any reason or for no reason:

A. Non-Disclosure. Employee shall not disclose to anyone outside AXOGEN any Confidential Information. "Confidential Information" shall include, without limitation,

(i) all information, which has not been made publicly available by AXOGEN or the third-party owner of such information, which was developed by AXOGEN, any of AXOGEN's employees or independent contractors, or was developed for AXOGEN, including but not limited to Developments (as defined below in Section 3), technical data, specifications, designs, programs, software, hardware, concepts, discoveries, copyrights, improvements, product plans, research and development, personnel information, contents of manuals, financial information, customer lists, leads, marketing programs, testing programs, and/or other written materials;

(ii) all documents marked as confidential and/or containing such information; and/or

(iii) all information AXOGEN has acquired or received from a third party in confidence.

B . Use of Confidential Information. Employee shall use Confidential Information only for AXOGEN's business purposes.

C . Confidential Information and Materials Furnished by AXOGEN. Employee agrees that the Confidential Information and any other materials furnished by AXOGEN to Employee, (i) are proprietary to AXOGEN and contain specialized and unique information not obtainable from ordinary sources, (ii) have been created by AXOGEN at considerable time and expense, and (iii) shall remain, at all times, the exclusive and sole property of AXOGEN.

D . Use of Third-Party Information. Employee shall not disclose to AXOGEN, use in AXOGEN's business, or cause AXOGEN to use any information or material which is confidential to any third party unless AXOGEN has a written agreement with the third party allowing AXOGEN to receive and use the confidential information or materials.

E. Use of Copyrights. Employee will not incorporate into Employee's work any material that is subject to the copyrights of any third party unless AXOGEN has the right to copy and incorporate such copyrighted material.

F . Trade Secrets. Employee acknowledges AXOGEN's legitimate business interest in protecting its trade secrets and customer lists and in preventing direct solicitation of its customers and agrees that any unauthorized use of trade secrets shall be presumed to be an irreparable injury that may be specifically enjoined.

2 . Return of Confidential Information and Materials. Employee shall, immediately upon AXOGEN's request, or the termination of Employee's employment, for any reason, whether by Employee or AXOGEN, return to AXOGEN all Confidential Information and other materials furnished to Employee, and any and all third-party property, and/or copies of the same, and all documentation, notebooks and notes, reports and any other materials whether electronic or print media containing or derived from the Confidential Information and other materials furnished to Employee by AXOGEN.

3 . Assignment of Rights. Employee hereby grants, transfers and assigns and agrees to grant, transfer and assign to AXOGEN all of Employee's rights, title and interest, if any, in any and all Developments, including rights to translation and reproductions in all forms or formats and the copyrights, patent rights and moral rights to the same, if any, and agrees that AXOGEN may further perfect AXOGEN's United States and foreign rights in, and to any and all, Developments under patents and copyrights. "Developments" shall mean any idea, invention, process, design, concept, or useful article (whether the design is ornamental or otherwise), computer program, trademark, trade secret,

documentation, literary work, audiovisual work and any other work of authorship, hereafter expressed, made or conceived solely or jointly by Employee during Employee's employment, whether or not subject to patent, copyright or other forms of protection that is:

- A. related to the actual or anticipated business, research or development of AXOGEN; and/or
- B. suggested by or resulting from any task assigned to Employee or work performed by Employee for or on behalf of AXOGEN.

4. Copyrights. Employee acknowledges that the copyrights in Developments created by Employee in the scope of Employee's employment belong to AXOGEN by operation of law, or may belong to a party engaged by AXOGEN by operation of law pursuant to a works-for-hire contract between AXOGEN and such contracted third party. To the extent the copyrights in such works may not be owned by AXOGEN or such contracted party by operation of law, Employee hereby assigns and agrees to assign to AXOGEN or such contracted party, as the case may be, all copyrights (if any) Employee may have in Developments.

5. Assistance in Obtaining Copyrights and Patents At all times after the date of this Invention Assignment and Confidentiality Agreement, Employee agrees to assist AXOGEN in obtaining patents or copyrights on any Developments assigned to AXOGEN that AXOGEN, in its sole discretion, seeks to patent or copyright. Employee also agrees to sign all documents, and do all things necessary to obtain such patents or copyrights, to further assign them to AXOGEN, and to reasonably protect them and AXOGEN against infringement by other parties at AXOGEN expense with AXOGEN prior approval.

6. Appointment of Attorney-In-Fact. Employee irrevocably appoints any AXOGEN-selected designee to act, at all times hereafter, as Employee's agent and attorney-in-fact to perform all acts necessary to obtain patents and/or copyrights as required by this Invention Assignment and Confidentiality Agreement if Employee (i) refuses to perform those acts or (ii) is unavailable, within the meaning of the United States Patent and Copyright laws. It is expressly intended by Employee that the foregoing power of attorney is coupled with an interest.

7. Record Keeping. Employee shall keep complete, accurate, and authentic information and records of all Developments in the manner and form reasonably requested by AXOGEN. Such information and records, and all copies of the same, shall be the property of AXOGEN as to any Developments assigned AXOGEN. Employee agrees to promptly surrender such information and records at the request of AXOGEN as to any Developments.

8. Developments. In connection with any of the Developments assigned by this Invention Assignment and Confidentiality Agreement, Employee hereby agrees:

- A. to disclose them promptly to AXOGEN;
- B. at AXOGEN's request, to execute separate written assignments to AXOGEN;
- C. to provide AXOGEN with notice of any inadvertent disclosure of Confidential Information related to any Development; and
- D. to do all things reasonably necessary to enable AXOGEN to secure patents, register copyrights or obtain any other form of protection for Developments in the United States and in other countries. If Employee fails or is unable to do so, Employee hereby authorizes AXOGEN to act under power of attorney for Employee to do all things to secure such rights.

9. No Designation as Author. AXOGEN, its subsidiaries, licensees, successors or assigns, (direct or indirect) is not required to designate Employee as author of any Developments when such Developments are distributed publicly or otherwise. Employee waives and releases, to the extent permitted by law, all Employee's rights to such designation and any rights concerning future modifications of such Developments.

10. Assignability. Rights, assignments, and representations made or granted by Employee in this Invention Assignment and Confidentiality Agreement are assignable by AXOGEN without notice, and are for the benefit of AXOGEN's successors, assigns, and parties contracting with AXOGEN.

11. Trade Secrets. Employee acknowledges that Employee is aware that a theft of trade secrets of an employer by an employee in Florida, such as is prohibited by this Invention Assignment and

Confidentiality Agreement, constitutes a criminal violation of Florida Statute 812.081, punishable as a third-degree felony under Florida Statute 775.082, conviction for which carries a term of imprisonment not exceeding five (5) years. Employee acknowledges AXOGEN will seek vigorous prosecution under Florida Statutes for any violation thereof arising out of a breach by Employee of any of the material terms of this Invention Assignment and Confidentiality Agreement.

12. Advice of Counsel. Employee acknowledges and agrees that Employee has read and understands the terms set forth in this Invention Assignment and Confidentiality Agreement and has been given a reasonable opportunity to consult with an attorney prior to execution of this Invention Assignment and Confidentiality Agreement and has either done so, or knowingly declined to do so.

13. Miscellaneous Provisions.

A . Further Assurances. The Parties hereby agree from time to time to execute and deliver such further and other transfers, assignments and documents and do all matters and things that may be convenient or necessary to more effectively and completely carry out the intentions of this Invention Assignment and Confidentiality Agreement.

B . Survival. All covenants, agreements, representations and warranties made in this Invention Assignment and Confidentiality Agreement or otherwise made in writing by any party pursuant to this Invention Assignment and Confidentiality Agreement shall survive the execution and delivery of this Invention Assignment and Confidentiality Agreement and the termination of employment of Employee.

C . Injunctive Relief. Employee acknowledges that AXOGEN will be irreparably damaged (and damages at law would be an inadequate remedy) if this Invention Assignment and Confidentiality Agreement is not specifically enforced. Therefore, in the event of a breach or threatened breach by Employee of any provision of this Invention Assignment and Confidentiality Agreement, AXOGEN shall be entitled, in addition to all other rights or remedies, to injunctions restraining such breach or threatened breach, without being required to show any actual damage or to post any bond or other security.

D . AxoGen, Inc. For purposes of this Agreement the defined term AXOGEN or Employer shall include AxoGen, Inc. AxoGen Corporation parent corporation.

THE PARTIES TO THIS AGREEMENT have executed this Invention Assignment and Confidentiality Agreement as of the 17th day of July, 2017.

AXOGEN CORPORATION

/s/ Karen Zaderej
Karen Zaderej, CEO and President

/s/ Jon S. Gingrich
Jon S. Gingrich

EXHIBIT B TO EMPLOYMENT AGREEMENT
NON-SOLICITATION AND NON-COMPETITION AGREEMENT

THIS NON-SOLICITATION AND NON-COMPETITION AGREEMENT (the "NSNC Agreement") is entered into as of the date written below by and between AXOGEN Corporation ("AXOGEN" or "Employer") and the undersigned AXOGEN employee ("Employee").

RECITALS:

A. WHEREAS, Employee has agreed to accept employment with AXOGEN; and

B. WHEREAS, the Parties desire to reflect their agreement as to Employee's promises regarding Employee's solicitation and competition, which have induced AXOGEN to employ Employee.

NOW, THEREFORE, in consideration of Employee's employment with AXOGEN and the covenants set forth in this Agreement and other good and valuable consideration, the Parties, intending to be legally bound by this Agreement, agree as follows:

1. Non-solicitation. Employee shall not, at any time while employed by AXOGEN and for one (1) years after the termination of Employee's employment with AXOGEN for any reason whatsoever, or for no reason, directly or indirectly (by assisting or suggesting to another, or otherwise) solicit, otherwise attempt to induce or accept the initiative of another in such regard, alone or by combining or conspiring with any employees, officers, directors, agents, consultants, representatives, contractors, suppliers, distributors, customers or other business contacts of AXOGEN or AXOGEN's parent company AxoGen, Inc. ("INC") to terminate or modify its position as an employee, officer, director, agent, consultant, representative, contractor, supplier, distributor, customer or business contact with AXOGEN and INC. or to compete against AXOGEN and INC.

2. Non-competition. Employee shall not, at any time while employed by AXOGEN and for one (1) years after such termination of Employee's employment for any reason whatsoever, or for no reason (the "No-Compete Period"), directly or indirectly, as owner, officer, director, employee, agent, lender, broker, investor, consultant or representative of any corporation or as owner of any interest in, or as an employee, agent, consultant, partner, independent contractor, affiliate or in any other capacity whatsoever, or representative of any other form of business association, sole proprietorship or partnership, conduct or assist in any way any business that competes directly with AxoGen's or INC.'s then current or planned products or business.

3. Non-Interference. In addition to, and not in limitation of, the other provisions of this Agreement, or of any other agreement between Employee and AXOGEN, Employee shall not at any time, in any manner, interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of AXOGEN or INC., or give to any person the benefit or advantage of AXOGEN's or INC.'s methods of operation, advertising, publicity, training, business customers or accounts, or any other information relating or useful to AXOGEN's or INC.'s business.

4. Representations and Warranties. Employee does hereby represent and warrant to the Employer that:

(i) Employee is not presently employed by, and/or have any ownership interest, either directly or indirectly, in any entity or business, and is not presently engaged in any outside business activity in competition with AXOGEN;

(ii) this NSNC Agreement is executed by Employee to protect the legitimate business interests of the Employer;

(iii) legitimate business interests of the Employer to be protected by this NSNC Agreement include, without limitation, the protection of:

- a. valuable trade secrets of the Employer;
- b. the customer and vendor base of the Employer;
- c. confidential customer and vendor information belonging to the Employer;
- d. substantial business relationships between the Employer and its existing and prospective customers and vendors;
- e. goodwill associated with the specialized expertise of Employer; and
- f. specialized training undertaken by the Employer and its employees.

(iv) the other covenants and restrictions of this NSNC Agreement are appropriate and reasonable in all respects in light of the legitimate business interests of the Employer to be protected;

(v) the Employer and Employee have considered the public's health, safety and welfare, and that nothing contained in this NSNC Agreement will adversely affect the public's health, safety or welfare; and

(vi) the execution and delivery of this NSNC Agreement, and the restrictions contained herein, the performance by Employee of the covenants and agreements contained herein, and the enforcement by the Employer of the provisions contained herein, will cause no undue hardship on Employee.

5 . Other Restrictions. In consideration of Employer's agreement to employ, or to continue the employment of, Employee, and in accordance with the terms and conditions of this NSNC Agreement, the Employee hereby agrees the restrictions on employment contained above are essential elements of this NSNC Agreement, and that, but for the agreement of Employee to comply with such restrictions, the Employer would not have entered into the NSNC Agreement or the Agreement. The restrictions contained within this NSNC Agreement are reasonably necessary to protect the legitimate business interests of the Employer. The restrictions assist in assuring the continuity and growth of the Employer in the achievement of its goals and objectives. The legitimate business interests justifying the restrictions include, but are not limited to, trade secrets, valuable business information or professional information that otherwise do not qualify as trade secrets, substantial relationships with prospective and existing customers and vendors, or goodwill associated with the name of the Employer.

6 . Remedies for Breach. Employee acknowledges and agrees that, in the event of a breach or threatened breach of any of the provisions of this NSNC Agreement, the Employer would suffer irreparable harm for which monetary damages would be inadequate. Accordingly, in addition to any other remedies available, at law or in equity, in the event of a breach or threatened breach by Employee of such provisions, the Employer will be entitled to equitable relief in the form of an injunction against such breach, both preliminary and permanent, without the requirement to post a bond or other security or to prove irreparable injury or inadequate remedy at law, specific performance or other appropriate relief.

7 . Tolling. In the event that the Employer shall file a lawsuit in any court of competent jurisdiction alleging a breach of any of Employee's obligations under this NSNC Agreement, then any time period set forth in this NSNC Agreement, including the time periods set forth above, shall be deemed tolled as of the time such lawsuit is filed and shall remain tolled until such dispute finally is resolved either by written settlement agreement resolving all claims raised in such lawsuit or by entry of a final judgment in such lawsuit, including the final resolution of any post-judgment appellate proceedings.

8 . Assignment. This NSNC Agreement and all rights and benefits hereunder are personal to Employee, and neither this NSNC Agreement, nor any right or interest herein of Employee shall be voluntarily or involuntarily sold, transferred or assigned by Employee; provided, however, that the Employer may assign its rights, duties and obligations hereunder without the prior written consent of Employee.

9 . Severability. In the event any provision of this NSNC Agreement is held illegal or invalid, the remaining provisions of this NSNC Agreement and the Agreement shall not be affected thereby. If any of the restrictions contained in this NSNC Agreement or any part thereof is held to be unenforceable, the Parties agree that the court making such determination will have the power to reform the provisions of this NSNC Agreement to the extent permitted by applicable law.

10 . No Defense to Enforcement. The existence of any claim or cause of action by Employee against AXOGEN predicated on the Agreement herein, shall not constitute a defense to the enforcement by AXOGEN of this NSNC Agreement.

[Signature Page Follows]

THE PARTIES TO THIS AGREEMENT have executed it as of the 17TH day of July, 2017.

AXOGEN Corporation

/s/ Karen Zaderej
Karen Zaderej, CEO and President

/s/ Jon S. Gingrich
Jon S. Gingrich

AXOGEN, INC.
NON-QUALIFIED STOCK OPTION INDUCEMENT AWARD AGREEMENT

This **Non-Qualified Stock Option Inducement Award Agreement** (the “*Agreement*”), effective as of this 17th day of July 2017 (the “*Effective Date*”), by and between AxoGen, Inc., a Minnesota corporation (the “*Company*”), and Jon Gingrich (“*Optionee*”) is made in connection with the Optionee’s entry into employment within the meaning of Rule 5635(c)(4) of the NASDAQ Listing Rules. If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of any employment, consulting or similar services agreement between the Optionee and the Company as may be in effect (the “*Service Agreement*”), the Service Agreement shall control, and this Agreement shall be deemed to be modified accordingly. Capitalized terms used but not defined herein shall have the meanings set forth in that certain Employment Agreement by and between the Company and the Optionee dated as of July 17, 2017 (the “*Employment Agreement*”).

WHEREAS, the Company wishes to grant this stock option (the “*Option*”) to Optionee pursuant to the terms and conditions herein contained.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Grant of Option. The Company hereby grants to Optionee the right and option (the “*Option*”) to purchase all or any part of an aggregate of 115,000 shares (the “*Shares*”) of the common stock, par value \$0.01 per share (the “*Common Stock*”), of the Company at the exercise price of \$16.85 per Share on the terms and conditions set forth herein. It is understood and agreed that such price is not less than the closing price of a share of Common Stock on the NASDAQ on the Effective Date. The Option is not intended to qualify as a non-qualified stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “*Code*”).

2. Duration and Exercisability. The Option is subject to the following terms and conditions:

(a) The Option may not be exercised by Optionee except as set forth herein, and the Option shall in all events terminate ten (10) years from the date hereof (the “*Termination Date*”).

(b) The Option shall not be assignable or transferable by Optionee, other than by will or the laws of descent and distribution.

(c) Subject to the Optionee’s continued employment with Company or any of its subsidiaries, the Option shall vest and may be exercised by Optionee in cumulative installments as follows, which cannot exceed 100% of the Shares subject to the Option:

On or after each of the following dates	Percentage of Shares as to which the Option is exercisable
July 17, 2018	25.0%
January 17, 2019	12.5%
July 17, 2019	12.5%
January 17, 2020	12.5%
July 17, 2020	12.5%
January 17, 2021	12.5%
July 17, 2021	12.5%

If the foregoing schedule would produce fractional Shares, the number of Shares for which the Option becomes exercisable shall be rounded down to the nearest whole Share. Except as otherwise described in Section 3(c) of this Agreement, during the lifetime of Optionee, the Option shall be exercisable only by Optionee. The vesting of the Option is subject to acceleration under the circumstances described in Sections 2(d) and 3(c).

(d) The Company shall have the discretion to determine the treatment of the Option upon the occurrence of a Change in Control. Notwithstanding the foregoing and the provisions of subparagraph 2(c) above, if a Change in Control occurs, the Option shall automatically accelerate and become fully exercisable in the event that within twelve months following the Change in Control the employee is terminated without Substantial Cause or leaves the Company for Good Reason. Good Reason, except as otherwise provided in the Employment Agreement, shall mean the occurrence of any one or more of the following:

I. the assignment to Optionee of any duties inconsistent in any respect with his/her position (including status, offices, titles, and reporting requirements), authorities, duties, or other responsibilities as in effect immediately prior to the Change in Control of the Company or any other action of the Company which results in a diminishment in such position, authority, duties, or responsibilities, other than an insubstantial and inadvertent action which is remedied by the Company promptly after receipt of notice thereof given by Optionee;

II. a reduction by the Company in Optionee's base salary as in effect on the date hereof and as the same shall be increased from time to time hereafter; or

III. the failure by the Company to (A) continue in effect any material compensation or benefit plan, program, policy or practice in which Optionee was participating at the time of the Change in Control of the Company or (B) provide Optionee with compensation and benefits at least equal (in terms of benefit levels and/or reward opportunities) to those provided for under each employee benefit plan, program, policy and practice as in effect immediately prior to the Change in Control of the Company (or as in effect following the Change in Control of the Company, if greater).

(e) Optionee shall not have any rights as a stockholder with respect to the shares subject to the Option until the date of exercise.

3. Effect of Termination of Employment with the Company.

(a) In the event that Optionee shall cease to be employed by the Company or its subsidiaries, for any reason other than by the Company or its subsidiaries (i) for Substantial Cause (as defined below), (ii) due to Optionee's death or (iii) due to the Optionee's Disability (as defined below), Optionee shall have the right to exercise the Option at any time within 90 days after such termination of employment to the extent of the full number of Shares Optionee was entitled to purchase under the Option on the date of termination, subject to the condition that the Option shall not be exercisable after the expiration of its term.

(b) In the event that Optionee shall cease to be employed by or provide services to the Company or its subsidiaries by reason of Optionee's termination by the Company or its subsidiaries for Substantial Cause, the Option shall automatically terminate and shall not be exercisable thereafter. In addition, notwithstanding the prior provisions of this Section 3, if Optionee engages in conduct that constitutes Substantial Cause after Optionee's employment or service with the Company or its subsidiaries terminates, the Option shall immediately terminate.

(c) In the event that Optionee shall die while employed by the Company or its subsidiaries, or within 90 days after termination of his employment with the Company or its subsidiaries for any reason other than by the Company or its subsidiaries for Substantial Cause, or if Optionee's employment with the Company or its subsidiaries is terminated on account of Optionee's Disability, and Optionee shall not have fully exercised the Option, the Option may be exercised at any time within 12 months after the date of Optionee's death or termination of employment because of Disability by the legal representative or, if applicable, guardian of Optionee or by any person to whom the Option is transferred by will or the applicable laws of descent and distribution to the extent of the full number of Shares Optionee was entitled to purchase under the Option on the date of death (or termination of his employment, if earlier) or termination of Optionee's employment because of Disability and subject to the condition that the Option shall not be exercisable after the expiration of its term

4. Definitions.

(a) For purposes of this Agreement, a “Change in Control” of the Company shall be deemed to have occurred if:

I. any “person” (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”)) shall, together with his, her or its “*Affiliates*” and “*Associates*” (as such terms are defined in Rule 12b-2 promulgated under the Exchange Act), become the “*Beneficial Owner*” (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities (any such person being hereinafter referred to as an “*Acquiring Person*”);

II. the “Continuing Directors” (as hereinafter defined) shall cease to constitute a majority of the Company’s Board of Director during a 12-month period s; or

III. there should occur (A) any consolidation or merger involving the Company and the Company shall not be the continuing or surviving corporation or the shares of the Company’s capital stock shall be converted into cash, securities or other property; *provided, however*, that this subclause (A) shall not apply to a merger or consolidation in which (i) the Company is the surviving corporation and (ii) the stockholders of the Company immediately prior to the transaction have the same proportionate ownership of the capital stock of the surviving corporation immediately after the transaction; or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company.

(b) For purposes of this Agreement, a “*Continuing Director*” shall mean any person who is a member of the Board of Directors of the Company, while such person is a member of the Board of Directors, who is not an Acquiring Person, an Affiliate or Associate of an Acquiring Person or a representative of an Acquiring Person or of any such Affiliate or Associate and who (i) was a member of the Company’s Board of Directors on the date of grant of the Option, or (ii) subsequently became a member of the Board of Directors, upon the nomination or recommendation, or with the approval of, a majority of the Continuing Directors.

(c) For purposes of this Agreement “Substantial Cause” shall have the meaning as defined in the the Employment Agreement.

(d) For purposes of this Agreement, the term “Disability” shall be defined in accordance with the meaning proscribed in Section 22(e)(3) of the Code.

5. Manner of Exercise.

(a) The Option may only be exercised by Optionee or other proper party within the option term by delivering written notice of exercise to the Company at its principal executive office. The notice shall state the number of Shares as to which the Option is being exercised and shall be accompanied by payment in full of the exercise price for all of the Shares designated in the notice.

(b) Payment of the exercise price shall be made by:

- certified or bank cashier’s check payable to the Company (cash);
- tender of shares of the Company’s Common Stock, which, unless the Committee provides its consent, must have been, previously owned by Optionee, having a Fair Market Value on the date of exercise equal to the exercise price of the Option, or a combination of cash and shares equal to such exercise price;

- attestation of the Company's Common Stock valued at Fair Market Value as of the date of exercise of the Option equal to the exercise price of the Option, or a combination of cash and shares equal to such exercise price; or
- net settlement of the Option, using a portion of the Shares to be obtained on exercise in payment of the exercise price of the Option (and, if applicable, any required minimum tax withholding or such greater amount permitted under FASB Accounting Standards Codification Topic 718, Compensation—Stock Compensation, and amendments thereto, for equity-classified awards).

6. Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company or other similar corporate transaction or event affects the Common Stock such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, and all or any portion of the Option shall then be unexercised and not yet expired, then the Committee shall, in such manner as it may deem equitable, adjust (i) the number of Shares subject to the Option or (ii) the exercise price of the Option.

7. Miscellaneous.

(a) *No Rights of Shareholders.* Neither Optionee, Optionee's legal representative nor a permissible assignee of this Option shall have any of the rights and privileges of a shareholder of the Company with respect to the Shares, unless and until such Shares have been issued in the name of Optionee, Optionee's legal representative or permissible assignee, as applicable.

(b) *No Right to Continuance of Services.* This Agreement shall not confer on Optionee any right with respect to the continuance of any relationship with the Company or any subsidiary of the Company, nor will it interfere in any way with the right of the Company to terminate such relationship at any time.

(c) *Notice.* Any notice or other communication given pursuant to this Agreement shall be in writing and shall be personally delivered or mailed by United States registered or certified mail, or its non-US equivalent, postage prepaid, return receipt requested, to the Company at its principal place of business or to the Optionee at the address on the payroll records of the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing. Any such notice shall be deemed to have been given (a) on the date of postmark, in the case of notice by mail, or (b) on the date of delivery, if delivered in person.

(d) *No Liability of Committee Members.* No member of the Compensation Committee shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Committee and each other employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Agreement may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Agreement unless arising out of such person's own fraud or willful bad faith; provided, however, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

(e) *Administration.* Any question concerning the interpretation of this Agreement or the Option, any adjustments required to be made to the Option hereunder, and any controversy that may arise with respect to the Option shall be determined by the Compensation Committee of the board of directors of the Company (the "*Compensation Committee*") in its sole and absolute discretion. All decisions by the Compensation Committee shall be final, binding and conclusive. The Compensation Committee may, in its sole discretion, establish any

“blackout” period, during which transactions affecting the Option may not be effectuated, that it deems necessary or advisable.

(f) *Specified Employee Delay.* To the extent any payment under this Agreement is considered “deferred compensation” as defined by Section 409A of the Code, such payment may not be made to a specified employee (as determined in accordance with a uniform policy adopted by the Company with respect to all arrangements subject to Section 409A of the Code) upon separation from service (as defined by Section 409A of the Code and applicable regulations) before the date that is six months after the specified employee’s separation from service (or, if earlier, the specified employee’s death). Any payment that would otherwise be made during this period of delay shall be accumulated and paid on the sixth month plus one day following the specified employee’s separation from service (or, if earlier, as soon as administratively practicable after the specified employee’s death).

(g) *Governing Law.* The validity, construction and effect of this Agreement, and any rules and regulations relating to this Agreement, shall be determined in accordance with the laws of the State of Minnesota.

(h) *Severability.* If any provision of this Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify this Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of this Agreement, such provision shall be stricken as to such jurisdiction or this Agreement, and the remainder of this Agreement shall remain in full force and effect.

(i) *No Trust or Fund Created.* This Agreement shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any affiliate and Optionee or any other person.

(j) *Headings.* Headings are given to the sections and subsections of this Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

(k) *Conditions Precedent to Issuance of Shares.* Shares shall not be issued pursuant to the exercise of the Option unless such exercise and the issuance and delivery of the applicable Shares pursuant thereto shall comply with all relevant provisions of state and federal securities law, including, without limitation, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the rules and regulations promulgated thereunder, the requirements of the NASDAQ Global Market or any other applicable stock exchange and the Minnesota Business Corporation Act. As a condition to the exercise of the Option, the Company may require that the person exercising or paying the exercise price represent and warrant that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation and warranty is required by law.

(l) *Withholding.* In order to provide the Company with the opportunity to claim the benefit of any income tax deduction which may be available to it upon the exercise of the Option and in order to comply with all applicable federal or state income tax laws or regulations, the Company may take such action as it deems appropriate to assure that, if necessary, all applicable federal or state payroll, withholding, income or other taxes are withheld or collected from Optionee.

(m) *Consultation With Professional Tax and Investment Advisors.* Optionee acknowledges that the grant, exercise, vesting or any payment with respect to this Option, and the sale or other taxable disposition of the Shares acquired pursuant to the exercise thereof, may have tax consequences pursuant to the Code or under local, state or international tax laws. Optionee further acknowledges that such Optionee is relying solely and exclusively on Optionee’s own professional tax and investment advisors with respect to any and all such matters (and is not relying, in any manner, on the Company or any of its employees or representatives). Finally, Optionee understands and agrees that any and all tax consequences resulting from this Option and its grant, exercise, vesting or any payment with respect thereto, and the sale or other taxable disposition of the Shares acquired pursuant to this Agreement, is solely and exclusively the responsibility of Optionee without any expectation or understanding that the Company or any of its employees or representatives will pay or reimburse such holder for such taxes or other items.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, effective as of the Effective Date.

AXOGEN, INC.

By: /s/ Karen Zaderej

Name: Karen Zaderej

Its: CEO

Date: July 17, 2017

OPTIONEE

/s/ Jon S. Gingrich

Jon S. Gingrich

Date: July 17, 2017



AxoGen, Inc. Appoints Jon Gingrich Chief Commercial Officer

ALACHUA, FL – July 17, 2017 -- AxoGen, Inc. (NASDAQ:AXGN), a global leader in developing and marketing innovative surgical solutions for peripheral nerve injuries, today announced the appointment of Jon S. Gingrich to the newly created role of Chief Commercial Officer. Gingrich brings more than 20 years of global medical device and health care sales, marketing, and general management experience to AxoGen. As a member of the AxoGen executive leadership team, Gingrich will report directly to Karen Zaderej, President and CEO, and will oversee the development and execution of the company's sales and marketing strategies.

"AxoGen is creating a new platform of nerve repair by providing surgeons with clinically relevant solutions across a wide spectrum of nerve injuries and conditions," commented Zaderej. "Jon's extensive medical device experience strengthens our commercial leadership and will help us drive penetration of our existing markets, expand into new applications, introduce new products, and build global markets."

Gingrich most recently served in senior general management and commercial roles at Hologic Inc., including Global Vice President and General Manager, Skeletal Health Solutions and Group Global Vice President, Marketing, Breast and Skeletal Health Solutions. Prior to Hologic, he spent 15 years with Boston Scientific, holding several commercial and international positions of increasing responsibility, including General Manager, Cardiac Rhythm Management of Japan, and most recently as Vice President International Commercialization, Cardiac Rhythm Management.

"AxoGen's life-changing technology is reshaping the peripheral nerve repair industry and I am excited to help lead the organization through its next stage of growth," commented Gingrich. "The company is uniquely positioned to bring significant value to patients, surgeons, health care providers, and payers on a global scale as it advances the science and practice of nerve repair."

About AxoGen

AxoGen (AXGN) is a global leader in innovative surgical solutions for peripheral nerve injuries. AxoGen is the only company focused specifically on the science, development and commercialization of technologies for peripheral nerve regeneration and repair. We are passionate about restoring nerve function and quality of life to patients with peripheral nerve injuries by providing innovative, clinically proven and economically effective repair solutions for surgeons and health care providers. Peripheral nerves provide the pathways for both motor and sensory signals throughout the body. Every day, people suffer traumatic injuries or undergo surgical procedures that impact the function of their peripheral nerves. Damage to a peripheral

nerve can result in the loss of muscle or organ function, the loss of sensory feeling, or the initiation of pain.

AxoGen's portfolio of products includes Avance® Nerve Graft, an off-the-shelf processed human nerve allograft for bridging severed nerves without the comorbidities associated with a second surgical site, AxoGuard® Nerve Connector, a porcine submucosa extracellular matrix (ECM) coaptation aid for tensionless repair of severed nerves, AxoGuard® Nerve Protector, a porcine submucosa ECM product used to wrap and protect injured peripheral nerves and reinforce the nerve reconstruction while preventing soft tissue attachments, and Avive® Soft Tissue Membrane, a minimally processed human umbilical cord membrane that may be used as a resorbable soft tissue covering to separate tissue layers and modulate inflammation in the surgical bed. Along with these core surgical products, AxoGen also offers AcroVal™ Neurosensory & Motor Testing System and AxoTouch™ Two-Point Discriminator. These evaluation and measurement tools assist health care professionals in detecting changes in sensation, assessing return of sensory, grip, and pinch function, evaluating effective treatment interventions, and providing feedback to patients on nerve function. The AxoGen portfolio of products is available in the United States, Canada, the United Kingdom, and several other European and international countries.

Cautionary Statements Concerning Forward-Looking Statements

This Press Release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or predictions of future conditions, events, or results based on various assumptions and management's estimates of trends and economic factors in the markets in which we are active, as well as our business plans. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "projects," "forecasts," "continue," "may," "should," "will," and variations of such words and similar expressions are intended to identify such forward-looking statements. The forward-looking statements may include, without limitation, statements regarding our assessment on our internal control over financial reporting, our growth, our 2017 guidance, product development, product potential, financial performance, sales growth, product adoption, market awareness of our products, data validation, our visibility at and sponsorship of conferences and educational events. The forward-looking statements are subject to risks and uncertainties, which may cause results to differ materially from those set forth in the statements. Forward-looking statements in this release should be evaluated together with the many uncertainties that affect AxoGen's business and its market, particularly those discussed in the risk factors and cautionary statements in AxoGen's filings with the Securities and Exchange Commission. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those projected. The forward-looking statements are representative only as of the date they are made and, except as required by law, AxoGen assumes no responsibility to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

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