

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):

January 20, 2010

## ADVENTRX Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

## Delaware

001-32157

84-1318182

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

6725 Mesa Ridge Road, Suite 100, San Diego,  
California

92121

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

858-552-0866

Not Applicable

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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))

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

On January 20, 2010, the Compensation Committee (the "Committee") of the Board of Directors (the "Board") of ADVENTRX Pharmaceuticals, Inc. (the "Company") approved base salaries for 2010, which will be the same as for 2009, for the Company's remaining employees, who are also named executive officers (as identified in the Company's proxy statement relating to the Company's 2009 annual meeting of stockholders) (the "NEOs"). On that date, the Committee also (i) granted stock option awards under the Company's 2008 Omnibus Incentive Plan (the "Plan") for the NEOs (the "2010 Options"), which options were granted contingent upon receipt of a waiver as described below, (ii) adopted an incentive plan for 2010 (including target awards for the NEOs and corporate performance goals) and (iii) modified outstanding options previously granted to the NEOs on July 21, 2009 (the "2009 Options") to provide for the acceleration of vesting and exercisability of the 2009 Options in the event of an "involuntary termination" (as defined below).

The following table sets forth the existing base salary for each of the NEOs, which have been in effect since January 1, 2009, the base salary for each of the NEOs for 2010 and the number of shares underlying the 2010 Options granted to the NEOs:

Name/Primary Title	2009 Base Salary	2010 Base Salary	No. of Shares Underlying Option Award
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Brian M. Culley/Principal Executive Officer	\$315,000	\$315,000	1,600,000
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Patrick L. Keran/General Counsel and Principal Financial & Accounting Officer	\$289,000	\$289,000	1,600,000
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The Company is a party to that certain Rights Agreement, dated July 27, 2005, as amended (the "Rights Agreement"). Under the terms of the Rights Agreement, the Company is prohibited from, among other things, granting certain of its securities without complying with the provisions of the Rights Agreement. The Committee granted the 2010 Options to the NEOs subject to and contingent upon receipt of a certain waiver under the Rights Agreement, and if such waiver is not obtained, the grant of the 2010 Options will not be effective. The 2010 Options will be granted as of the date the waiver is executed and delivered to the Company (the "Grant Date"). As of the time of filing this Current Report, the Company has not received the waiver. If the waiver is executed and delivered, each of the 2010 Options granted to the NEOs will have an exercise price per share equal to the closing price of the Company's common stock on the Grant Date (or, if no such closing price is reported on the Grant Date, the last date preceding the Grant Date on which such a closing price is reported), and will vest and become exercisable as to 25% of the shares underlying each stock option on each of January 1, 2011, January 1, 2012, January 1, 2013 and January 1, 2014, with each vesting event subject to the respective NEO's continuous service (as defined in the Plan). However, in the event the NEO ceases to provide services to the Company as an employee by reason of an "involuntary termination" (as defined below), the option shall, immediately prior to such involuntary termination, vest and become exercisable with respect to 25% of the total number of shares subject to the option, or 400,000 shares, and the exercisability of the then-vested portion of the option (after taking into account the foregoing acceleration) shall be extended such that the option shall be exercisable for a period of 12 months from the date of such involuntary termination. In addition, the vesting and/or exercisability of each option will accelerate or be extended under certain circumstances, including, (i) in the event of a change in control (as defined in the Plan), acceleration of vesting with respect to 50% of the then unvested shares on the day prior to the date of the change in control and, subject to the respective NEO's continuous service, with respect to the remaining 50% of the then unvested shares on the one year anniversary of the date of the change in control, (ii) subject to the preceding clause (i), in the event of a change of control, to the extent the successor company (or a subsidiary or parent thereof) does not assume or substitute for the option, acceleration in full of vesting on the day prior to the date of the change in control if the NEO is then providing services or was the subject of an involuntary termination in connection with, related to or in contemplation of the change in control and exercisability for a period of 24 months from the date of such involuntary termination, and (iii) subject to the preceding clause (i), in the event of a change of control, to the extent the successor company (or a subsidiary or parent thereof) assumes or substitutes for the option, and in the event of an involuntary termination of the NEO within 12 months following the date of the change in control, acceleration in full of vesting and exercisability for a period of 24 months from the date of such involuntary termination.

Pursuant to the incentive plan for 2010 adopted by the Committee (the "2010 Incentive Plan"), the NEOs are eligible for incentive awards based upon the achievement of corporate performance objectives in effect at the end of 2010. Awards under the 2010 Incentive Plan generally will be paid in cash; however, the Committee has discretion to determine the composition of each award. The potential award of each of the NEOs will be based 100% on the Company's achievement of corporate objectives and the target award amount for each NEO is \$150,000. The target amount of each award may be increased or decreased by multiplying the NEO's target amount by a corporate performance multiplier, as will be determined by the Committee in the first quarter of 2011. Award multipliers will range from zero to 1.5. Payment of any awards under the 2010 Incentive Plan will be made after December 31, 2010 and on or before March 14, 2011. If an NEO's employment with the Company terminates prior to payment of an award, it will be at the sole discretion of the Committee whether or not any award payment is made to that NEO.

The corporate performance goals under the 2010 Incentive Plan were set by the Committee based on recommendations from the NEOs and reflect the Committee's assessment, as of January 20, 2010, of near-term corporate objectives that will enhance stockholder value. The corporate objectives involve the Company's receipt of favorable response(s) from the U.S. Food and Drug Administration regarding one or more of the Company's product candidates, favorable progress in the development and/or commercialization of one or more of the Company's products and the maintenance of specified levels of capital at December 31, 2010.

Under the 2010 Incentive Plan, if a corporate objective becomes irrelevant or undesirable or if a strategic change or other event affects the objective, the Committee, after considering the recommendations of the NEOs, may adjust the weighting of all objectives, substitute a new objective, eliminate the affected objective, take no action or effect any combination of the foregoing. In addition, subject to contractual obligations, the Committee has absolute discretion to abolish the 2010 Incentive Plan at any time or to alter any terms and conditions under which incentive awards will be paid, with or without cause and with or without prior notice.

The 2009 Options were modified to provide that, in the event of the "involuntary termination" (as defined below) of an NEO, the applicable 2009 Option would, immediately prior to such involuntary termination, vest and become exercisable with respect to 25% of the total number of shares subject to the applicable 2009 Option, or 425,000 shares.

For purposes of the 2010 Options and the 2009 Options, "involuntary termination" means (i) without the NEO's express written consent, a Board action or external events causing or immediately portending a material reduction or alteration of the NEO's duties, position or responsibilities relative to the NEO's duties, position or responsibilities in effect immediately prior to such reduction or alteration, or the removal of the NEO from such position, duties or responsibilities; provided, however, that an "Involuntary Termination" shall not be deemed to occur (A) with respect to Brian M. Culley, if Mr. Culley remains the head of and most senior individual within the Company's (or its successor's) business development function and (B) with respect to Patrick L. Keran, if Mr. Keran remains the head of and most senior individual within the Company's (or its successor's) legal function; (ii) without the NEO's express written consent, a material

reduction by the Company of the NEO's base salary as in effect immediately prior to such reduction; (iii) without the NEO's express written consent, the relocation of the NEO's principal place of employment with the Company by more than 50 miles; or (iv) any termination of the NEO by the Company without "cause" (as defined below). For purposes of the 2010 Options and the 2009 Options, "cause" means (i) any act of personal dishonesty taken by the NEO in connection with his responsibilities as an employee which is intended to result in substantial personal enrichment of the NEO; (ii) the NEO's conviction of a felony that the Board reasonably believes has had or will have a material detrimental effect on the Company's reputation or business; (iii) a willful act by the NEO that constitutes misconduct and is materially injurious to the Company, or (iv) continued willful violations by the NEO of his obligations to the Company after there has been delivered to the NEO a written demand for performance from the Company that describes the basis for the Company's belief that the NEO has not substantially performed his duties.

The descriptions of the provisions of the terms and conditions of the stock option awards, the 2010 Incentive Plan and the modification to outstanding options set forth above do not purport to be complete and are qualified in their entirety by reference to the form of Incentive Stock Option Grant Agreement with Mr. Culley, the form of Incentive Stock Option Grant Agreement with Mr. Keran, the 2010 Incentive Plan and the form of letter agreement, dated January 20, 2010, modifying option, which are filed herewith as Exhibits 10.1, 10.2, 10.3 and 10.4 and incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

The list of exhibits called for by this Item is incorporated by reference to the Exhibit Index filed with this report.

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**SIGNATURES**

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

ADVENTRX Pharmaceuticals, Inc.

*January 26, 2010*

*By: /s/ Patrick L. Keran*

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*Name: Patrick L. Keran  
Title: General Counsel*

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Exhibit Index

<b>Exhibit No.</b>	<b>Description</b>
10.1	Form of Incentive Stock Option Grant Agreement for use in connection with January 2010 option grant to Brian M. Culley
10.2	Form of Incentive Stock Option Grant Agreement for use in connection with January 2010 option grant to Patrick L. Keran
10.3	2010 Incentive Plan
10.4	Form of letter, dated January 20, 2010, modifying option

Incentive Stock Option Grant Agreement

THIS INCENTIVE STOCK OPTION GRANT AGREEMENT (this "Agreement"), effective as of \_\_\_, 2010 (the "Grant Date"), is entered into by and between ADVENTRX Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and Brian M. Culley (the "Grantee").

**1. Grant of Option.** The Company hereby grants to the Grantee a stock option (the "Option") to purchase 1,600,000 shares of common stock of the Company, par value \$0.001 per share (the "Shares"), at the exercise price of \$ \_\_\_ per Share (the "Exercise Price"). The Option is intended to qualify as an incentive stock option under Section 422 of the Code.

**2. Subject to the Plan.** This Agreement is subject to the provisions of the ADVENTRX Pharmaceuticals, Inc. 2008 Omnibus Incentive Plan (the "Plan"), and, unless the context requires otherwise, terms used herein shall have the same meaning as in the Plan. In the event of a conflict between the provisions of the Plan and this Agreement, the Plan shall control.

**3. Term of Option.** Unless the Option terminates earlier pursuant to the provisions of this Agreement, the Option shall expire on the tenth anniversary of the Grant Date.

**4. Vesting.** The Option shall become vested with respect to twenty-five percent (25%) of the Shares on each of January 1, 2011, January 1, 2012, January 1, 2013 and January 1, 2014; provided, however, that the Grantee is then providing Services.

**5. Exercise of Option**

(a) **Manner of Exercise.** To the extent vested, the Option may be exercised, in whole or in part, by delivering written notice to the Company in accordance with paragraph (g) of Section 8 in such form as the Company may require from time to time. Such notice shall specify the number of Shares subject to the Option as to which the Option is being exercised, and shall be accompanied by full payment of the Exercise Price of such Shares in a manner permitted under the terms of Section 5.5 of the Plan, except that payment with previously acquired Shares may only be made with the consent of the Committee. The Option may be exercised only in multiples of whole Shares and no fractional Shares shall be issued.

(b) **Issuance of Shares.** Upon exercise of the Option and payment of the Exercise Price for the Shares as to which the Option is exercised, the Company shall issue to the Grantee the applicable number of Shares in the form of fully paid and nonassessable Shares.

(c) **Capitalization Adjustments.** The number of Shares subject to the Option and the Exercise Price shall be equitably and appropriately adjusted, if applicable, as provided in Section 12.2 of the Plan.

(d) **Withholding.** No Shares will be issued on exercise of the Option unless and until the Grantee pays to the Company, or makes satisfactory arrangements with the Company for payment of, any federal, state or local taxes required by law to be withheld in respect of the exercise of the Option. The Grantee hereby agrees that the Company may withhold from the Optionee's wages or other remuneration the applicable taxes. At the discretion of the Company, the applicable taxes may be withheld in kind from the Shares otherwise deliverable to the Grantee on exercise of the Option, up to the Grantee's minimum required withholding rate or such other rate that will not trigger a negative accounting impact.

(e) **Notice of Disposition.** Grantee agrees to notify the Company in writing within fifteen (15) days after the date of any disposition of any of the Shares issued upon exercise of the Option that occurs within the later of two (2) years after the Grant Date or within one (1) year after such Shares are transferred to the Grantee.

**6. Termination of Option**

(a) **Termination of Employment or Service Relationship Other Than Due to Retirement, Death, Disability, Involuntary Termination or Cause.** Unless the Option has earlier terminated, the Option shall terminate in its entirety, regardless of whether the Option is vested, ninety (90) days after the date the Grantee ceases to provide Services for any reason other than, as applicable, the Grantee's Retirement, death, Disability, Involuntary Termination or termination for Cause. Except as provided in paragraphs (b), (c), (d) or (e) of this Section, any portion of the Option that is not vested at the time the Grantee ceases to provide Services shall immediately terminate.

(b) **Retirement.** Upon the Retirement of the Grantee, unless the Option has earlier terminated, the Option shall continue in effect (and, for purposes of vesting pursuant to Section 4, the Grantee shall be deemed to continue to be providing Services) until the earlier of (i) two (2) years after the Grantee's Retirement (or, if later, the fifth anniversary of the Grant Date) or (ii) the expiration of the Option's term pursuant to Section 3. For purposes of this Agreement, "Retirement" shall mean termination of the Grantee's employment with the Company and its Subsidiaries, or a successor company (or a subsidiary or parent thereof) and their respective subsidiaries, other than for Cause (a) if (i) the Grantee is then at least age 60 and (ii) the sum of the Grantee's age and years of continuous service with the Company and its Subsidiaries is then equal to at least 70 or (b) if the Committee characterizes such termination as a "Retirement" for purposes of this Agreement. For clarity, this Section 6(b) shall apply only to Grantees who are Employees at the time of termination.

(c) **Death.** Upon the Grantee's death, unless the Option has earlier terminated, the Grantee's executor or personal representative, the person to whom the Option shall have been transferred by will or the laws of descent and distribution, or such other permitted transferee, as the case may be, may exercise the Option in accordance with paragraph (a) of Section 5, to the extent vested, provided such exercise occurs within twelve (12) months after the date of the Grantee's death or by the end of the term of the Option pursuant to Section 3, whichever is earlier.

(d) **Disability.** In the event that the Grantee ceases to provide Services by reason of Disability, unless the Option has earlier terminated, the Option may be exercised, in accordance with paragraph (a) of Section 5, to the extent vested, provided such exercise occurs within six (6) months after the date of Disability or by the end of the term of the Option pursuant to Section 3, whichever is earlier. For purposes of this Agreement, "Disability" shall mean the Grantee's becoming disabled within the meaning of Section 22(e)(3) of the Code, or as otherwise

determined by the Committee in its discretion. The Committee may require such proof of Disability as the Committee in its sole and absolute discretion deems appropriate and the Committee's determination as to whether the Grantee has incurred a Disability shall be final and binding on all parties concerned.

(e) Involuntary Termination. In the event that the Grantee ceases to provide Services as an Employee by reason of an Involuntary Termination, unless the Option has earlier terminated, the Option shall, immediately prior to such Involuntary Termination, vest and become exercisable with respect to 25% of the total number of Shares subject to this Option (or 400,000 Shares), and the Option may be exercised, in accordance with paragraph (a) of Section 5, to the extent vested as of such Involuntary Termination (for clarity, after taking into account the foregoing acceleration provision of this paragraph (e)), provided such exercise occurs by the close of business on the last calendar day of the 12<sup>th</sup> full calendar month following the date of such Involuntary Termination. For purposes of this Agreement, "Involuntary Termination" shall mean: (i) without the Grantee's express written consent, an action by the Company's Board of Directors or external events causing or immediately portending a material reduction or alteration of the Grantee's duties, position or responsibilities relative to the Grantee's duties, position or responsibilities in effect immediately prior to such reduction or alteration, or the removal of the Grantee from such position, duties or responsibilities; provided, however, that an "Involuntary Termination" under this clause (e)(i) shall not be deemed to occur if the Grantee remains the head of and most senior individual within the Company's (or its successor's, or such successor's subsidiary's or parent's) business development function; (ii) without the Grantee's express written consent, a material reduction by the Company of the Grantee's base salary as in effect immediately prior to such reduction; (iii) without the Grantee's express written consent, the relocation of the Grantee's principal place of employment with the Company by more than fifty (50) miles; or (iv) any termination of the Grantee by the Company without Cause or as a result of the Retirement of the Grantee.

(f) Termination for Cause. Upon termination by the Company or a Subsidiary or a successor company (or a subsidiary or parent thereof) of the Grantee's employment or service relationship for Cause, unless the Option has earlier terminated, the Option shall immediately terminate in its entirety and shall thereafter not be exercisable to any extent whatsoever. For purposes of this Agreement, "Cause" shall mean (i) any act of personal dishonesty taken by the Grantee in connection with his or her responsibilities as an employee which is intended to result in substantial personal enrichment of the Grantee; (ii) Grantee's conviction of a felony that the Company's Board of Directors reasonably believes has had or will have a material detrimental effect on the Company's reputation or business; (iii) a willful act by the Grantee that constitutes misconduct and is materially injurious to the Company; or (iv) continued willful violations by the Grantee of the Grantee's obligations to the Company after there has been delivered to the Grantee a written demand for performance from the Company that describes the basis for the Company's belief that the Grantee has not substantially performed his or her duties.

(f) Automatic Extension of Exercise Period. Notwithstanding any provisions of paragraphs (a), (b), (c), (d) or (e) of this Section to the contrary, if exercise of the Option following termination of employment or service during the time period set forth in the applicable paragraph or sale during such period of the Shares acquired on exercise would violate any of the provisions of federal securities laws (or any Company policy related thereto), the time period to exercise the Option shall be extended until the later of (i) forty-five (45) days after the date that the exercise of the Option and sale of the Shares acquired on exercise would not be a violation of federal securities laws (or a related Company policy), or (ii) the end of the time period set forth in the applicable paragraph.

## 7. Change in Control.

(a) Effect on Option. In the event of a Change in Control, unless the Option has earlier terminated, the Option shall vest and become exercisable with respect to fifty percent (50%) of the then unvested Shares on the day prior to the date of the Change in Control and shall vest and become exercisable with respect to the remaining fifty percent (50%) of the then unvested Shares on the one (1) year anniversary of the Change in Control; provided, however, that the Grantee is then providing Services.

(b) Assumption or Substitution. Subject to paragraph (a) of this Section 7, in the event of a Change in Control, to the extent the successor company (or a subsidiary or parent thereof) does not assume or substitute for the Option on substantially the same terms and conditions (which may include settlement in the common stock of the successor company (or a subsidiary or parent thereof)), the Option (i) shall become fully vested and exercisable on the day prior to the date of the Change in Control if the Grantee (A) is then providing Services or (B) was the subject of an Involuntary Termination in connection with, related to or in contemplation of the Change in Control and (ii) may be exercised, in accordance with paragraph (a) of Section 5, provided such exercise occurs by the close of business on the last calendar day of the 24<sup>th</sup> full calendar month following the date of such Involuntary Termination.

(c) Tail. Subject to paragraph (a) of this Section 7, in the event of a Change in Control, to the extent the successor company (or a subsidiary or parent thereof) assumes or substitutes for the Option on substantially the same terms and conditions (which may include providing for settlement in the common stock of the successor company (or a subsidiary or parent thereof)), and in the event of an Involuntary Termination of the Grantee within 12 months following the date of the Change in Control, the Option shall become fully vested and exercisable, and may be exercised by the Grantee at any time until the close of business on the last calendar day of the 24<sup>th</sup> full calendar month following the date of such Involuntary Termination.

## 8. Miscellaneous.

(a) No Rights of Stockholder. The Grantee shall not have any of the rights of a stockholder with respect to the Shares subject to this Option until such Shares have been issued upon the due exercise of the Option.

(b) No Registration Rights; No Right to Settle in Cash. The Company has no obligation to register with any governmental body or organization (including, without limitation, the U.S. Securities and Exchange Commission ("SEC")) any of (a) the offer or issuance of any Award, (b) any Shares issuable upon the exercise of any Award, or (c) the sale of any Shares issued upon exercise of any Award, regardless of whether the Company in fact undertakes to register any of the foregoing. In particular, in the event that any of (x) any offer or issuance of any Award, (y) any Shares issuable upon exercise of any Award, or (z) the sale of any Shares issued upon exercise of any Award are not registered with any governmental body or organization (including, without limitation, the SEC), the Company will not under any circumstance be required to settle its obligations, if any, under this Plan in cash.

(c) Nontransferability of Option. The Option shall be nontransferable otherwise than by will or the laws of descent and distribution, and during the lifetime of the Grantee, the Option may be exercised only by the Grantee or, during the period the Grantee is under a legal disability, by the Grantee's guardian or legal representative. Notwithstanding the foregoing, the Grantee may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company, designate a third party who, in the event of the Grantee's death, shall thereafter be entitled to exercise the Option.

(d) Severability. If any provision of this Agreement shall be held unlawful or otherwise invalid or unenforceable in whole or in part by a court of competent jurisdiction, such provision shall (i) be deemed limited to the extent that such court of competent jurisdiction deems it lawful, valid and/or enforceable and as so limited shall remain in full force and effect, and (ii) not affect any other provision of this Agreement or part thereof, each of which shall remain in full force and effect.

(e) Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of California, other than its conflict of laws principles.

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

(g) Notices. All notices required or permitted under this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by registered or certified mail, postage prepaid. Notice by mail shall be deemed delivered on the date on which it is postmarked.

Notices to the Company should be addressed to:

ADVENTRX Pharmaceuticals, Inc.

6725 Mesa Ridge Road, Suite 100

San Diego, CA 92121

Attention: Legal

Notice to the Grantee should be addressed to the Grantee at the Grantee's address as it appears on the records of the Company or a Subsidiary or a successor company (or a subsidiary or parent thereof).

The Company or the Grantee may by writing to the other party, designate a different address for notices. If the receiving party consents in advance, notice may be transmitted and received via facsimile or via such other electronic transmission mechanism as may be available to the parties. Such notices shall be deemed delivered when received.

(h) Agreement Not a Contract. This Agreement (and the grant of the Option) is not an employment or service contract, and nothing in the Option shall be deemed to create in any way whatsoever any obligation on Grantee's part to continue as an employee or director or consultant to the Company or a Subsidiary or a successor company (or a subsidiary or parent thereof), or of the Company or a Subsidiary or a successor company (or a subsidiary or parent thereof) to continue Grantee's service as such an employee, director or consultant.

(i) Entire Agreement; Modification. This Agreement and the Plan contain the entire agreement between the parties with respect to the subject matter contained herein and may not be modified, except as provided in the Plan or in a written document signed by each of the parties hereto, and may be rescinded only by a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Grant Date.

ADVENTRX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

—

Grantee

Incentive Stock Option Grant Agreement

THIS INCENTIVE STOCK OPTION GRANT AGREEMENT (this "Agreement"), effective as of \_\_\_, 2010 (the "Grant Date"), is entered into by and between ADVENTRX Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and Patrick L. Keran (the "Grantee").

**1. Grant of Option.** The Company hereby grants to the Grantee a stock option (the "Option") to purchase 1,600,000 shares of common stock of the Company, par value \$0.001 per share (the "Shares"), at the exercise price of \$ \_\_\_ per Share (the "Exercise Price"). The Option is intended to qualify as an incentive stock option under Section 422 of the Code.

**2. Subject to the Plan.** This Agreement is subject to the provisions of the ADVENTRX Pharmaceuticals, Inc. 2008 Omnibus Incentive Plan (the "Plan"), and, unless the context requires otherwise, terms used herein shall have the same meaning as in the Plan. In the event of a conflict between the provisions of the Plan and this Agreement, the Plan shall control.

**3. Term of Option.** Unless the Option terminates earlier pursuant to the provisions of this Agreement, the Option shall expire on the tenth anniversary of the Grant Date.

**4. Vesting.** The Option shall become vested with respect to twenty-five percent (25%) of the Shares on each of January 1, 2011, January 1, 2012, January 1, 2013 and January 1, 2014; provided, however, that the Grantee is then providing Services.

**5. Exercise of Option**

(a) **Manner of Exercise.** To the extent vested, the Option may be exercised, in whole or in part, by delivering written notice to the Company in accordance with paragraph (g) of Section 8 in such form as the Company may require from time to time. Such notice shall specify the number of Shares subject to the Option as to which the Option is being exercised, and shall be accompanied by full payment of the Exercise Price of such Shares in a manner permitted under the terms of Section 5.5 of the Plan, except that payment with previously acquired Shares may only be made with the consent of the Committee. The Option may be exercised only in multiples of whole Shares and no fractional Shares shall be issued.

(b) **Issuance of Shares.** Upon exercise of the Option and payment of the Exercise Price for the Shares as to which the Option is exercised, the Company shall issue to the Grantee the applicable number of Shares in the form of fully paid and nonassessable Shares.

(c) **Capitalization Adjustments.** The number of Shares subject to the Option and the Exercise Price shall be equitably and appropriately adjusted, if applicable, as provided in Section 12.2 of the Plan.

(d) **Withholding.** No Shares will be issued on exercise of the Option unless and until the Grantee pays to the Company, or makes satisfactory arrangements with the Company for payment of, any federal, state or local taxes required by law to be withheld in respect of the exercise of the Option. The Grantee hereby agrees that the Company may withhold from the Optionee's wages or other remuneration the applicable taxes. At the discretion of the Company, the applicable taxes may be withheld in kind from the Shares otherwise deliverable to the Grantee on exercise of the Option, up to the Grantee's minimum required withholding rate or such other rate that will not trigger a negative accounting impact.

(e) **Notice of Disposition.** Grantee agrees to notify the Company in writing within fifteen (15) days after the date of any disposition of any of the Shares issued upon exercise of the Option that occurs within the later of two (2) years after the Grant Date or within one (1) year after such Shares are transferred to the Grantee.

**6. Termination of Option**

(a) **Termination of Employment or Service Relationship Other Than Due to Retirement, Death, Disability, Involuntary Termination or Cause.** Unless the Option has earlier terminated, the Option shall terminate in its entirety, regardless of whether the Option is vested, ninety (90) days after the date the Grantee ceases to provide Services for any reason other than, as applicable, the Grantee's Retirement, death, Disability, Involuntary Termination or termination for Cause. Except as provided in paragraphs (b), (c), (d) or (e) of this Section, any portion of the Option that is not vested at the time the Grantee ceases to provide Services shall immediately terminate.

(b) **Retirement.** Upon the Retirement of the Grantee, unless the Option has earlier terminated, the Option shall continue in effect (and, for purposes of vesting pursuant to Section 4, the Grantee shall be deemed to continue to be providing Services) until the earlier of (i) two (2) years after the Grantee's Retirement (or, if later, the fifth anniversary of the Grant Date) or (ii) the expiration of the Option's term pursuant to Section 3. For purposes of this Agreement, "Retirement" shall mean termination of the Grantee's employment with the Company and its Subsidiaries, or a successor company (or a subsidiary or parent thereof) and their respective subsidiaries, other than for Cause (a) if (i) the Grantee is then at least age 60 and (ii) the sum of the Grantee's age and years of continuous service with the Company and its Subsidiaries is then equal to at least 70 or (b) if the Committee characterizes such termination as a "Retirement" for purposes of this Agreement. For clarity, this Section 6(b) shall apply only to Grantees who are Employees at the time of termination.

(c) **Death.** Upon the Grantee's death, unless the Option has earlier terminated, the Grantee's executor or personal representative, the person to whom the Option shall have been transferred by will or the laws of descent and distribution, or such other permitted transferee, as the case may be, may exercise the Option in accordance with paragraph (a) of Section 5, to the extent vested, provided such exercise occurs within twelve (12) months after the date of the Grantee's death or by the end of the term of the Option pursuant to Section 3, whichever is earlier.

(d) **Disability.** In the event that the Grantee ceases to provide Services by reason of Disability, unless the Option has earlier terminated, the Option may be exercised, in accordance with paragraph (a) of Section 5, to the extent vested, provided such exercise occurs within six (6) months after the date of Disability or by the end of the term of the Option pursuant to Section 3, whichever is earlier. For purposes of this Agreement, "Disability" shall mean the Grantee's becoming disabled within the meaning of Section 22(e)(3) of the Code, or as otherwise

determined by the Committee in its discretion. The Committee may require such proof of Disability as the Committee in its sole and absolute discretion deems appropriate and the Committee's determination as to whether the Grantee has incurred a Disability shall be final and binding on all parties concerned.

(e) Involuntary Termination. In the event that the Grantee ceases to provide Services as an Employee by reason of an Involuntary Termination, unless the Option has earlier terminated, the Option shall, immediately prior to such Involuntary Termination, vest and become exercisable with respect to 25% of the total number of Shares subject to this Option (or 400,000 Shares), and the Option may be exercised, in accordance with paragraph (a) of Section 5, to the extent vested as of such Involuntary Termination (for clarity, after taking into account the foregoing acceleration provision of this paragraph (e)), provided such exercise occurs by the close of business on the last calendar day of the 12<sup>th</sup> full calendar month following the date of such Involuntary Termination. For purposes of this Agreement, "Involuntary Termination" shall mean: (i) without the Grantee's express written consent, an action by the Company's Board of Directors or external events causing or immediately portending a material reduction or alteration of the Grantee's duties, position or responsibilities relative to the Grantee's duties, position or responsibilities in effect immediately prior to such reduction or alteration, or the removal of the Grantee from such position, duties or responsibilities; provided, however, that an "Involuntary Termination" under this clause (e)(i) shall not be deemed to occur if the Grantee remains the head of and most senior individual within the Company's (or its successor's, or such successor's subsidiary's or parent's) legal function; (ii) without the Grantee's express written consent, a material reduction by the Company of the Grantee's base salary as in effect immediately prior to such reduction; (iii) without the Grantee's express written consent, the relocation of the Grantee's principal place of employment with the Company by more than fifty (50) miles; or (iv) any termination of the Grantee by the Company without Cause or as a result of the Retirement of the Grantee.

(f) Termination for Cause. Upon termination by the Company or a Subsidiary or a successor company (or a subsidiary or parent thereof) of the Grantee's employment or service relationship for Cause, unless the Option has earlier terminated, the Option shall immediately terminate in its entirety and shall thereafter not be exercisable to any extent whatsoever. For purposes of this Agreement, "Cause" shall mean (i) any act of personal dishonesty taken by the Grantee in connection with his or her responsibilities as an employee which is intended to result in substantial personal enrichment of the Grantee; (ii) Grantee's conviction of a felony that the Company's Board of Directors reasonably believes has had or will have a material detrimental effect on the Company's reputation or business; (iii) a willful act by the Grantee that constitutes misconduct and is materially injurious to the Company; or (iv) continued willful violations by the Grantee of the Grantee's obligations to the Company after there has been delivered to the Grantee a written demand for performance from the Company that describes the basis for the Company's belief that the Grantee has not substantially performed his or her duties.

(f) Automatic Extension of Exercise Period. Notwithstanding any provisions of paragraphs (a), (b), (c), (d) or (e) of this Section to the contrary, if exercise of the Option following termination of employment or service during the time period set forth in the applicable paragraph or sale during such period of the Shares acquired on exercise would violate any of the provisions of federal securities laws (or any Company policy related thereto), the time period to exercise the Option shall be extended until the later of (i) forty-five (45) days after the date that the exercise of the Option and sale of the Shares acquired on exercise would not be a violation of federal securities laws (or a related Company policy), or (ii) the end of the time period set forth in the applicable paragraph.

## 7. Change in Control.

(a) Effect on Option. In the event of a Change in Control, unless the Option has earlier terminated, the Option shall vest and become exercisable with respect to fifty percent (50%) of the then unvested Shares on the day prior to the date of the Change in Control and shall vest and become exercisable with respect to the remaining fifty percent (50%) of the then unvested Shares on the one (1) year anniversary of the Change in Control; provided, however, that the Grantee is then providing Services.

(b) Assumption or Substitution. Subject to paragraph (a) of this Section 7, in the event of a Change in Control, to the extent the successor company (or a subsidiary or parent thereof) does not assume or substitute for the Option on substantially the same terms and conditions (which may include settlement in the common stock of the successor company (or a subsidiary or parent thereof)), the Option (i) shall become fully vested and exercisable on the day prior to the date of the Change in Control if the Grantee (A) is then providing Services or (B) was the subject of an Involuntary Termination in connection with, related to or in contemplation of the Change in Control and (ii) may be exercised, in accordance with paragraph (a) of Section 5, provided such exercise occurs by the close of business on the last calendar day of the 24<sup>th</sup> full calendar month following the date of such Involuntary Termination.

(c) Tail. Subject to paragraph (a) of this Section 7, in the event of a Change in Control, to the extent the successor company (or a subsidiary or parent thereof) assumes or substitutes for the Option on substantially the same terms and conditions (which may include providing for settlement in the common stock of the successor company (or a subsidiary or parent thereof)), and in the event of an Involuntary Termination of the Grantee within 12 months following the date of the Change in Control, the Option shall become fully vested and exercisable, and may be exercised by the Grantee at any time until the close of business on the last calendar day of the 24<sup>th</sup> full calendar month following the date of such Involuntary Termination.

## 8. Miscellaneous.

(a) No Rights of Stockholder. The Grantee shall not have any of the rights of a stockholder with respect to the Shares subject to this Option until such Shares have been issued upon the due exercise of the Option.

(b) No Registration Rights; No Right to Settle in Cash. The Company has no obligation to register with any governmental body or organization (including, without limitation, the U.S. Securities and Exchange Commission ("SEC")) any of (a) the offer or issuance of any Award, (b) any Shares issuable upon the exercise of any Award, or (c) the sale of any Shares issued upon exercise of any Award, regardless of whether the Company in fact undertakes to register any of the foregoing. In particular, in the event that any of (x) any offer or issuance of any Award, (y) any Shares issuable upon exercise of any Award, or (z) the sale of any Shares issued upon exercise of any Award are not registered with any governmental body or organization (including, without limitation, the SEC), the Company will not under any circumstance be required to settle its obligations, if any, under this Plan in cash.

(c) Nontransferability of Option. The Option shall be nontransferable otherwise than by will or the laws of descent and distribution, and during the lifetime of the Grantee, the Option may be exercised only by the Grantee or, during the period the Grantee is under a legal disability, by the Grantee's guardian or legal representative. Notwithstanding the foregoing, the Grantee may, by delivering written notice to the Company, in a form provided by or otherwise satisfactory to the Company, designate a third party who, in the event of the Grantee's death, shall thereafter be entitled to exercise the Option.

(d) Severability. If any provision of this Agreement shall be held unlawful or otherwise invalid or unenforceable in whole or in part by a court of competent jurisdiction, such provision shall (i) be deemed limited to the extent that such court of competent jurisdiction deems it lawful, valid and/or enforceable and as so limited shall remain in full force and effect, and (ii) not affect any other provision of this Agreement or part thereof, each of which shall remain in full force and effect.

(e) Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of California, other than its conflict of laws principles.

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

(g) Notices. All notices required or permitted under this Agreement shall be in writing and shall be sufficiently made or given if hand delivered or mailed by registered or certified mail, postage prepaid. Notice by mail shall be deemed delivered on the date on which it is postmarked.

Notices to the Company should be addressed to:

ADVENTRX Pharmaceuticals, Inc.

6725 Mesa Ridge Road, Suite 100

San Diego, CA 92121

Attention: Legal

Notice to the Grantee should be addressed to the Grantee at the Grantee's address as it appears on the records of the Company or a Subsidiary or a successor company (or a subsidiary or parent thereof).

The Company or the Grantee may by writing to the other party, designate a different address for notices. If the receiving party consents in advance, notice may be transmitted and received via facsimile or via such other electronic transmission mechanism as may be available to the parties. Such notices shall be deemed delivered when received.

(h) Agreement Not a Contract. This Agreement (and the grant of the Option) is not an employment or service contract, and nothing in the Option shall be deemed to create in any way whatsoever any obligation on Grantee's part to continue as an employee or director or consultant to the Company or a Subsidiary or a successor company (or a subsidiary or parent thereof), or of the Company or a Subsidiary or a successor company (or a subsidiary or parent thereof) to continue Grantee's service as such an employee, director or consultant.

(i) Entire Agreement; Modification. This Agreement and the Plan contain the entire agreement between the parties with respect to the subject matter contained herein and may not be modified, except as provided in the Plan or in a written document signed by each of the parties hereto, and may be rescinded only by a written agreement signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the Grant Date.

ADVENTRX PHARMACEUTICALS, INC.

By: \_\_\_\_\_

—

Grantee

## 2010 INCENTIVE PLAN

This 2010 Incentive Plan (this “Plan”) of ADVENTRX Pharmaceuticals, Inc. (“Adventrx” or the “Company”) is designed to offer incentive compensation to certain employees of the Company (as described under the “Eligibility” section below (“Participants”)), by rewarding the achievement of near-term corporate objectives.

### Purpose of this Plan

This Plan is designed to:

- provide an incentive program to achieve near-term corporate objectives and thereby enhance stockholder value;
- reward key employees who significantly impact corporate results;
- incorporate an incentive program in Adventrx’s overall compensation strategy to help attract and retain key employees; and
- incentivize Participants to remain employed by Adventrx throughout the plan period and until the time incentive awards are paid.

### Plan Period

The plan period under this Plan is the period beginning January 1, 2010 and ending December 31, 2010.

### Plan Governance

This Plan will be governed by the Compensation Committee (the “Committee”) of the Board of Directors of the Company (the “Board”). The Committee will be responsible for determining and approving all awards to all Participants.

### Eligibility

This Plan applies to Brian M. Culley and Patrick L. Keran.

### Form of Incentive Award Payments

Incentive award payments generally will be made in cash, though the Committee has sole and absolute discretion to determine the composition of individual incentive award payments.

### Corporate Objectives

This Plan calls for incentive awards based on the achievement of near-term corporate objectives by the Company. At the time of adoption of this Plan, the Committee will adopt corresponding near-term corporate objectives for the plan period, which objectives will be specific and measurable and individually weighted with respect to all corporate objectives.

If an approved corporate objective becomes irrelevant or undesirable during the plan period or if a strategic change or other event affects (one or more) objectives then, for each such affected objective, the Committee, after considering the recommendations of the Participants, may (i) adjust the weighting of all existing objectives to reflect an appropriate relative weighting in light of then-prevailing conditions, (ii) substitute a new objective with an appropriate weighting (and, if appropriate, adjust the weighting of existing objectives, regardless of whether the weighting of the new objective is other than the weighting of the substituted objective), (iii) eliminate the affected objective and re-weight all other objectives or (iv) take no action.

### Incentive Award Targets

Incentive awards generally will consist of cash-based compensation.

The target amount of incentive awards will be \$150,000.

### Award Multipliers

A corporate “award multiplier” will be determined in the first quarter of 2011 and applied to Participants’ target amounts to establish the actual payout amount of the incentive awards. A corporate award multiplier will be based on overall corporate performance against the corporate objectives in effect at the end of 2010 and will be the same for all Participants. Award multipliers may have the affect of increasing or decreasing a Participant’s actual payout amount versus his target amount.

The corporate award multiplier will be determined by the Committee.

In determining the achievement of objectives and award multipliers, the Committee will consider the achievement of objectives, the degree to which an objective is partially achieved, the quality of achievement, the difficulty in achieving the objective, conditions that affected the ability to achieve objectives and such other factors as the Committee determines are appropriate to consider.

Award multipliers range from 0 to 1.50.

### Payment of Incentive Awards

Notwithstanding any other provision of this Plan, each Participant’s award, if any, will be paid in a single sum after December 31, 2010 and on or before March 14, 2011. Unless an exemption applies, this Plan and the awards paid pursuant to this Plan are intended to meet the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

## Termination

Subject to contractual obligations, (a) any award payment provided for under this Plan is completely discretionary and is not considered earned by a Participant until it is actually paid. Continued employment until payment of the incentive award is required and (b) if the employment of a Participant is terminated (whether voluntarily or involuntarily) during the plan period, or prior to payment of awards, whether or not an award payment is made will be at the absolute discretion of the Committee.

## Absolute Right to Alter or Abolish this Plan; Disputes

Subject to contractual obligations, the Committee reserves the right in its absolute discretion to abolish this Plan at any time or to alter the terms and conditions under which incentive awards will be paid, with or without cause and with or without prior notice. Such discretion may be exercised any time before, during, and after the plan period has commenced or is completed.

Any dispute or controversy arising under this Plan will be settled by the Committee in its sole and absolute discretion.

## Employment Duration/Employment Relationship

This Plan does not, and Adventrx's policies and practices in administering this Plan do not, constitute an express or implied contract or other agreement concerning the duration of any Participant's employment with the Company. The employment relationship of each Participant is "at will" and may be terminated at any time by Adventrx or by the Participant, with or without cause.

## Other Terms and Conditions of this Plan

The Company is not responsible for any tax liability incurred by Participants that receive an award under this Plan, but reserves the right to deduct from any award payment an amount equal to all or any part of the deductions or taxes required by law to be withheld by the Company.

This Plan is unfunded and no provision of this Plan shall require the Company, for the purpose of satisfying any Plan obligations, to purchase assets or place any assets in a trust or other entity or otherwise to segregate any assets for such purposes. Nothing contained in this Plan nor any action taken pursuant to its provisions shall create or be construed to create a fiduciary relationship between the Company and any Participant or other person. Any right to receive an award payment under this Plan shall be no greater than the right of any unsecured creditor of the Company.

This Plan shall be governed by, and interpreted, construed, and enforced in accordance with, the laws of the State of California without regard to its or any other jurisdiction's conflicts of laws provisions.

ADVENTRX Pharmaceuticals, Inc.

2010 Incentive Plan

I hereby acknowledge that I have received a copy of the Adventrx Pharmaceuticals, Inc. 2010 Incentive Plan.

Name:

Date:

January 20, 2010

[Name]  
c/o ADVENTRX Pharmaceuticals, Inc.  
6725 Mesa Ridge Road, Suite 100  
San Diego, CA 92121

Dear [name]:

I am pleased to inform you that the Compensation Committee of the Board of Directors of ADVENTRX Pharmaceuticals, Inc. (the "Company") has modified the stock option granted to you on July 21, 2009, to purchase 1,700,000 shares of common stock of the Company at an exercise price of \$0.13 per share (the "Option"), as set forth herein. This modification provides for acceleration of the vesting and exercisability of the Option in the event of your "involuntary termination."

The first sentence of Section 6(e) of the Incentive Stock Option Grant Agreement evidencing the Option (the "Agreement") is amended and restated to read in its entirety as follows:

"In the event that the Grantee ceases to provide Services as an Employee by reason of an Involuntary Termination, unless the Option has earlier terminated, the Option shall, immediately prior to such Involuntary Termination, vest and become exercisable with respect to 25% of the total number of Shares subject to this Option (or 425,000 Shares), and the Option may be exercised, in accordance with paragraph (a) of Section 5, to the extent vested as of such Involuntary Termination (for clarity, after taking into account the foregoing acceleration provision of this paragraph (e)), provided such exercise occurs by the close of business on the last calendar day of the 12th full calendar month following the date of such Involuntary Termination."

This letter hereby modifies and revises the Agreement and the Option to incorporate the changes as described in this letter. Except as expressly provided for in this letter, the Agreement and the Option will remain unchanged and in full force and effect. The term "Agreement" as used in the Agreement and all other instruments and agreements executed thereunder, shall for all purposes refer to the Agreement as further amended by this letter. The Agreement as amended by this letter constitutes the entire agreement between you and the Company with respect to the subject matter thereof and supersedes in all respects all prior oral or written proposals, negotiations, conversations, discussions and agreements between you and the Company concerning the subject matter thereof.

Please countersign this letter to acknowledge your receipt of this letter and your agreement to and understanding of the modification to the Option and the Agreement as set forth herein.

Very truly yours,  
ADVENTRX Pharmaceuticals, Inc.

By:

[Name], [Title]

ACKNOWLEDGED:

By:

[Name]