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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

COMMISSION FILE NUMBER 000-51122

pSivida Corp.
(Exact name of registrant as specified in its charter)

Delaware	**26-2774444**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
480 Pleasant Street Watertown, MA	**02472**
(Address of principal executive offices)	**(Zip Code)**

(617) 926-5000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 34,176,999 shares of the registrant's common stock, $0.001 par value, outstanding as of November 3, 2016.

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PART I. FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements

PSIVIDA CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands except share amounts)

	September 30, 2016	June 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 14,308	$ 15,313
Marketable securities	8,238	13,679
Accounts and other receivables	462	488
Prepaid expenses and other current assets	495	483
Total current assets	23,503	29,963
Property and equipment, net	257	290
Intangible assets, net	910	1,102
Other assets	113	114
Restricted cash	150	150
Total assets	$ 24,933	$ 31,619
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,015	$ 1,363
Accrued expenses	3,688	3,583
Deferred revenue	139	147
Total current liabilities	4,842	5,093
Deferred revenue, less current portion	5,585	5,585
Deferred rent	58	60
Total liabilities	10,485	10,738
Stockholders' equity:		
Preferred stock, $.001 par value, 5,000,000 shares authorized, none issued and outstanding	—	—
Common stock, $.001 par value, 60,000,000 shares authorized, 34,176,999 and 34,172,919 shares issued and outstanding at September 30, 2016 and June 30, 2016, respectively	34	34
Additional paid-in capital	312,951	312,208
Accumulated deficit	(299,375)	(292,213)
Accumulated other comprehensive income	838	852
Total stockholders' equity	14,448	20,881
Total liabilities and stockholders' equity	$ 24,933	$ 31,619

See notes to condensed consolidated financial statements

PSIVIDA CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(In thousands except per share amounts)

	Three Months Ended September 30,	
	2016	2015
Revenues:		
Collaborative research and development	$ 34	$ 180
Royalty income	243	286
Total revenues	277	466
Operating expenses:		
Research and development	4,178	3,482
General and administrative	3,285	1,968
Total operating expenses	7,463	5,450
Loss from operations	(7,186)	(4,984)
Interest and other income	24	10
Loss before income taxes	(7,162)	(4,974)
Income tax benefit	—	41
Net loss	$ (7,162)	$ (4,933)
Net loss per common share:		
Basic and diluted	$ (0.21)	$ (0.17)
Weighted average common shares:		
Basic and diluted	34,175	29,416
Net loss	$ (7,162)	$ (4,933)
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(15)	(28)
Net unrealized gain on marketable securities	1	2
Other comprehensive loss	(14)	(26)
Comprehensive loss	$ (7,176)	$ (4,959)

See notes to condensed consolidated financial statements

PSIVIDA CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Number of Shares	Par Value Amount				
Balance at July 1, 2015	29,412,365	$ 29	$293,060	$ (270,666)	$ 945	$ 23,368
Net loss	—	—	—	(4,933)	—	(4,933)
Other comprehensive loss	—	—	—	—	(26)	(26)
Exercise of stock options	5,000	—	9	—	—	9
Stock-based compensation	—	—	405	—	—	405
Balance at September 30, 2015	29,417,365	$ 29	$293,474	$ (275,599)	$ 919	$ 18,823
Balance at July 1, 2016	34,172,919	$ 34	$312,208	$ (292,213)	$ 852	$ 20,881
Net loss	—	—	—	(7,162)	—	(7,162)
Other comprehensive loss	—	—	—	—	(14)	(14)
Exercise of stock options	4,080	—	9	—	—	9
Stock-based compensation	—	—	734	—	—	734
Balance at September 30, 2016	34,176,999	$ 34	$312,951	$ (299,375)	$ 838	$ 14,448

See notes to condensed consolidated financial statements

PSIVIDA CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended September 30,	
	2016	2015
Cash flows from operating activities:		
Net loss	$ (7,162)	$ (4,933)
Adjustments to reconcile net loss to cash flows used in operating activities:		
Amortization of intangible assets	183	192
Depreciation of property and equipment	6	29
Stock-based compensation expense	734	405
Amortization of bond (discount) premium on marketable securities	(5)	34
Changes in operating assets and liabilities:		
Accounts receivable and other current assets	8	136
Accounts payable and accrued expenses	(240)	(350)
Deferred revenue	(8)	(8)
Deferred rent	(2)	2
Net cash used in operating activities	(6,486)	(4,493)
Cash flows from investing activities:		
Purchases of marketable securities	(2,053)	(2,535)
Maturities of marketable securities	7,500	2,000
Purchases of property and equipment	—	(11)
Proceeds from sale of property and equipment	33	—
Net cash provided by (used in) investing activities	5,480	(546)
Cash flows from financing activities:		
Proceeds from exercise of stock options	9	9
Net cash provided by financing activities	9	9
Effect of foreign exchange rate changes on cash and cash equivalents	(8)	(3)
Net decrease in cash and cash equivalents	(1,005)	(5,033)
Cash and cash equivalents at beginning of period	15,313	19,121
Cash and cash equivalents at end of period	$14,308	$14,088

See notes to condensed consolidated financial statements

PSIVIDA CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Operations and Basis of Presentation

The accompanying condensed consolidated financial statements of pSivida Corp. and subsidiaries (the "Company") as of September 30, 2016 and for the three months ended September 30, 2016 and 2015 are unaudited. Certain information in the footnote disclosures of these financial statements has been condensed or omitted in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"). These financial statements should be read in conjunction with the Company's audited consolidated financial statements and footnotes included in its Annual Report on Form 10-K for the fiscal year ended June 30, 2016 ("fiscal 2016"). In the opinion of management, these statements have been prepared on the same basis as the audited consolidated financial statements as of and for the year ended June 30, 2016, and include all adjustments, consisting only of normal recurring adjustments, that are necessary for the fair presentation of the Company's financial position, results of operations, comprehensive loss and cash flows for the periods indicated. The preparation of financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires management to make assumptions and estimates that affect, among other things, (i) reported amounts of assets and liabilities; (ii) disclosure of contingent assets and liabilities at the date of the consolidated financial statements; and (iii) reported amounts of revenues and expenses during the reporting period. The results of operations for the three months ended September 30, 2016 are not necessarily indicative of the results that may be expected for the entire fiscal year or any future period.

The Company currently develops proprietary sustained-release drug products for the treatment of chronic eye diseases. The Company's products deliver drugs at a controlled and steady rate for months or years. The Company has developed three of only four sustained-release products approved by the U.S. Food and Drug Administration ("FDA") for treatment of back-of-the-eye diseases. Durasert™ three-year non-erodible fluocinolone acetonide ("FA") insert for posterior segment uveitis ("Durasert three-year uveitis") (formerly known as Medidur™), the Company's lead product candidate, is in pivotal Phase 3 clinical trials, and ILUVIEN® for diabetic macular edema ("DME"), the Company's most recent out-licensed product, is sold in the U.S. and three European Union ("EU") countries. The Company's development programs are focused on developing sustained release products that utilize its core technologies to deliver approved drugs and biologics to treat chronic diseases. The Company's strategy includes developing products independently while continuing to leverage its technology platforms through collaborations and license agreements.

Durasert three-year uveitis, the Company's most advanced development product candidate, is designed to treat chronic non-infectious uveitis affecting the posterior segment of the eye ("posterior segment uveitis") for three years from a single administration. Injected into the eye in an office visit, this product is a tiny micro-insert that delivers a micro-dose of a corticosteroid to the back of the eye on a sustained basis. The Company is developing Durasert three-year uveitis independently.

The first of two Phase 3 trials investigating Durasert three-year uveitis met its primary efficacy endpoint of prevention of recurrence of disease through six months with high statistical significance ($p < 0.001$, intent to treat analysis) and with safety data consistent with the known effects of ocular corticosteroid use. The same high statistical significance for efficacy and encouraging safety results were maintained through 12 months of follow-up. Due to the high level of statistical significance achieved, the Company plans to file its EU marketing approval application ("MAA") based on data from the first Phase 3 trial, rather than two trials. The Company expects to file the MAA in the first half of 2017. The second Phase 3 trial completed its target enrollment of 150 patients at the end of September 2016. This trial has the same trial design and the same endpoint as the first Phase 3 trial, and a read-out of its top-line results is expected by the end of the first half of 2017. Assuming favorable results, the Company plans to file a new drug application ("NDA") with the FDA in the second half of 2017. A utilization study of the Company's new Durasert three-year uveitis inserter with a smaller diameter needle, which is required for both the MAA and NDA, met its primary endpoint, i.e., ease of intravitreal administration.

ILUVIEN is an injectable, sustained-release micro-insert that provides three years of treatment of DME from a single injection. ILUVIEN is based on the same technology as the Durasert three-year uveitis insert, and delivers the same steroid, FA, although it is injected using an inserter with a larger diameter needle. ILUVIEN was developed in collaboration with, and is licensed to and sold by, Alimera Sciences, Inc. ("Alimera"). The Company is entitled to a share of the net profits (as defined) from Alimera's sales of ILUVIEN on a quarter-by-quarter, country-by-country basis. ILUVIEN has been sold in the United Kingdom ("U.K") and Germany since June 2013 and in the U.S. and Portugal since 2015, and also has marketing approvals in 14 other European countries. Alimera has sublicensed distribution, regulatory and reimbursement matters for ILUVIEN for DME in Australia and New Zealand, Canada, Italy and the Middle East.

The Company's FDA-approved Retisert® is an implant that provides sustained treatment of posterior segment uveitis for 30 months. Administered in a surgical procedure, Retisert delivers the same corticosteroid as the Durasert three-year non-erodible insert, but in a larger dose. Retisert was co-developed with, and is licensed to, Bausch & Lomb, and the Company receives royalties from its sales.

The Company's development programs are focused on developing sustained release drug products using its proven Durasert technology platform to deliver small molecule drugs to treat wet and dry age-related macular degeneration ("AMD"), osteoarthritis and other diseases. A sustained-release surgical implant delivering a corticosteroid to treat pain associated with severe knee osteoarthritis that was jointly developed by the Company and Hospital for Special Surgery is currently being evaluated in an investigator-sponsored safety and tolerability study. In addition, the Company continues to develop its Tethadur™ technology platform designed to deliver large molecules, such as biologics, both locally and systemically.

The Company has a history of operating losses and has financed its operations primarily from sales of equity securities and the receipt of license fees, milestone payments, research and development funding and royalty income from its collaboration partners and from proceeds of sales of its equity securities. The Company believes that its cash, cash equivalents and marketable securities of $22.5 million at September 30, 2016, together with expected cash inflows under existing collaboration agreements, will enable the Company to maintain its current and planned operations (including its two Durasert three-year uveitis Phase 3 clinical trials) through the first quarter of fiscal 2018, and it has the ability to reduce or defer operating expenses as may be needed to fund its operations into the second fiscal quarter of 2018. This estimate excludes any potential receipts under the Alimera agreement. The Company's ability to fund its planned operations beyond then, including completion of clinical development of Durasert three-year uveitis, is expected to depend on the amount and timing of cash receipts from Alimera's commercialization of ILUVIEN, proceeds from any future collaboration or other agreements and/or proceeds from any financing transactions. There is no assurance that the Company will receive significant, if any, revenues from the commercialization of ILUVIEN or financing from any other sources.

New accounting pronouncements are issued periodically by the Financial Accounting Standards Board ("FASB") and are adopted by the Company as of the specified effective dates. Unless otherwise disclosed below, the Company believes that recently issued and adopted pronouncements will not have a material impact on the Company's financial position, results of operations and cash flows or do not apply to the Company's operations.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("ASU 2014-09"), which requires an entity to recognize revenue in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the transfer of promised goods or services to customers. The standard will replace most existing revenue recognition guidance in U.S. GAAP. In August 2015, the FASB issued ASU 2015-14, which officially deferred the effective date of ASU 2014-09 by one year, while also permitting early adoption. As a result, ASU 2014-09 will become effective on July 1, 2018, with early adoption permitted on July 1, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern*. ASU 2014-15 provides guidance around management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. Early adoption is permitted. The Company is evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. As a result, ASU 2016-02 will become effective on July 1, 2019. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. ASU 2016-09 intends to simplify various aspects of how share-based payments are accounted for and presented in the financial statements. The main provisions include: all tax effects related to stock awards will now be recorded through the statement of operations instead of through equity, all tax-related cash flows resulting from stock awards will be reported as operating activities on the cash flow statement, and entities can make an accounting policy election to either estimate forfeitures or account for forfeitures as they occur. The amendments in ASU 2016-09 are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, and may be applied prospectively with earlier adoption permitted. As a result, ASU 2016-09 will become effective on July 1, 2017. The Company is evaluating the impact the amendment of this guidance will have on its consolidated financial statements.

2. License and Collaboration Agreements

Alimera

Under the collaboration agreement with Alimera, as amended in March 2008 (the "Alimera Agreement"), the Company licensed to Alimera the rights to develop, market and sell certain product candidates, including ILUVIEN, and Alimera assumed all financial responsibility for the development of licensed products. In addition, the Company is entitled to receive 20% of any net profits (as defined) on sales of each licensed product (including ILUVIEN) by Alimera, measured on a quarter-by-quarter and country-by-country basis. Alimera may recover 20% of previously incurred and unapplied net losses (as defined) for commercialization of each product in a country, but only by an offset of up to 4% of the net profits earned in that country each quarter, reducing the Company's net profit share to 16% in each country until those net losses are recouped. In the event that Alimera sublicenses commercialization in any country, the Company is entitled to 20% of royalties and 33% of non-royalty consideration received by Alimera, less certain permitted deductions. The Company is also entitled to reimbursement of certain patent maintenance costs with respect to the patents licensed to Alimera.

Because the Company has no remaining performance obligations under the Alimera Agreement, all amounts received from Alimera are generally recognized as revenue upon receipt or at such earlier date, if applicable, on which any such amounts are both fixed and determinable and reasonably assured of collectability. In instances when payments are received and subject to a contingency, revenue is deferred until such contingency is resolved. See Note 10 regarding net profit share receipts subject to arbitration proceedings.

Revenue under the Alimera Agreement totaled $20,000 and $163,000 for the three months ended September 30, 2016 and 2015, respectively. In addition to patent fee reimbursements in both periods, the Company earned $157,000 of non-royalty sublicense consideration during the three months ended September 30, 2015.

Pfizer

In June 2011, the Company and Pfizer entered into an Amended and Restated Collaborative Research and License Agreement (the "Restated Pfizer Agreement") to focus solely on the development of a sustained-release bioerodible micro-insert injected into the subconjunctiva designed to deliver latanoprost for human ophthalmic disease or conditions other than uveitis (the "Latanoprost Product"). Pfizer made an upfront payment of $2.3 million and the Company agreed to provide Pfizer options under various circumstances for an exclusive, worldwide license to develop and commercialize the Latanoprost Product.

The estimated selling price of the combined deliverables under the Restated Pfizer Agreement of $6.7 million is being recognized as collaborative research and development revenue over the estimated performance period using the proportional performance method with costs associated with developing the Latanoprost Product reflected in operating expenses in the period in which they are incurred. Total deferred revenue was approximately $5.6 million at each of September 30, 2016 and June 30, 2016, with no current portion at those dates. The Company recorded no collaborative research and development revenue during each of the three-month periods ended September 30, 2016 and 2015.

On October 25, 2016, the Company notified Pfizer that it had discontinued development of the Latanoprost Product, which provided Pfizer a 60-day option to acquire a worldwide license in return for a $10.0 million payment and potential sales-based royalties and development, regulatory and sales performance milestone payments. If Pfizer does not exercise its option to license the Latanoprost Product, the Restated Pfizer Agreement will automatically terminate and the deferred revenue balance will be recognized as revenue in the quarter ending December 31, 2016. However, the Company would retain the right, after one year, to develop and commercialize the Latanoprost Product.

Pfizer owned approximately 5.4% of the Company's outstanding common stock at September 30, 2016.

Bausch & Lomb

Pursuant to a licensing and development agreement, as amended, Bausch & Lomb has a worldwide exclusive license to make and sell Retisert in return for royalties based on sales. Bausch & Lomb was also licensed to make and sell Vitrasert, an implant for sustained treatment of CMV retinitis, but discontinued sales in the second quarter of fiscal 2013 following patent expiration.

Royalty income totaled $243,000 and $286,000 for the three months ended September 30, 2016 and 2015, respectively. Accounts receivable from Bausch & Lomb totaled $259,000 at September 30, 2016 and $288,000 at June 30, 2016.

OncoSil Medical

The Company entered into an exclusive, worldwide royalty-bearing license agreement in December 2012, amended and restated in March 2013, with OncoSil Medical UK Limited (f/k/a Enigma Therapeutics Limited), a wholly owned subsidiary of OncoSil Medical Ltd ("OncoSil") for the development of BrachySil, the Company's BioSilicon product candidate for the treatment of pancreatic and other types of cancer. The Company received an upfront fee of $100,000 and is entitled to 8% sales-based royalties, 20% of sublicense consideration and milestone payments based on aggregate product sales. OncoSil is obligated to pay an annual license maintenance fee of $100,000 by the end of each calendar year. Annual license maintenance fees of $100,000 were paid in January 2014, January 2015 and December 2015; no revenue related to the OncoSil agreement was paid during the three-month periods ended September 30, 2016 and 2015. For each calendar year commencing with 2014, the Company is entitled to receive reimbursement of any patent maintenance costs, sales-based royalties and sub-licensee sales-based royalties earned, but only to the extent such amounts, in the aggregate, exceed the $100,000 annual license maintenance fee. The Company has no consequential performance obligations under the OncoSil license agreement and, accordingly, any amounts to which the Company is entitled under the agreement are recognized as revenue on the earlier of receipt or when collectability is reasonably assured. As of September 30, 2016, no deferred revenue was recorded for this agreement.

Evaluation Agreements

The Company from time to time enters into funded agreements to evaluate the potential use of its technology systems for sustained release of third party drug candidates in the treatment of various diseases. Consideration received is generally recognized as revenue over the term of the feasibility study agreement. Revenue recognition for consideration, if any, related to a license option right is assessed based on the terms of any such future license agreement or is otherwise recognized at the completion of the evaluation agreement. Revenues under evaluation agreements totaled $8,000 for each of the three-month periods ended September 30, 2016 and 2015.

3. Intangible Assets

The reconciliation of intangible assets for the three months ended September 30, 2016 and for the year ended June 30, 2016 was as follows (in thousands):

	Three Months Ended September 30, 2016	Year Ended June 30, 2016
Patented technologies		
Gross carrying amount at beginning of period	$ 36,196	$ 39,710
Foreign currency translation adjustments	(635)	(3,514)
Gross carrying amount at end of period	35,561	36,196
Accumulated amortization at beginning of period	(35,094)	(37,785)
Amortization expense	(183)	(756)
Foreign currency translation adjustments	626	3,447
Accumulated amortization at end of period	(34,651)	(35,094)
Net book value at end of period	$ 910	$ 1,102

The Company amortizes its intangible assets with finite lives on a straight-line basis over their respective estimated useful lives. Amortization of intangible assets totaled $183,000 and $192,000 for the three months ended September 30, 2016 and 2015, respectively. The carrying value of intangible assets at September 30, 2016 of $910,000 (approximately $662,000 attributable to the Durasert technology and $248,000 attributable to the Tethadur technology) is expected to be amortized on a straight-line basis over the remaining estimated useful life of 1.25 years, or approximately $728,000 per year.

4. Marketable Securities

The amortized cost, unrealized loss and fair value of the Company's available-for-sale marketable securities at September 30, 2016 and June 30, 2016 were as follows (in thousands):

	September 30, 2016		
	Amortized Cost	Unrealized Loss	Fair Value
Corporate bonds	$ 3,748	$ (1)	$ 3,747
Commercial paper	4,491	—	4,491
	$ 8,239	$ (1)	$ 8,238

	June 30, 2016		
	Amortized Cost	Unrealized Loss	Fair Value
Corporate bonds	$ 5,999	$ (2)	$ 5,997
Commercial paper	7,682	—	7,682
	$ 13,681	$ (2)	$ 13,679

During the three months ended September 30, 2016, $2.1 million of marketable securities were purchased and $7.5 million of such securities matured. At September 30, 2016, the marketable securities had maturities ranging from 3 days to 7.0 months, with a weighted average maturity of 2.3 months.

5. Fair Value Measurements

The Company accounts for certain assets and liabilities at fair value. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market. The Company categorizes each of its fair value measurements in one of these three levels based on the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets and liabilities.
- Level 2 – Inputs are directly or indirectly observable in the marketplace, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities with insufficient volume or infrequent transaction (less active markets).
- Level 3 – Inputs are unobservable estimates that are supported by little or no market activity and require the Company to develop its own assumptions about how market participants would price the assets or liabilities.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and marketable securities. At September 30, 2016 and June 30, 2016, substantially all of the Company's interest-bearing cash equivalent balances were concentrated in one institutional money market fund that has investments consisting primarily of certificates of deposit, commercial paper, time deposits, U.S. government agencies, treasury bills and treasury repurchase agreements. These deposits may be redeemed upon demand and, therefore, generally have minimal risk.

The Company's cash equivalents and marketable securities are classified within Level 1 or Level 2 on the basis of valuations using quoted market prices or alternative pricing sources and models utilizing market observable inputs, respectively. Certain of the Company's corporate debt securities were valued based on quoted prices for the specific securities in an active market and were therefore classified as Level 1. The remaining marketable securities have been valued on the basis of valuations provided by third-party pricing services, as derived from such services' pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and ask prices, broker/dealer quotations, prices or yields of securities with similar characteristics, benchmark curves or information pertaining to the issuer, as well as industry and economic events. The pricing services may use a matrix approach, which considers information regarding securities with similar characteristics to determine the valuation for a security, and have been classified as Level 2. The following tables summarize the Company's assets carried at fair value measured on a recurring basis at September 30, 2016 and June 30, 2016 by valuation hierarchy (in thousands):

	September 30, 2016			
	Total carrying value	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash equivalents	$ 13,596	$ 12,097	$ 1,499	$ —
Marketable securities				
Corporate bonds	3,747	2,695	1,052	—
Commercial paper	4,491	—	4,491	—
	$ 21,834	$ 14,792	$ 7,042	$ —

	June 30, 2016			
	Total carrying value	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash equivalents	$ 13,856	$ 12,957	$ 899	$ —
Marketable securities				
Corporate bonds	5,997	4,596	1,401	—
Commercial paper	7,682	—	7,682	—
	$ 27,535	$ 17,553	$ 9,982	$ —

6. Accrued Expenses

Accrued expenses consisted of the following at September 30, 2016 and June 30, 2016 (in thousands):

	September 30, 2016	June 30, 2016
Clinical trial costs	$ 1,895	$1,678
Personnel costs	1,008	1,314
Professional fees	728	535
Other	57	56
	$ 3,688	$3,583

7. Restructuring

In July 2016, the Company announced its plan to consolidate all of its research and development activities in its U.S. facility. Following employee consultations under local U.K. law, the Company determined to close its U.K. research facility and terminated the employment of all of its U.K. employees. The U.K. facility lease, set to expire on August 31, 2016, was extended through November 30, 2016 to facilitate an orderly transition and the required restoration of the premises. A summary reconciliation of the restructuring costs is as follows (in thousands):

	Balance at June 30, 2016	Charged to Expense	Payments	Balance at September 30, 2016
Termination benefits	$ 118	$ 273	$ (391)	$ —
Facility closure	40	57	(44)	53
Other	29	106	(80)	55
	$ 187	$ 436	$ (515)	$ 108

The Company recorded approximately $436,000 of restructuring costs during the quarter ended September 30, 2016. These costs consisted of (i) $273,000 of additional employee severance for discretionary termination benefits upon notification of the affected employees in accordance with ASC 420, *Exit or Disposal Cost Obligations*; and (ii) $163,000 of professional fees, travel and lease extension costs.

In addition, the Company recorded $99,000 of non-cash stock-based compensation expense in connection with the extension of the exercise period for all vested stock options held by the U.K. employees at July 31, 2016 and a $133,000 credit to stock-based compensation expense to account for forfeitures of all non-vested stock options at that date.

The Company expects to incur approximately $30,000 to $40,000 of additional restructuring charges in the quarter ending December 31, 2016. The Company expects that substantially all of the restructuring costs associated with the plan of consolidation will be paid by December 31, 2016.

8. Stockholders' Equity

In December 2013, the Company entered into an at-the-market ("ATM") program pursuant to which the Company may, at its option, offer and sell shares of its common stock from time to time for an aggregate offering price of up to $19.2 million, of which approximately $17.6 million remains unsold. In connection with execution of the ATM program, the Company incurred transaction costs of $153,000. The Company pays the sales agent a commission of up to 3.0% of the gross proceeds from the sale of such shares. The Company's ability to sell shares under the ATM program is subject to an Australian Securities Exchange ("ASX") rule limiting the number of shares the Company may issue in any 12-month period without shareholder approval, as well as other applicable rules and regulations of ASX and the NASDAQ Global Market. During the three-month periods ended September 30, 2016 and 2015, the Company did not sell any shares under this program.

Warrants to Purchase Common Shares

During the three months ended September 30, 2016, a total of 623,605 warrants to purchase common shares were outstanding and exercisable at a price of $2.50. At September 30, 2016, the remaining term of these warrants was approximately 10 months. During the three months ended September 30, 2015, a total of 1,176,105 warrants to purchase common shares were outstanding and exercisable at a weighted-average price of $3.67. Of these warrants, 552,500 with an exercise price of $5.00 expired in January 2016.

2008 Incentive Plan

The Company's 2008 Incentive Plan (the "2008 Plan") provides for the issuance of stock options and other stock awards to directors, employees and consultants. At September 30, 2016, a total of 7,841,255 shares of common stock were authorized for issuance under the 2008 Plan, of which 966,741 were available for grant of future awards. Shares issuable under the 2008 Plan are subject to an annual increase pursuant to the terms of the plan. The following table provides a reconciliation of stock option activity under the 2008 Plan for the three months ended September 30, 2016:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at July 1, 2016	4,981,421	$ 3.60		
Granted	1,105,300	3.58		
Exercised	(4,080)	2.14		
Forfeited	(302,250)	4.18		
Outstanding at September 30, 2016	5,780,391	$ 3.57	5.13	$ 1,213
Outstanding at September 30, 2016 – vested and unvested and expected to vest	5,655,685	$ 3.56	5.04	$ 1,213
Exercisable at September 30, 2016	4,091,157	$ 3.48	3.43	$ 1,213

During the three months ended September 30, 2016, the Company granted 1,105,300 options to employees with ratable annual vesting over 4 years and a 10-year term. The weighted-average grant date fair value of these options was $2.29 per share. A total of 875,003 options vested during the three months ended September 30, 2016. In determining the grant date fair value of options, the Company uses the Black-Scholes option pricing model. The Company calculated the Black-Scholes value of options awarded during the three months ended September 30, 2016 based on the following key assumptions:

Option life (in years)	6.25
Stock volatility	71%
Risk-free interest rate	1.23% - 1.28%
Expected dividends	0%

Stock-Based Compensation Expense

The Company's statements of comprehensive loss included total compensation expense from stock-based payment awards for the three months ended September 30, 2016 and 2015, as follows (in thousands):

	Three Months Ended September 30,	
	2016	2015
Compensation expense included in:		
Research and development	$ 236	$ 145
General and administrative	498	260
	$ 734	$ 405

In connection with termination benefits provided to our former Chief Executive Officer, the vesting of certain non-vested options were accelerated in accordance with the terms of the options, the exercise period for all vested options was extended through September 14, 2017, and all remaining non-vested options were forfeited. Additionally, in connection with the U.K. restructuring, the exercise period of all vested options held by U.K. employees were extended through June 30, 2017 and all non-vested options were forfeited. These option modifications and forfeitures were accounted for in the quarter ended September 30, 2016, the net effect of which resulted in an approximate $274,000 increase of stock-based compensation expense included in general and administrative and an approximate $35,000 reduction of stock-based compensation expense included in research and development in the table above.

At September 30, 2016, there was approximately $2.8 million of unrecognized compensation expense related to unvested options under the 2008 Plan, which is expected to be recognized as expense over a weighted average period of approximately 2.2 years.

9. Income Taxes

The Company recognizes deferred tax assets and liabilities for estimated future tax consequences of events that have been recognized in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is established if, based on management's review of both positive and negative evidence, it is more likely than not that all or a portion of the deferred tax assets will not be realized. Because of its historical losses from operations, the Company established a valuation allowance for the net deferred tax assets. The Company recorded a net income tax benefit of $41,000 for the three months ended September 30, 2015. The Company recorded an additional $4,000 of federal alternative minimum tax expense for the three months ended September 30, 2015 as a result of taxable income for the tax year ended December 31, 2014, which was primarily attributable to revenue recognition of the $25.0 million FDA approval milestone. Earned foreign research and development tax credits totaled $45,000 for the three months ended September 30, 2015.

For the three months ended September 30, 2016 and 2015, the Company had no significant unrecognized tax benefits. At September 30, 2016 and June 30, 2016, the Company had no accrued penalties or interest related to uncertain tax positions.

10. Commitments and Contingencies

Operating Leases

The Company leases approximately 13,650 square feet of combined office and laboratory space in Watertown, Massachusetts under a lease with a term from March 2014 through April 2019, with a five-year renewal option at market rates. The Company provided a cash-collateralized $150,000 irrevocable standby letter of credit as security for the Company's obligations under the lease. In addition to base rent, the Company is obligated to pay its proportionate share of building operating expenses and real estate taxes in excess of base year amounts.

In addition, the Company occupied approximately 2,200 square feet of laboratory and office space in Malvern, U.K. under a lease with a term that was to expire on August 31, 2016. The lease term was extended through November 2016 to facilitate an orderly transition of the closure of the U.K. facility in connection with consolidation of the Company's research and development activities in its U.S. laboratory facilities.

Legal Proceedings

In December 2014, the Company exercised its right under the Alimera Agreement to conduct an audit by an independent accounting firm of Alimera's commercialization reporting for ILUVIEN for DME for 2014. In April 2016, the independent accounting firm issued its report, which concluded that Alimera under-reported net profits payable to the Company for 2014 by $136,000. In June 2016, Alimera remitted $354,000 to the Company, which consisted of the under-reported net profits plus interest and reimbursement of the audit costs of $204,000. In July 2016, Alimera filed a demand for arbitration with the American Arbitration Association ("AAA") in Boston, Massachusetts to dispute the audit findings and requested a full refund of the $354,000 previously paid to the Company. The Company has filed a motion to dismiss Alimera's demand for arbitration on grounds that Alimera did not object to the independent accounting firm's findings within the time period provided for in the Alimera Agreement and voluntarily paid the amounts due. Alimera requested leave to file an amended demand that includes a breach of contract claim against the Company for its alleged failure to provide notice of the independent accounting firm's report directly to Alimera, and a declaratory judgment count asking the arbitrator to rule (i) on each issue decided in the audit; and (ii) whether the audit findings have any retroactive or prospective effect. The Company opposed Alimera's request for leave to file an amended demand, other than its request to add a declaratory judgment claim on the retroactive or prospective effect of the audit findings. The parties have agreed to a 30-day stay of the arbitration proceedings through November 25, 2016 unless extended by mutual agreement. Pending the arbitration outcome, $136,000 of net profits participation has been recorded as deferred revenue and the remaining $218,000 as accrued expenses at each of September 30, 2016 and June 30, 2016.

The Company is subject to various other routine legal proceedings and claims incidental to its business, which management believes will not have a material effect on the Company's financial position, results of operations or cash flows.

11. Net Loss per Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. For periods in which the Company reports net income, diluted net income per share is determined by adding to the basic weighted average number of common shares outstanding the total number of dilutive common equivalent shares using the treasury stock method, unless the effect is anti-dilutive. Potentially dilutive shares were not included in the calculation of diluted net loss per share for each of the three months ended September 30, 2016 and 2015 as their inclusion would be anti-dilutive.

Potential common stock equivalents excluded from the calculation of diluted earnings per share because the effect would have been anti-dilutive were as follows:

	September 30,	
	2016	2015
Options outstanding	5,780,391	4,888,975
Warrants outstanding	623,605	1,176,105
	6,403,996	6,065,080

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Note Regarding Forward-Looking Statements

Various statements made in this Quarterly Report on Form 10-Q are forward-looking and involve risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Such statements give our current expectations or forecasts of future events and are not statements of historical or current facts. All statements other than statements of current or historical facts are forward-looking statements, including, without limitation, any expectations of revenues, expenses, cash flows, earnings or losses from operations, cash required to maintain current and planned operations, capital or other financial items; any statements of the plans, strategies and objectives of management for future operations; any plans or expectations with respect to product research, development and commercialization, including regulatory approvals; any other statements of expectations, plans, intentions or beliefs; and any statements of assumptions underlying any of the foregoing. We often, although not always, identify forward-looking statements by using words or phrases such as "likely", "expect", "intend", "anticipate", "believe", "estimate", "plan", "project", "forecast" and "outlook".

The following are some of the factors that could cause actual results to differ materially from the anticipated results or other expectations expressed, anticipated or implied in our forward-looking statements: uncertainties with respect to: our ability to achieve profitable operations and access to needed capital; fluctuations in our operating results; further impairment of our intangible assets; successful commercialization of, and receipt of revenues from, ILUVIEN for DME, which depends on Alimera's ability to continue as a going concern and the effect of pricing and reimbursement decisions on sales of ILUVIEN for DME; safety and efficacy results of the second Durasert three-year uveitis Phase 3 trial and the number of trials and data required for the Durasert three-year uveitis marketing approval applications in the U.S. and EU; our ability to file and the timing of filing and acceptance of the Durasert three-year uveitis marketing approval applications in the U.S. and EU; our ability to use data in a U.S. NDA from trials outside the U.S.; maintenance of European orphan designation for Durasert three-year uveitis; our ability to successfully commercialize Durasert three-year uveitis, if approved; the outcome of a dispute with Alimera regarding commercialization expenses; potential off-label sales of ILUVIEN for uveitis; consequences of fluocinolone acetonide side effects; potential declines in Retisert royalties; any exercise by Pfizer of its option with respect to the latanoprost product; our ability to develop Tethadur to successfully deliver large biologic molecules and develop products using it; efficacy and our future development of an implant to treat severe osteoarthritis; our ability to successfully develop product candidates, initiate and complete clinical trials and receive regulatory approvals; our ability to market and sell products; the success of current and future license agreements; termination or breach of current license agreements; our dependence on contract research organizations ("CROs"), vendors and investigators; effects of competition and other developments affecting sales of products; market acceptance of products; effects of guidelines, recommendations and studies; protection of intellectual property and avoiding intellectual property infringement; retention of key personnel; product liability; industry consolidation; compliance with environmental laws; manufacturing risks; risks and costs of international business operations; effects of the potential U.K. exit from the EU; legislative or regulatory changes; volatility of stock price; possible dilution; absence of dividends; and other factors described in our filings with the SEC. You should read and interpret any forward-looking statements in light of these risks. Should known or unknown risks materialize, or should underlying assumptions prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected in the forward-looking statements. You should bear this in mind as you consider any forward-looking statements. Our forward-looking statements speak only as of the dates on which they are made. We do not undertake any obligation to publicly update or revise our forward-looking statements even if experience or future changes makes it clear that any projected results expressed or implied in such statements will not be realized.

Our Business

We currently develop proprietary sustained-release pharmaceutical products for the treatment of chronic eye diseases. Our products deliver drugs at a controlled and steady rate for months or years. We have developed three of only four sustained-release products approved by the U.S. Food and Drug Administration ("FDA") for treatment of back-of-the-eye diseases. Durasert™ three-year non-erodible fluocinolone acetonide ("FA") insert for posterior segment uveitis ("Durasert three-year uveitis") (formerly known as Medidur™), our lead product candidate, is in pivotal Phase 3 clinical trials, and ILUVIEN® for diabetic macular edema ("DME"), our most recent out-licensed product, is sold in the U.S. and three European Union ("EU") countries. Our product development programs are focused primarily on utilizing our two core technology platforms to deliver drugs and biologics to treat chronic diseases. Our strategy includes developing products independently while continuing to leverage our technology platforms through collaborations and license agreements.

Durasert three-year uveitis, our most advanced development product candidate, is designed to treat chronic non-infectious uveitis affecting the posterior segment of the eye ("posterior uveitis") for three years from a single administration. Injected into the eye in an office visit, this product is a tiny micro-insert that delivers a micro-dose of a corticosteroid, FA, to the back of the eye on a sustained basis. We are developing Durasert three-year uveitis independently.

The first of two Phase 3 trials investigating Durasert three-year uveitis met its primary efficacy endpoint of prevention of recurrence of disease through six months with high statistical significance ($p < 0.001$, intent to treat analysis) and with safety data consistent with the known effects of ocular corticosteroid use. The same high statistical significance for efficacy and encouraging safety results were maintained through 12 months of follow-up. Due to the high level of statistical significance achieved, we plan to file our EU marketing approval application ("MAA") based on data from the first Phase 3 trial, rather than two trials. We expect to file the MAA in the first half of 2017. The second Phase 3 trial completed its target enrollment of 150 patients at the end of September 2016. This trial has the same trial design and the same endpoint as the first Phase 3 trial, and a read-out of its top-line results is expected by the end of the first half of 2017. Assuming favorable results, we plan to file a new drug application ("NDA") with the FDA in the second half of 2017. A utilization study of our new Durasert three-year uveitis inserter with a smaller diameter needle, which is required for both the MAA and NDA, met its primary endpoint, i.e., ease of intravitreal administration.

ILUVIEN is an injectable, sustained-release micro-insert that provides three years of treatment of DME from a single injection. ILUVIEN is based on the same technology as the Durasert three-year uveitis insert, and delivers the same steroid, FA, although it is injected using an inserter with a larger diameter needle. ILUVIEN was developed in collaboration with, and is licensed to and sold by Alimera Sciences, Inc. ("Alimera"). We are entitled a share of the net profits (as defined) from Alimera's sales of ILUVIEN on a quarter-by-quarter, country-by-country basis. ILUVIEN has been sold in the United Kingdom and Germany since June 2013 and in the U.S. and Portugal since 2015, and also has marketing approvals in 14 other European countries. Distribution, regulatory and reimbursement matters for ILUVIEN for DME in Australia and New Zealand, Canada, Italy and the Middle East have been sublicensed. We are entitled to 20% of any royalties and 33% of all other payments received by Alimera, including any milestone payments.

Our FDA-approved Retisert® is an implant that provides sustained release treatment of posterior segment uveitis for 30 months. Administered in a surgical procedure, Retisert delivers the same corticosteroid as the Durasert three-year uveitis insert, but in a larger dose. Retisert was co-developed with, and licensed to, Bausch & Lomb, and we receive royalties from its sales.

Our development programs are focused on developing sustained release drug products using our proven Durasert technology platform to deliver small molecule drugs to treat wet and dry age-related macular degeneration ("AMD"), osteoarthritis and other diseases. A sustained-release surgical implant delivering a corticosteroid to treat pain associated with severe knee osteoarthritis that was jointly developed by the Company and Hospital for Special Surgery is currently being evaluated in an investigator-sponsored safety and tolerability study. In addition, we continue to develop our Tethadur™ technology platform designed to deliver large molecules, such as biologics, both locally and systemically.

Durasert™, Medidur™, BioSilicon™ and Tethadur™ are our trademarks, Retisert® is Bausch & Lomb's trademark, and ILUVIEN® is Alimera's trademark.

All information in this Form 10-Q with respect to ILUVIEN, including regulatory and marketing information, and Alimera's plans and intentions, reflects information reported by Alimera.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with GAAP requires that we make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates, judgments and assumptions on historical experience, anticipated results and trends, and on various other factors that we believe are reasonable under the circumstances at the time. By their nature, these estimates, judgments and assumptions are subject to an inherent degree of uncertainty. Actual results may differ from our estimates under different assumptions or conditions. In our Annual Report on Form 10-K for fiscal 2016, we set forth our critical accounting policies and estimates, which included revenue recognition and recognition of expense in outsourced clinical trial agreements. There have been no material changes to our critical accounting policies from the information provided in our Annual Report on Form 10-K for fiscal 2016.

Results of Operations

Three Months Ended September 30, 2016 Compared to Three Months Ended September 30, 2015:

	Three Months Ended September 30,		Change	
	2016	2015	Amounts	%
	(In thousands except percentages)			
Revenues:				
Collaborative research and development	$ 34	$ 180	$ (146)	(81)%
Royalty income	243	286	(43)	(15)%
Total revenues	277	466	(189)	(41)%
Operating expenses:				
Research and development	4,178	3,482	696	20%
General and administrative	3,285	1,968	1,317	67%
Total operating expenses	7,463	5,450	2,013	37%
Loss from operations	(7,186)	(4,984)	(2,202)	(44)%
Interest and other income	24	10	14	140%
Loss before income taxes	(7,162)	(4,974)	(2,188)	(44)%
Income tax benefit	—	41	(41)	(100)%
Net loss	$(7,162)	$(4,933)	$(2,229)	(45)%

Revenues

Collaborative research and development revenues totaled $34,000 for the three months ended September 30, 2016 compared to $180,000 for the three months ended September 30, 2015. This decrease was primarily attributable to $157,000 of non-royalty sublicense consideration earned under the Alimera agreement in the prior-year period.

We are entitled to share in net profits, on a quarter-by-quarter and country-by-country basis, from sales of ILUVIEN by our licensee and are also entitled to 20% of royalties and 33% of non-royalty consideration received by Alimera wherever it sublicenses commercialization of ILUVIEN. We did not receive any net profit share from Alimera's direct sales of ILUVIEN in the three months ended September 30, 2016 and 2015. We do not know when and if we will receive future net profit payments with respect to any country where Alimera sells ILUVIEN or payments with respect to countries where Alimera sublicenses the sale of ILUVIEN.

Royalty income from sales of Retisert decreased by $43,000, or 15%, to $243,000 for the three months ended September 30, 2016 compared to $286,000 for the three months ended September 30, 2015.

Research and Development

Research and development increased by $696,000, or 20%, to $4.2 million for the three months ended September 30, 2016 from $3.5 million for the same quarter a year earlier, primarily attributable to $436,000 of U.K. restructuring costs and a $300,000 increase in CRO and regulatory professional services costs for the Durasert three-year uveitis development program. We expect to continue to incur significant research and development expense for Durasert three-year uveitis during the remainder of the fiscal year ending June 30, 2017 ("fiscal 2017") and in future periods until completion of its clinical development.

General and Administrative

General and administrative increased by $1.3 million, or 67%, to $3.3 million for the three months ended September 30, 2016 from $2.0 million for the same period in the prior year, primarily attributable to approximately $1.1 million of severance costs, professional fees and stock-based compensation expense arising from the CEO transition and an approximate $200,000 increase in other professional fees.

Income Tax Benefit

Income tax benefit of $0 for the three months ended September 30, 2016 compared to $41,000 for the three months ended September 30, 2015. Federal alternative minimum tax expense attributable to taxable income for the tax year ended December 31, 2014 totaled $4,000 for the three months ended September 30, 2015. Refundable foreign research and development tax credits were not recognized for the three months ended September 30, 2016 as a result of the consolidation of our research and development activities in the U.S. during this quarter.

Liquidity and Capital Resources

Our first quarter fiscal 2017 operations were financed primarily from existing capital resources at June 30, 2016. At September 30, 2016, our principal sources of liquidity were cash, cash equivalents and marketable securities that totaled $22.5 million.

With the exception of net income for the fiscal year ended June 30, 2015 resulting from the $25.0 million ILUVIEN FDA-approval milestone, we have generally incurred operating losses since inception, and at September 30, 2016, we had a total accumulated deficit of $299.4 million. We have financed our operations primarily from the receipt of license fees, milestone payments, research and development funding and royalty income from our collaboration partners, and from proceeds of sales of our equity securities. We do not currently have any assured sources of future revenue and we expect negative cash flows from operations in subsequent quarters unless and until such time as we receive sufficient revenues from commercialization of ILUVIEN or one or more of our other product candidates achieve regulatory approval and provide us sufficient revenues. We believe that our capital resources at September 30, 2016, together with expected cash inflows under existing collaboration agreements, will enable us to fund our operations as currently planned through the first quarter of fiscal 2018. This estimate excludes any potential receipts under the Alimera agreement. Our ability to fund our planned operations beyond then, including completion of clinical development of Durasert three-year uveitis, will require additional capital from the commercialization of ILUVIEN, future collaboration or other agreements and/or any financing transactions. There is no assurance that we will receive significant, if any, revenues from future sales of ILUVIEN or cash from any other sources.

The additional capital we will require will be influenced by many factors, including, but not limited to:

- whether, when and to what extent we receive future revenues with respect to the commercialization of ILUVIEN;
- the timing and cost of development, regulatory approval and commercialization of Durasert three-year uveitis and the manner in which we commercialize the product;
- whether and to what extent we internally fund, whether and when we initiate, and how we conduct product development programs;
- the amount of Retisert royalties and other payments we receive under collaboration agreements;
- whether and when we are able to enter into strategic arrangements for our product candidates and the nature of those arrangements;
- timely and successful development, regulatory approval and commercialization of our products and product candidates;
- the costs involved in preparing, filing, prosecuting and maintaining patents, and defending and enforcing patent claims;
- changes in our operating plan, resulting in increases or decreases in our need for capital; and
- our views on the availability, timing and desirability of raising capital.

We do not know if additional capital will be available when needed or on terms favorable to us or our stockholders. Collaboration, licensing and other agreements may not be available on favorable terms, or at all. We do not know when or if we will receive any substantial funds from the commercialization of ILUVIEN. If we seek to sell shares under our at-the-market ("ATM") facility or in another offering, we do not know whether and to what extent we will be able to do so, or on what terms. Further, the rules and regulations of the Australian Securities Exchange ("ASX") and the NASDAQ Global Market require us to obtain shareholder approval for sales of common stock under certain circumstances, which could delay or prevent us from raising capital from such sales. Also, the state of the economy and financial and credit markets at the time or times we seek additional financing may make it more difficult and more expensive to obtain. If available, additional equity financing may be dilutive to stockholders, debt financing may involve restrictive covenants or other unfavorable terms and dilute our existing stockholders' equity, and funding through collaboration agreements may be on unfavorable terms, including requiring us to relinquish rights to certain of our technologies or products. If adequate financing is not available if and when needed, we may delay, reduce the scope of, or eliminate research or development programs, potential independent commercialization of Durasert three-year uveitis or other new products, if any, and postpone or cancel the pursuit of product candidates, including pre-clinical and clinical trials and new business opportunities, reduce staff and operating costs, or otherwise significantly curtail our operations to reduce our cash requirements and extend our capital.

Our consolidated statements of historical cash flows are summarized as follows (in thousands):

	Three Months Ended September 30,		
	2016	2015	Change
Net loss:	$(7,162)	$(4,933)	$(2,229)
Changes in operating assets and liabilities	(242)	(220)	(22)
Other adjustments to reconcile net loss to cash flows from operating activities	918	660	258
Net cash used in operating activities	$(6,486)	$(4,493)	$(1,993)
Net cash provided by (used in) investing activities	$ 5,480	$ (546)	$ 6,026
Net cash provided by financing activities	$ 9	$ 9	$ —

Net cash used in operating activities increased by $2.0 million on a comparative basis and consisted of an approximate $1.7 million increase in operating cash outflows and an approximate $246,000 decrease of collaborative research and development and royalty operating cash inflows. Higher operating cash outflows consisted primarily of increases of approximately (i) $840,000 of personnel costs, which consisted primarily of higher incentive compensation awards, severance compensation paid to former U.K. employees and the August 2016 hire of our Vice President, Chief Medical Officer; (ii) $500,000 of professional fees; and (iii) $385,000 of CRO payments associated with Durasert three-year uveitis clinical development. Lower operating cash inflows resulted primarily from the prior year receipt of $157,000 of sublicense consideration under the Alimera agreement and a $76,000 decrease in the receipt of Retisert royalties.

Net cash provided by investing activities consisted of $5.5 million of maturities of marketable securities, net of purchases, during the three months ended September 30, 2016 compared to net cash used in investing activities of $546,000, which consisted predominantly of purchases of marketable securities, net of maturities, during the three months ended September 30, 2015.

Net cash provided by financing activities consisted of $9,000 of proceeds from the exercise of stock options for each of the three-month periods ended September 30, 2016 and 2015.

We had no borrowings or line of credit facilities as of September 30, 2016.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements as of September 30, 2016 that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that would be material to investors.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Exchange Rates

We conduct operations in two principal currencies, the U.S. dollar and the Pound Sterling (£). The U.S. dollar is the functional currency for our U.S. operations, and the Pound Sterling is the functional currency for our U.K. operations. Changes in the foreign exchange rate of the U.S. dollar and Pound Sterling impact the net operating expenses of our U.K. operations. The strengthening of the U.S. dollar during the three months ended September 30, 2016 compared to the prior year's quarter resulted in a net decrease in research and development expenses of $105,000. For every incremental 5% strengthening or weakening of the weighted average exchange rate of the U.S. dollar in relation to the Pound Sterling, our research and development expense for the three months ended September 30, 2016 would have decreased or increased by $29,000, respectively. All cash and cash equivalents, and most other asset and liability balances, are denominated in each entity's functional currency and, accordingly, we do not consider our statement of comprehensive loss exposure to realized and unrealized foreign currency gains and losses to be significant.

Changes in the foreign exchange rate of the Pound Sterling to the U.S. dollar also impacted total stockholders' equity. As reported in the statement of comprehensive loss, the relative strengthening of the U.S. dollar in relation to the Pound Sterling at September 30, 2016 compared to June 30, 2016 resulted in $15,000 of other comprehensive loss for the three months ended September 30, 2016 due to the translation of £254,000 of net assets of our U.K. operations, predominantly the Tethadur technology intangible asset, into U.S. dollars. For every incremental 5% strengthening or weakening of the U.S. dollar at September 30, 2016 in relation to the Pound Sterling, our stockholders' equity at September 30, 2016 would have decreased or increased, respectively, by $16,000.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2016. The term "disclosure controls and procedures", as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure, particularly during the period in which this Quarterly Report on Form 10-Q was being prepared. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their desired objectives, and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2016, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the period covered by this report, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in Part I, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended June 30, 2016 filed with the Securities and Exchange Commission (the "SEC") on September 13, 2016.

Item 6. Exhibits

10.1	Employment Agreement between pSivida Corp. and Nancy Lurker, dated September 15, 2016
10.2	Performance-Based Restricted Stock Unit Award Agreement between pSivida Corp. and Nancy Lurker, dated November 2, 2016
10.3	Nonstatutory Stock Option Inducement Award granted to Nancy Lurker, subject to shareholder approval, with effect from September 15, 2016
10.4	Employment Agreement between pSivida Corp. and Deb Jorn, dated November 2, 2016
10.5	Performance-Based Restricted Stock Unit Award Agreement between pSivida Corp. and Deb Jorn, dated November 2, 2016
10.6	Nonstatutory Stock Option granted to Deb Jorn on November 2, 2016
10.7	Separation Agreement between pSivida Corp. and Paul Ashton, dated September 20, 2016
10.8	Form of Indemnification Agreement between pSivida Corp. and its officers and directors
31.1	Certification of Principal Executive Officer required by Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer required by Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials from pSivida Corp.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Comprehensive Loss; (iii) Condensed Consolidated Statement of Stockholders' Equity; (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to Condensed Consolidated Financial Statements

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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 thereunto duly authorized.

pSivida Corp.

Date: November 8, 2016

By: /s/ Nancy Lurker
Name: Nancy Lurker
Title: President and Chief Executive Officer

Exhibit 10.1

September 15, 2016

Nancy Lurker
6 Lenape Trail
Peapack, NJ 07977

Dear Ms. Lurker:

This letter (the "Agreement") will confirm our offer to you of employment with pSivida Corp. (the "Company"), under the terms and conditions that follow.

1. **Position and Duties.**

(a) You will commence employment on September 15, 2016, or such other date as the Company and you may agree, (the "Start Date") on a full-time basis, as its President and Chief Executive Officer reporting to the Board of Directors of the Company (the "Board"). During your employment, you will serve as a member of the Board, and you may be asked from time to time to serve as a director or officer of one or more of the Company's subsidiaries, in each case, without further compensation. If your employment with the Company terminates for any reason, then concurrently with such termination, you will be deemed to have resigned from the Board and any director, officer, trustee, or other positions you may hold with the Company, the Company's subsidiaries, or any of their respective related committees, trusts, or other similar entities, in each case unless otherwise agreed in writing by the Company and you.

(b) You agree to perform the duties of your position and such other duties as may reasonably be assigned to you consistent therewith from time to time. You also agree that, while employed by the Company, you will devote your full business time and your best efforts, business judgment, skill and knowledge exclusively to the advancement of the business interests of the Company and its subsidiaries and to the discharge of your duties and responsibilities for them. Subject to Section 3 hereof and so long as such activities do not interfere with the performance of your duties or create a potential business conflict, you may, however, (i) without the Board's prior written consent participate in charitable, civic, educational, professional, community and industry affairs, and (ii) with the Board's prior written consent serve on the board of directors of one (1) for-profit public company. The Board hereby consents to your continued service on the boards of the organizations set forth on Exhibit A in a substantially similar manner and to a substantially similar degree as of the date hereof.

(c) You agree that, while employed by the Company, you will comply with all Company policies, practices and procedures and all codes of ethics or business conduct applicable to your position, as in effect from time to time.

2. **Compensation and Benefits.** During your employment, as compensation for all services performed by you for the Company and its subsidiaries and subject to your full performance of your obligations hereunder, the Company will provide you the following pay and benefits:

(a) Base Salary. The Company will pay you a base salary at the rate of $530,000 per year, payable in accordance with the regular payroll practices of the Company and subject to increase (but not decrease) from time to time by the Board in its discretion (as so increased, from time to time, the "Base Salary").

(b) Bonus Compensation. For each fiscal year completed during your employment under this Agreement, you will be eligible to earn an annual cash bonus. Your target bonus will be 55.0% of the Base Salary (the "Target Bonus"), with the actual amount of any such bonus being determined by the Board in its discretion, based on your performance and that of the Company against goals established by the Board. Annual bonuses will be payable following the close of the fiscal year for which the bonus is earned at such time and subject to such conditions as determined by the Board. For so long as the Company's fiscal year end is June 30, the bonus will be paid in the same calendar year in which the fiscal year ends. If the Company's fiscal year end is December 31, the bonus will be paid in the calendar year immediately following the closing of the fiscal year for which the bonus is earned. You will be eligible to earn a full year bonus for the fiscal year ending June 30, 2017 (as if employed from July 1, 2016) with the actual amount of any such bonus being determined by the Board in its discretion, based on your performance and that of the Company against goals established by the Board. Except as otherwise expressly provided in Section 5 hereof, you must be employed through the date a bonus is paid in order to be eligible for the bonus.

(c) Sign-On Equity Grants. With effect from the Start Date, subject to stockholder approval, you will be granted an award of 500,000 restricted stock units with performance-based vesting (as described below) (the "PSUs") and an award of 850,000 options ("Options") to purchase common stock ("Stock") with time-based vesting in equal installments on the first four anniversaries of the Start Date, having an exercise price equal to the fair market value of one share of Stock on the grant date. The PSUs will cliff vest on the date that is thirty-six (36) months following the grant date, with 100,000 of the PSUs vesting if the Company's three (3)-year total stockholder return (the "Company's TSR") at not less than the fiftieth (50th) percentile relative to its peer group set forth in the award agreement, 300,000 of the PSUs vesting if the Company's TSR is at not less than the seventy-fifth (75th) percentile relative to such peers, and 500,000 of the PSUs vesting if the TSR is at not less than the ninetieth (90th) percentile relative to such peers. In the event a Change of Control occurs before the end of the TSR performance period, the PSUs will be eligible to vest based on the Company's TSR relative to its peers with the date immediately prior to the date of the Change of Control serving as the last day of the performance period. In the event of any termination of your employment pursuant to Section 4(b) or Section 4(c) below (except to the extent fully vesting upon CIC Termination (as defined in Section 5(b) below)), (i) any unvested portion of the Options held by you as of immediately prior to your employment termination that would have vested as of the second

anniversary of your employment termination date had you remained in continuous employment with the Company or any subsidiary through such second anniversary will vest upon your termination of employment and remain exercisable until the earlier of three (3) months following the date of your employment termination and the last day of the option term (the "Inducement Option Acceleration"), and (ii) a pro-rated portion of the PSUs, based on the number of days elapsed between the date of grant and your termination date over 1,095 days (the original performance period), will remain outstanding and eligible to be earned based on the Company's TSR relative to its peers with your termination date serving as the last day of the performance period (the "Inducement PSU Acceleration").

(d) Equity and Other Long-Term Incentive Grants. Commencing with the next annual award of equity or other long-term incentives to senior executives following your Start Date, you will be eligible for grants of equity and other long-term awards as approved by the Compensation Committee based on prevailing market practices and commensurate with your position relative to grants to other senior executives of the Company.

(e) Participation in Employee Benefit Plans. You will be entitled to participate in all employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided you under this Agreement (e.g., a severance pay plan). Your participation will be subject to the terms of the applicable plan documents and generally applicable Company policies, as the same may be in effect from time to time, and any other restrictions or limitations imposed by law.

(f) Vacations. You will be entitled to earn four (4) weeks of vacation per year, in addition to holidays observed by the Company. Vacation may be taken at such times and intervals as you shall determine, subject to the business needs of the Company. Vacation shall otherwise be subject to the policies of the Company, as in effect from time to time.

(g) Business Expenses. The Company will pay or reimburse you for all reasonable business expenses incurred or paid by you in the performance of your duties and responsibilities for the Company, including any reasonable expenses incurred or paid by you for transportation from your residence in Peapack, New Jersey to the Company's corporate offices and lodging in Boston, Massachusetts consistent with the Company's travel policy (for purposes of such policy, such reasonable transportation and lodging expenses shall be deemed business expenses and shall be covered on a non-taxable or equivalent basis to you), subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as may be specified from time to time. Your right to payment or reimbursement for business expenses hereunder shall be subject to the following additional rules: (i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for payment or reimbursement in any other calendar year, (ii) payment or reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense or payment was incurred, and (iii) the right to payment or reimbursement is not subject to liquidation or exchange for any other benefit.

(h) Professional Fees. The Company will pay your reasonable professional fees incurred by you related to the negotiation and preparation of this Agreement and related agreements and other documents in an aggregate amount not to exceed five thousand dollars ($5,000).

3. **Confidential Information and Restricted Activities.**

(a) Confidential Information. During the course of your employment with the Company, you will learn of Confidential Information, as defined below, and you may develop Confidential Information on behalf of the Company and its subsidiaries. You agree that you will not use or disclose to any Person (except as required by applicable law or for the proper performance of your regular duties and responsibilities for the Company) any Confidential Information obtained by you incident to your employment or any other association with the Company or any of its subsidiaries. You agree that this restriction shall continue to apply after your employment terminates, regardless of the reason for such termination. Nothing in this Agreement limits, restricts or in any other way affects your communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity. You cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, you may be held liable if you unlawfully access trade secrets by unauthorized means.

(b) Protection of Documents. All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its subsidiaries, and any copies, in whole or in part, thereof, other than your rolodex (or electronic equivalent), which we agree is your property, (the "Documents"), whether or not prepared by you, shall be the sole and exclusive property of the Company. You agree to safeguard all Documents and to surrender to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all Documents then in your possession or control. You also agree to disclose to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all passwords necessary or desirable to obtain access to, or that would assist in obtaining access to, any information which you have password-protected on any computer equipment, network or system of the Company or any of its subsidiaries.

(c) Assignment of Rights to Intellectual Property. You shall promptly and fully disclose all Intellectual Property to the Company. You hereby assign and agree to assign to the Company (or as otherwise directed by the Company) your full right, title and interest in and to all Intellectual Property. You agree to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company (or as otherwise directed by the Company) and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. You will not charge the Company for time spent in complying with these obligations. All copyrightable works that you create during your employment shall be considered "work made for hire" and shall, upon creation, be owned exclusively by the Company.

(d) Restricted Activities. You agree that the following restrictions on your activities during and after your employment are necessary to protect the good will, Confidential Information, trade secrets and other legitimate interests of the Company and its subsidiaries:

(i) While you are employed by the Company and during the twelve (12)-month period immediately following termination of your employment, regardless of the reason therefor (in the aggregate, the "Restricted Period"), you shall not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, Compete with the Company or any of its subsidiaries in any geographic area in which the Company does business or is actively planning to do business during your employment or, with respect to the portion of the Restricted Period that follows the termination of your employment, at the time your employment terminates (the "Restricted Area") or undertake any substantial planning to Compete in the Restricted Area. For purposes of this Agreement, "Compete" means to engage as an employee, consultant or other service capacity, or to own equity in, any Competitor, and "Competitor" means any Person engaged in the business of development and marketing of sustained-release drug-delivery products for treating eye diseases, or any other business conducted by the Company or that the Company is actively planning to conduct at the time of your termination (collectively, the "Business"); provided, any such Person shall not be a Competitor to the extent that (i) such Person receives not more than 15% of its annual revenues from the Business (and, in the event the Person is pre-commercial, not more than 50% of its research and development expenditures can relate to the Business) and (ii) you do not provide advice or services directly or indirectly related to the Business. Specifically, but without limiting the foregoing, you agree not to work or provide services, in any capacity, anywhere in the Restricted Area, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any Competitor. Notwithstanding any of the foregoing, your ownership of less than 2% of the stock of any publicly traded company shall be deemed not to violate this Section 4(d)(i).

(ii) During the Restricted Period, you will not directly or indirectly (a) solicit or encourage any customer, vendor, supplier or other business partner of the Company or any of its subsidiaries to terminate or diminish its relationship with them; or (b) seek to persuade any such customer, vendor, supplier or other business partner or prospective customer, vendor, supplier or other business partner of the Company or any of its subsidiaries to conduct with anyone else any business which such customer, vendor, supplier or other business partner or prospective customer, vendor, supplier or other business partner conducts or could conduct with the Company or any of its subsidiaries; provided, however, that these restrictions shall apply (y) only with respect to those Persons who are or have been a business partner of the Company or any of its subsidiaries at any time within the immediately preceding two (2)-year period or whose business has been solicited on behalf of the Company or any of the subsidiaries by any of their officers, employees or agents within such two (2) year period, other than by form letter, blanket mailing or published advertisement, and (z) only if you have performed work for such Person during your employment with the Company or one of its subsidiaries or been introduced to, or otherwise had contact with, such Person as a result of your employment or other associations with the Company or one of its subsidiaries or have had access to Confidential Information which would assist in your solicitation of such Person.

(iii) During the Restricted Period, you will not, and will not assist any other Person to, (a) hire or engage, or solicit for hiring or engagement, any employee of the Company or any of its subsidiaries or seek to persuade any employee of the Company or any of its subsidiaries to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its subsidiaries to terminate or diminish his, her or its relationship with them. For the purposes of this Agreement, an "employee" or an "independent contractor" of the Company or any of its subsidiaries is any person who was such at any time within the preceding eighteen (18) months.

(e) In signing this Agreement, you give the Company assurance that you have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on you under this Section 3. You agree without reservation that these restraints are necessary for the reasonable and proper protection of the Company and its subsidiaries, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, were you to breach any of the covenants contained in this Section 3, the damage to the Company and its subsidiaries would be irreparable. You therefore agree that the Company, in addition and not in the alternative to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by you of any of those covenants, without having to post bond, together with an award of its reasonable attorney's fees incurred in successfully enforcing its rights hereunder, and respecting which the Company shall pay your reasonable attorneys fees incurred in successfully defending such enforcement. So that the Company may enjoy the full benefit of the covenants contained in this Section 3, you further agree that the Restricted Period shall be tolled, and shall not run, during the period of any breach by you of any of the covenants contained in this Section 3. You and the Company further agree that, in the event that any provision of this Section 3 is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. It is also agreed that each of the Company's subsidiaries shall have the right to enforce all of your obligations to that subsidiary under this Agreement, including without limitation pursuant to this Section 3. Finally, no claimed breach of this Agreement or other violation of law attributed to the Company, or change in the nature or scope of your employment or other relationship with the Company or any of its subsidiaries, shall operate to excuse you from the performance of your obligations under this Section 3.

4. **Termination of Employment.** Your employment under this Agreement shall continue until terminated pursuant to this Section 4.

(a) By the Company for Cause. The Company may terminate your employment for Cause upon notice to you setting forth in reasonable detail the nature of the Cause. The following, as determined by the Board in its reasonable, good faith judgment, shall constitute "Cause" for termination: (i) your substantial failure to perform (other than by reason

of disability), or gross negligence in the performance of, your duties and responsibilities to the Company or any of its subsidiaries; (ii) your material breach of this Agreement or any other agreement between you and the Company or any of its subsidiaries; (iii) your being charged by a law enforcement office of, or plea of nolo contendere to, a felony or other crime involving moral turpitude; or (iv) your other misconduct that is or could reasonably be expected to be materially harmful to the interests or reputation of the Company or any of its subsidiaries.

(b) By the Company Without Cause. The Company may terminate your employment at any time other than for Cause upon notice to you.

(c) By You for Good Cause. You may terminate your employment for Good Cause by (A) providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Cause no later than the thirtieth (30th) day following your first becoming aware of such event or condition; (B) providing the Company a period of (30) days to remedy the event or condition (or ninety (90) days in the case of clause (v) below; and (C) terminating your employment for Good Cause within thirty (30) days following the expiration of the period to remedy if the Company fails to remedy the condition. The following, if occurring without your written consent, shall constitute "Good Cause" for termination by you: (i) a material diminution in the nature or scope of your position, duties, or authority including reporting responsibilities (other than temporarily while you are physically or mentally incapacitated to such a degree that you would be eligible for disability benefits under the Company's disability income plan or as required by applicable law), which (without limiting the foregoing provisions of this clause (i)) shall be deemed to occur if, immediately following any Change in Control you are not the most-senior officer, reporting to the board of directors, of the top-most parent company of a group of affiliated companies that includes the Company; (ii) a material reduction in the Base Salary or the Target Bonus opportunity; (iii) a material breach by the Company of this Agreement; (iv) a requirement by the Company that you relocate to a location more than fifty (50) miles from Peapack, New Jersey; or (v) a failure of the stockholders to approve both the PSUs and the Options at the first annual meeting of stockholders occurring after the date hereof.

(d) By You Without Good Cause. You may terminate your employment at any time without Good Cause upon sixty (60) days' notice to the Company. The Board may elect to waive such notice period or any portion thereof; but in that event, the Company shall pay you the Base Salary for that portion of the notice period so waived.

(e) Death and Disability. Your employment hereunder shall automatically terminate in the event of your death during employment. In the event you become disabled during employment and, as a result, are unable to continue to perform substantially all of your duties and responsibilities under this Agreement, either with or without reasonable accommodation, the Company will continue to pay you the Base Salary and to provide you benefits in accordance with Section 2(c) above, to the extent permitted by plan terms, for up to twelve (12) weeks of disability during any period of three hundred sixty-five (365) consecutive calendar days. If you are unable to return to work after twelve (12) weeks of disability, the Company may terminate your employment, upon notice to you. If any question shall arise as to whether you are disabled to the extent that you are unable to perform substantially all of your

duties and responsibilities for the Company and its subsidiaries, you shall, at the Company's request, submit to a medical examination by a physician selected by the Company to whom you or your guardian, if any, has no reasonable objection to determine whether you are so disabled, and such determination shall for purposes of this Agreement be conclusive of the issue. If such a question arises and you fail to submit to the requested medical examination, the Company's determination of the issue shall be binding on you.

5. **Other Matters Related to Termination.**

(a) Final Compensation. In the event of termination of your employment with the Company, howsoever occurring, the Company shall pay you (i) the Base Salary for the final payroll period of your employment, through the date that your employment terminates; (ii) compensation at the rate of the Base Salary for any vacation time earned but not used as of the date your employment terminates; and (iii) reimbursement, in accordance with Section 2(g) hereof, for business expenses incurred by you but not yet paid to you as of the date your employment terminates; provided you submit all expenses and supporting documentation required within sixty (60) days of the date your employment terminates, and provided further that such expenses are reimbursable under Company policies as then in effect (all of the foregoing, "Final Compensation"). Except as otherwise provided in Section 5(a)(iv), Final Compensation will be paid to you within thirty (30) days following the date of termination (or such shorter period required by law).

(b) Severance Payments. In the event of any termination of your employment pursuant to Section 4(b) or Section 4(c) above, the Company will pay you, in addition to Final Compensation, (i) the Base Salary for the period of twelve (12) months from the date of termination, provided, however, that if such termination occurs within the thirty (60) days prior to, or within eighteen (18) months following, a Change of Control (a "CIC Termination") the Company will instead pay you, in addition to Final Compensation, the Base Salary for the period of eighteen (18) months from the date of termination; (ii) one times the Target Bonus, or 1.5 times the Target Bonus in the event of a CIC Termination, in either case, payable in equal installments during the period of Base Salary continuation under clause (i); and (iii) provided you timely elect continuation coverage for yourself and your eligible dependents under the federal law known as "COBRA" or similar state law, a monthly amount that equals the portion of the monthly health premiums paid by the Company on your behalf and that of your eligible dependents immediately preceding the date that your employment terminates until the earlier of (A) the last day of the period of Base Salary continuation under clause (i) and (B) the date that you and your eligible dependents become ineligible for COBRA coverage pursuant to applicable law or plan terms. The severance payments described in clauses (i) through (iii) above are referred to as the "Severance Payments". In the event of any termination of your employment pursuant to Section 4(b) or Section 4(c) above, any unvested options to purchase Stock (other than the Options vesting under Section 2(c) in such a termination above) held by you as of immediately prior to your employment termination that would have vested as of the first anniversary of your employment termination date had you remained in continuous employment with the Company or any subsidiary through such first anniversary will vest upon your termination of employment and remain exercisable until the earlier of three (3) months following the date of your employment termination and the last day of the option term (the "Termination

Acceleration"). In addition, in the event a Change of Control occurs following the Start Date, and any options to purchase Stock or shares of restricted Stock held by you are assumed or substituted in such Change of Control (including the Options), all such assumed or substituted options and restricted shares that remain outstanding and are not fully vested at the time of any subsequent termination of your employment pursuant to Section 4(b) or Section 4(c) will accelerate and vest in full upon such termination and the options will remain exercisable until the earlier of the first anniversary of the date of your employment termination (or three (3) months following the date of your employment termination in the case of any incentive stock options) and last day of the option term (the "Post-CIC Acceleration," and together with the Inducement Option Acceleration, the Inducement PSU Acceleration, and the Termination Acceleration, the "Equity Acceleration").

(c) Conditions to and Timing of Severance Payments. Any obligation of the Company to provide you the Severance Payments and the Equity Acceleration is conditioned, however, on your signing and returning to the Company a timely and effective separation agreement containing a general release of claims substantially in the form attached hereto as Exhibit B (the "Release of Claims") and other customary terms in the form provided to you by the Company at the time your employment is terminated. The Separation Agreement must become effective, if at all, by the sixtieth (60th) calendar day following the date your employment is terminated. Any Severance Payments to which you are entitled will be provided in the form of salary continuation, payable in accordance with the normal payroll practices of the Company. The first payment will be made on the Company's next regular payday following the expiration of sixty (60) calendar days from the date of termination; but that first payment shall include all amounts accrued retroactive to the day following the date your employment terminated.

(d) Benefits Termination. Except as provided in Section 5(b) above or under the COBRA or other applicable law, your participation in all employee benefit plans shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of your employment, without regard to any continuation of the Base Salary or other payment to you following termination and you shall not be eligible to earn vacation or other paid time off following the termination of your employment.

(e) Survival. Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation your obligations under Section 3 and the Company's obligations under Section 2(c), Section 5 and Section 14 of this Agreement. The obligation of the Company to make payments to you under Section 5(b), and your right to retain the same, are expressly conditioned upon your continued full performance of your obligations under Section 3 hereof. Upon termination by either you or the Company, all rights, duties and obligations of you and the Company to each other shall cease, except as otherwise expressly provided in this Agreement.

6. **Timing of Payments and Section 409A.**

(a) Notwithstanding anything to the contrary in this Agreement, if at the time your employment terminates, you are a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon your death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of a short-term deferral or the safe harbor set forth in Section 1.409A-1(b)(9)(iii)); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of, or satisfy an exception from treatment as deferred compensation under, Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A").

(b) For purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(c) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

7. **Definitions**. For purposes of this Agreement, the following definitions apply:

"Change of Control" means

(A) The acquisition by any Person (defined for purposes of this definition as any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act"))) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of the common stock of the Company; provided, however, that for purposes of this subsection (A), an acquisition shall not constitute a Change of Control if it is: (i) either by or directly from the Company, or by an entity controlled by the Company, (ii) by any employee benefit plan, including any related trust, sponsored or maintained by the Company or an entity controlled by the Company ("Benefit Plan"), or (iii) by an entity pursuant to a transaction that complies with clauses (i), (ii) and (iii) of subsection (C) below; or

(B) Individuals who, as of the effective date of this Agreement, constitute the Board (together with the individuals identified in the proviso to this subsection (B), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the effective date of this agreement whose election, or nomination for election by the Company's stockholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be treated as a member of the Incumbent Board unless he or she assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(C) Consummation of a reorganization, merger or consolidation involving the Company, or a sale or other disposition of all or substantially all of the assets of the Company (a "Transaction"), in each case unless, following such Transaction, (i) all or substantially all of the Persons who were the beneficial owners of the common stock of the Company outstanding immediately prior to such Transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the entity resulting from such Transaction (including, without limitation, an entity that as a result of such Transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Transaction, of the outstanding common stock of the Company, (ii) no Person (excluding any entity or wholly-owned subsidiary of any entity resulting from such Transaction or any Benefit Plan of the Company or such entity or wholly-owned subsidiary of such entity resulting from such Transaction) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the transaction and (iii) at least a majority of the members of the board of directors or similar board of the entity resulting from such Transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Transaction; or

(D) Approval by the stockholders of the Company of a liquidation or dissolution of the Company.

"Confidential Information" means any and all information of the Company and its subsidiaries that is not generally available to the public. Confidential Information also includes any information received by the Company or any of its subsidiaries from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through your breach of your obligations under this Agreement.

"Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by you (whether alone or with others, whether or not during normal business hours or on or off Company premises) during your employment and during the period of twelve (12) months immediately following termination of your employment that relate either to the business of the Company or any of its subsidiaries or to any prospective activity of the Company or any of its subsidiaries or that result from any work performed by you for the Company or any of its subsidiaries or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its subsidiaries.

"Person" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization, other than the Company or any of its subsidiaries.

8. **Conflicting Agreements.** You hereby represent and warrant that your signing of this Agreement and the performance of your obligations under it will not breach or be in conflict with any other agreement to which you are a party or are bound, and that you are not now subject to any covenants against competition or similar covenants or any court order that could affect the performance of your obligations under this Agreement. You agree that you will not disclose to or use on behalf of the Company any confidential or proprietary information of a third party without that party's consent.

9. **Withholding.** All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

10. **Assignment.** Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without your consent to one of its subsidiaries or to any Person with whom the Company shall hereafter effect a reorganization, consolidate or merge, or to whom the Company shall hereafter transfer all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of our respective successors, executors, administrators, heirs and permitted assigns.

11. **Severability.** If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. **Miscellaneous.** This Agreement sets forth the entire agreement between you and the Company, and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and an expressly authorized representative of the Board. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a Massachusetts contract and shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to any conflict of laws principles that would result in the application of the laws of any other jurisdiction. You agree to submit to the exclusive jurisdiction of the courts situated in the county in which the Company's headquarters is located in connection with any dispute arising out of this Agreement.

13. **Notices.** Any notices provided for in this Agreement shall be in writing and shall be effective when delivered in person or three (3) business days after being deposited in the United States mail, postage prepaid, and addressed to you at your last known address on the books of the Company or, in the case of the Company, to it at its principal place of business, attention of the Chairman of the Board, or to such other address as either party may specify by notice to the other actually received.

14. **Indemnification.** During your employment or service as a member of the Board, and for all periods thereafter for which you may be subject to liability for your acts or omissions to act with respect to your duties to the Company as an officer or director, the Company shall indemnify you and provide advancement of expenses in accordance with the terms of the Company's Certificate of Incorporation, as may be amended from time to time, and the indemnification agreement to be entered into between you and the Company substantially in the form attached hereto as Exhibit C.

[*Remainder of page intentionally left blank.*]

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me no later than September 14, 2016. At the time you sign and return it, this letter will take effect as a binding agreement between you and the Company on the basis set forth above. The enclosed copy is for your records.

Sincerely yours,

/s/ David J. Mazzo

David J. Mazzo
Chairman of the Board

Accepted and Agreed:

/s/ Nancy Lurker
Nancy Lurker

Date: September 15, 2016

EXHIBIT A

Section 1(b) for-profit organization boards that apply on the date of the Agreement:

1. Cancer Treatment Centers of America, member of the Board of Directors

2. X4, member of the Board of Directors

3. Novo Advisory Group, member of Board of Advisors

EXHIBIT B

General Release and Waiver of Claims

For and in consideration of the severance benefits to be provided to me under the letter between me and pSivida Corp. (the "Company"), dated September , 2016 (the "Agreement"), which are conditioned on my signing this General Release and Waiver of Claims (this "Release of Claims"), and to which I am not otherwise entitled, and other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, on my own behalf and on behalf of my heirs, executors, administrators, beneficiaries, representatives, successors and assigns, and all others connected with or claiming through me, I hereby release and forever discharge the Company and its Affiliates, and all of their respective past, present and future officers, directors, shareholders, employees, employee benefits plans, administrators, trustees, agents, representatives, consultants, predecessors, successors and assigns, and all those connected with any of them, in their official and individual capacities (collectively, the "Released Parties"), from any and all causes of action, suits, rights and claims, demands, damages and compensation of any kind and nature whatsoever, whether at law or in equity, whether now known or unknown, suspected or unsuspected, contingent or otherwise, which I now have or ever have had against the Released Parties, or any of them, in any way related to, connected with or arising out of my employment and/or other relationship with the Company or any of its Affiliates, or the termination of such employment and/or other relationship, or pursuant to Title VII of the Civil Rights Act, the Americans With Disabilities Act, the Family and Medical Leave Act, the Age Discrimination in Employment Act (as amended by the Older Workers Benefit Protection Act), the Employee Retirement Income Security Act, the wage and hour, wage payment and fair employment practices laws of the state or states in which I have provided services to the Company or any of its Affiliates (each as amended from time to time) and/or any other federal, state or local law, regulation, or other requirement (collectively, the "Claims") through the date that I sign this Release of Claims, and I hereby waive all such Claims. For purposes of this Release of Claims, "Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

I understand that nothing contained in this Release of Claims shall be construed to prohibit me from filing a charge with or participating in any investigation or proceeding conducted by the federal Equal Employment Opportunity Commission or a comparable state or local agency; provided, however, that I hereby agree to waive my right to recover monetary damages or other individual relief in any such charge, investigation or proceeding or any related complaint or lawsuit filed by me or by anyone else on my behalf. I further understand that nothing contained in this Release of Claims shall be construed to limit, restrict or in any other way affect my communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to such governmental agency or entity. Subject to this paragraph, I agree that I will not disparage or criticize the Company, its Affiliates, their business, their management or their products or services. The Company agrees that (i) the Company (via any authorized public statement) and (ii) its officers and members of its Board of Directors as of the date that my employment with the Company terminates will not disparage or criticize me or my reputation.

[I acknowledge and agree I have received any and all compensation and benefits due to me from the Company or any of its Affiliates, whether for services provided to the Company, under the Agreement, or otherwise, through the date that my employment with the Company terminated, except for any accrued, vested benefits that are unpaid as of the date that my employment with the Company terminates and are due in accordance with the terms of the Company's benefit plans as in effect from time to time. I further acknowledge that, except as expressly provided hereunder, no further compensation or benefits are owed or will be provided to me by the Company or any of its Affiliates.][1]

Anything in this Release to the contrary notwithstanding, I am not releasing or discharging any Claim under Section 14 of the Agreement or the Indemnification Agreement between me and the Company, dated September , 2016, or any Claim with respect to any equity in the Company that I hold following the date that my employment with the Company terminates.

I acknowledge that I will continue to be bound by my obligations under the Agreement and under [ ][2] that survive the termination of my employment by the terms thereof (the "Continuing Obligations"). I further acknowledge that the obligation of the Company to make the Severance Payments and provide the Equity Acceleration to me under the Agreement, and my right to retain the same, are expressly conditioned upon my continued full performance of the Continuing Obligations.

I understand that I must sign this Release of Claims, if at all, within [twenty-one (21)/forty-five (45)] days of the date hereof, and in no event prior to the date that my employment with the Company terminates. I acknowledge that this Release of Claims creates legally binding obligations, and that the Company has advised me to consult an attorney before signing it. In signing this Release of Claims, I give the Company assurance that I have signed it voluntarily and with a full understanding of its terms; that I have had sufficient opportunity of not less than [twenty-one (21)/forty-five (45)] days before signing this Release of Claims to consider its terms and to consult with an attorney, if I wished to do so, or to consult with any of the other persons described in the third sentence of the second paragraph hereof; and that I have not relied on any promises or representations, express or implied, that are not set forth expressly in this Release of Claims. I understand that I will have seven (7) days after signing this Release of Claims to revoke my signature, and that, if I intend to revoke my signature, I must do so in writing addressed and delivered to the [Contact Name and Title] prior to the end of the seven (7)-day revocation period. I understand that this Release of Claims will become effective upon the eighth (8th) day following the date that I sign it, provided that I do not revoke my acceptance in accordance with the immediately preceding sentence. This Release constitutes the entire agreement between me and the Company or any of its Affiliates and supersedes all prior and

1 Note to Draft: To be adjusted depending on when the release is presented to the Executive and whether final compensation has been paid yet.
2 Note to Draft: To include any other relevant documents.

contemporaneous communications, agreements and understandings, whether written or oral, with respect to my employment, its termination and all related matters, excluding only (i) the Continuing Obligations, which shall remain in full force and effect in accordance with their terms and (ii) any Claims not released or discharged by me.

Accepted and agreed:

Signature: _____

Nancy Lurker

Date: _____

EXHIBIT C

Indemnification Agreement

This Indemnification Agreement, made and entered into effective September 15, 2016 ("Agreement"), by and between pSivida Corp., a Delaware corporation ("Company"), and Nancy S. Lurker ("Indemnitee"):

WHEREAS, it is reasonable, prudent and necessary for the Company to obligate itself to indemnify, and to advance expenses on behalf of, its directors and officers to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, Indemnitee is willing to serve the Company as an officer and a director and to take on additional service for or on its behalf on the condition that she be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services by Indemnitee. Indemnitee agrees to serve as an officer and a director of the Company. Indemnitee may at any time and for any reason resign from such positions (subject to any other contractual obligation or any obligation imposed by operation of law).

Section 2. Indemnification - General. The Company shall indemnify, and advance Expenses (as hereinafter defined) to, Indemnitee (a) as provided in this Agreement and (b) (subject to the provisions of this Agreement) to the fullest extent permitted by applicable law in effect on the date hereof and as amended from time to time. The rights of Indemnitee provided under the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement.

Section 3. Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 3 if, by reason of her Corporate Status (as hereinafter defined), she is, or is threatened to be made, a party to or a participant in any threatened, pending or completed Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, penalties, fines and amounts paid in settlement) actually and reasonably incurred by her or on her behalf in connection with such Proceeding or any claim, issue or matter therein, if she acted in good faith and in a manner she reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal Proceeding, had no reasonable cause to believe her conduct was unlawful.

Section 4. Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 4 if, by reason of her Corporate Status, she is, or is threatened to be made, a party to or a participant in any threatened, pending or completed Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section, Indemnitee shall be indemnified against all Expenses (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses) actually and reasonably incurred by her or on her behalf in connection with such Proceeding if she acted in good faith and in a manner she reasonably believed to be in or not opposed to the best interests of the Company; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company if and only to the extent that the Chancery Court of the State of Delaware (the "Delaware Court"), or court in which such Proceeding shall have been brought or is pending, shall determine that despite such adjudication of liability and in light of all circumstances, such indemnification may be made.

Section 5. Partial Indemnification. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of her Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding, she shall be indemnified to the maximum extent permitted by law against all Expenses actually and reasonably incurred by her or on her behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by her or on her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification for Additional Expenses.

(a) The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within thirty (30) days of such request) advance such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or by-law of the Company now or hereafter in effect; or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

(b) Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of her Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, she shall be indemnified against all Expenses actually and reasonably incurred by her or on her behalf in connection therewith.

Section 7. Advancement of Expenses. The Company shall advance all reasonable Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the obligation of the Company to advance Expenses pursuant to this Section 7 shall be subject to the condition that, if, when and to the extent that the Company determines that Indemnitee would not be permitted to be indemnified under applicable law, the Company shall be entitled to be reimbursed, within thirty (30) days of such determination, by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in accordance with the terms of this Agreement to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Company that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any advance of Expenses until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed).

Section 8. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors of the Company (the "Board") in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 8(a) hereof, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case by (A) a majority vote of the Disinterested Directors (as hereinafter defined), even though less than a quorum of the Board, or (B) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (C) if contracting an Independent Counsel is impracticable or undesirable and if so directed by the Board, by the stockholders of the Company. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. The Company and the Indemnitee shall each cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by

Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification), and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) hereof, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising her of the identity of the Independent Counsel so selected. Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 18 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 8(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Indemnitee to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Delaware Court or by such other person as the Delaware Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 8(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 8(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 8(c), regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding pursuant to Section 10(a)(iii) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company shall not be required to obtain the consent of the Indemnitee to the settlement of any Proceeding which the Company has undertaken to defend if the Company assumes full and sole responsibility for such settlement and the settlement grants the Indemnitee a complete and unqualified release in respect of the potential liability. The Company shall not be liable for any amount paid by the Indemnitee in settlement of any Proceeding that is not defended by the Company, unless the Company has consented to such settlement, which consent shall not be unreasonably withheld.

Section 9. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification or the advancement of expenses hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification or advancement of expenses under this Agreement if Indemnitee has submitted a request for indemnification or the advancement of

expenses in accordance with Section 8(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including its board of directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including its board of directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 8 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within ninety (90) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 90-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 9(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 8(b) of this Agreement and if (A) within thirty (30) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within ninety (90) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within thirty (30) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within ninety (90) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that her conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be presumed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company or relevant enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Company or relevant

enterprise in the course of their duties, or on the advice of legal counsel for the Company or relevant enterprise or on information or records given in reports made to the Company or relevant enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or relevant enterprise. The provisions of this Section 9(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or relevant enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 10. Remedies of Indemnitee.

(a) In the event that any of the following occur: (i) a determination is made pursuant to Section 8 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 7 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 8(b) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5 or 6 of this Agreement within thirty (30) days after receipt by the Company of a written request therefor, or (v) payment of indemnification is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of her entitlement to such indemnification or advancement of Expenses. Indemnitee shall commence any such proceeding within one hundred eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 10(a).

(b) In the event that a determination shall have been made pursuant to Section 8(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 10 shall be conducted in all respects as a de novo trial on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination.

(c) If a determination shall have been made pursuant to Section 8(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 10, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 10, seeks a judicial adjudication of, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all expenses (of the types described in the definition of Expenses in Section 17 of this Agreement) actually and reasonably incurred by her in such judicial adjudication, but only if she prevails therein. If it shall be determined in said judicial adjudication that Indemnitee is entitled

to receive part but not all of the indemnification or advancement of expenses sought, the expenses incurred by Indemnitee in connection with such judicial adjudication shall be appropriately prorated. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' or officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 10 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such judicial proceeding that the Company is bound by all the provisions of this Agreement.

Section 11. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-Laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the General Corporation Law of the State of Delaware, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's By-Laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees or agents of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit or enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 12. Duration of Agreement.

(a) This Agreement shall continue until and terminate upon the later of: (a) 10 years after the last date that Indemnitee shall have served as a director or an officer of the Company (or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which Indemnitee served at the request of the Company); or (b) the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 10 of this Agreement relating thereto.

(b) This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries) is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries), other applicable formal severance policies duly adopted by the Board or the Company's Certificate of Incorporation, By-Laws or the General Corporation Law of the State of Delaware. The foregoing notwithstanding, this Agreement shall continue in force as provided above after such date as Indemnitee has ceased to serve as a director or an officer of the Company.

(c) This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and her heirs, executors and administrators.

Section 13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including,

without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 14. Exception to Right of Indemnification or Advancement of Expenses. Except as provided in Section 6(a) of this Agreement, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee (other than a Proceeding by Indemnitee to enforce her rights under this Agreement), or any claim therein, unless the bringing of such Proceeding or making of such claim shall have been approved by the Board.

Section 15. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 16. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 17. Construction. This Agreement shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by one of the parties, it being recognized that this Agreement is the result of arm's-length negotiations among the parties.

Section 18. Definitions. For purposes of this Agreement:

(a) "Corporate Status" describes the status of a person who is or was a director, officer, employee, fiduciary or agent of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(b) "Disinterested Director" means a director of the company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "Effective Date" means September 15, 2016.

(d) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding.

(e) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained

to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Corporation or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is, may be or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by her or of any inaction on her part while acting as director or officer of the Company, or by reason of the fact that she is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; in each case whether or not she is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement; except one (i) initiated by an Indemnitee pursuant to Section 10 of this Agreement to enforce her right under this Agreement or (ii) pending on or before the Effective Date.

Section 19. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director and an officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director and an officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

Section 20. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

Section 21. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so

notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

Section 22. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee to:

Nancy S. Lurker
6 Lenape Trail
Peapack NJ 07977

(b) If to the Company to:

pSivida Corp.
480 Pleasant Street
Watertown, Massachusetts 02472

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 23. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (a) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (b) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 24. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) consent to the service of legal process outside the State of Delaware via registered mail or in-person service in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (d) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (e) waive, and agree not to plead or to

make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or otherwise inconvenient forum.

[Remainder of Page Intentionally Blank]

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

pSivida Corp.

By: _____
Name: _____
Title: _____

INDEMNITEE

By: _____
Name: Nancy S. Lurker

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

INDUCEMENT AWARD

Name of Grantee: Nancy Lurker

No. of Restricted Stock Units Subject to Award: 500,000

Grant Date: September 15, 2016

Pursuant to this agreement (this "Agreement"), pSivida Corp., a Delaware corporation (the "Company"), hereby grants an award (the "Award") of performance-based restricted stock units (the "Restricted Stock Units") to the Grantee named above, subject to approval by the Company's shareholders. The Award is granted to the Grantee in connection with her entering into Employment with the Company and is regarded by the parties as an inducement material to the Grantee's entering into Employment within the meaning of NASDAQ Listing Rule 5635(c).

1. Grant of Award. With effect from the grant date (the "Grant Date") set forth above, subject to approval by the Company's shareholders, the Grantee shall receive the Award, consisting of the right to receive, on the terms and subject to the conditions and restrictions provided herein and in the pSivida Corp. 2008 Incentive Plan (as amended through the date hereof and amended further from time to time, the "Plan"), one share of common stock of the Company ("Stock") with respect to each Restricted Stock Unit forming a part of the Award, in each case, subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Relationship to and Incorporation of the Plan. The Award shall be subject to and governed by, and shall be construed and administered in accordance with, the terms and conditions of the Plan, which terms and conditions are incorporated herein by reference. A copy of the Plan has been made available to the Grantee. Notwithstanding the foregoing, the Restricted Stock Units are not awarded under the Plan and the grant of the Award shall not reduce the number of shares of Stock available for issuance under awards issued pursuant to the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

3. Conditions. If the Grantee's Employment is voluntarily or involuntarily terminated for any reason prior to the TSR Measurement Date, all such unvested Restricted Stock Units shall immediately and automatically be forfeited. Notwithstanding the foregoing, in the event the Grantee's Employment is terminated by Company without Cause (as defined in the Employment letter agreement between the Grantee and the Company dated September 15, 2016 (as may be amended from time to time, the "Employment Letter")) or the Grantee resigns for

Good Cause (as defined in the Employment Letter) (each, a "Qualifying Termination"), a pro-rated portion of the Restricted Stock Units will remain outstanding and eligible to vest based on the number of days elapsed between the Grant Date and the Qualifying Termination date, divided by 1,095 days, and the Qualifying Termination date will be the Performance Period End Date. For purposes of this Agreement, "Employment" shall be deemed to include Employment with any successor to the Company's business or assets in connection with a Change of Control.

4. Vesting of Restricted Stock Units; Delivery of Stock.

(a) Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock Units will vest following the end of the Performance Period to the extent earned in accordance with the performance objective set forth on Exhibit A, subject to the Administrator certifying in its sole discretion the achievement of such performance objective, and further subject to the Grantee's remaining in continuous Employment through the TSR Measurement Date (as defined in Exhibit A) or experiencing a Qualifying Termination.

(b) In the event of a Change of Control prior to the Performance Period End Date (as defined in Exhibit A), the Administrator shall determine the extent to which the performance objective is met, treating the date of such Change of Control as the Performance Period End Date, and the number of Restricted Stock Units that will vest, if any, and the TSR Measurement Date shall be the date of such Change of Control.

(c) The Company shall deliver to the Grantee as soon as practicable after the vesting of Restricted Stock Units, but in all events no later than sixty (60) days following the date on which such Restricted Stock Units vest, one share of Stock with respect to each such vested Restricted Stock Unit, subject to the terms and conditions of the Plan and this Agreement.

(d) For purposes of this Agreement:

5. Dividends; Other Rights. The Award shall not be interpreted to bestow upon the Grantee any equity interest or ownership in the Company or any of its affiliates prior to the date on which the Company delivers shares of Stock (if any) in respect thereof to the Grantee. The Grantee is not entitled to vote any shares of Stock by reason of the granting of this Award or to receive or be credited with any dividends declared and payable on any share of Stock prior to the date on which any such share is delivered to the Grantee hereunder. The Grantee shall have the rights of a shareholder only as to those shares of Stock, if any, that are actually delivered under this Award.

6. Transferability. This Agreement is personal to the Grantee, and the Award and the Restricted Stock Units are not assignable or transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Company shall cause the required minimum tax withholding obligation to be satisfied by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

8. Election Under Section 83(b). The Grantee expressly acknowledges that because this Award consists of an unfunded and unsecured promise by the Company to deliver Stock in the future, subject to the terms hereof, it is not possible to make a so-called "83(b) election" with respect to the Award.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address set forth below or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

10. Acknowledgments. By accepting the Award, the Grantee agrees to be bound by, and agrees that the Award and the Restricted Stock Units are subject in all respects to, the terms of the Plan. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which, taken together, will constitute one and the same legal instrument.

Executed as of the 2nd day of November, 2016.

pSivida Corp.

By: /s/ David J. Mazzo
Name: David J. Mazzo
Title: Chairman of the Board

/s/ Nancy Lurker
Grantee's Signature

Grantee's name and address:

Nancy Lurker
6 Lenape Trail
Peapack, NJ 07977

Exhibit A

1. Definitions. The terms set forth below, as used in this Exhibit A or the Agreement, shall have the following meanings:

(a) "Change of Control" shall mean:

(i) the acquisition by any Person (defined solely for purposes of this definition as any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act"))) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty-five percent (35%) or more of the common stock of the Company; provided, however, that for purposes of this subsection (i), an acquisition shall not constitute a Change of Control if it is: (A) either by or directly from the Company, or by an entity controlled by the Company, (B) by any employee benefit plan, including any related trust, sponsored or maintained by the Company or an entity controlled by the Company ("Benefit Plan"), or (C) by an entity pursuant to a transaction that complies with the clauses (A), (B) and (C) of Section 1(a)(iii) below; or

(ii) individuals who, as of the Grant Date, constitute the Board (together with the individuals identified in the immediately following proviso to this Section 1(a)(ii), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Grant Date whose election, or nomination for election by the Company's shareholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be treated as a member of the Incumbent Board unless he or she assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) the consummation of a reorganization, merger or consolidation involving the Company, or a sale or other disposition of all or substantially all of the assets of the Company, (a "transaction") in each case unless, following such transaction, (A) all or substantially all of the Persons who were the beneficial owners of the common stock of the Company outstanding immediately prior to such transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the entity resulting from such transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such transaction, of the outstanding common stock of the Company, (B) no Person (excluding any entity or wholly owned subsidiary of any entity resulting from such transaction or any Benefit Plan of the Company or such entity or wholly owned subsidiary of such entity resulting from such transaction) beneficially owns, directly or indirectly, thirty-five percent (35%) or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the transaction and (C) at least a majority of the members of

the board of directors or similar board of the entity resulting from such transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such transaction; or

(iv) the approval by the shareholders of the Company of a liquidation or dissolution of the Company.

(b) "NBI Companies" shall mean the companies making up the NASDAQ Biotechnologies Index.

(c) "Performance Period" shall mean the period beginning on September 15, 2016 and ending on the earliest of a Change of Control, a Qualifying Termination, and September 14, 2019.

(d) "Performance Period End Date" shall mean the earliest of a Change of Control, a Qualifying Termination, and September 14, 2019.

(e) "Total Shareholder Return" shall mean the change in value expressed as a percentage of a given dollar amount invested in a company's most widely publicly traded stock over the Performance Period, taking into account both stock price appreciation (or depreciation) and the reinvestment of dividends (including the cash value of non-cash dividends) in such stock of the company. The average closing price of Stock and the stock of the NBI Companies, as applicable, of the thirty (30) consecutive trading days ending on each of September 14, 2016 and the Performance Period End Date will be used to value Stock and the stock of the NBI Companies, as applicable. Dividend reinvestment will be calculated using the closing price of Stock or the stock of the applicable NBI Company, as applicable, on the ex-dividend date for the applicable dividend or, if no trades were reported on such date, the latest preceding date for which a trade was reported.

(f) "TSR Measurement Date" shall mean the date on which the Administrator determines the number of Restricted Stock Units that have been earned with respect to the Award, which date shall occur not later than forty-five (45) days after the Performance Period End Date (or, in the case of a Performance Period End Date that is a Change of Control, such TSR Measurement Date shall be the date of such Change of Control).

(g) "TSR Percentile Rank" shall mean, as of the Performance Period End Date, the percentage of Total Shareholder Return values among the NBI Companies that are equal to or lower than the Company's Total Shareholder Return, provided that if the Company's Total Shareholder Return falls between the Total Shareholder Return of two of the NBI Companies, the TSR Percentile Rank shall be adjusted by interpolating the Company's Total Shareholder Return on a straight-line basis between the Total Shareholder Return of the two NBI Companies that are closest to the Company's.

2. Earning of Restricted Stock Units. No Restricted Stock Units shall vest unless they have become earned in accordance with this Section 2. No portion of the Restricted Stock Units shall vest unless the TSR Percentile Rank is above the 50th percentile. If the TSR Percentile Rank performance objective described in the previous sentence has been met as of the Performance Period End Date, the portion of the Award that vests shall be equal to the number of Restricted Stock Units set forth in the table below (or, in the event of a Qualifying Termination, the number shall be pro-rated as described in Section 3 of the Agreement).

TSR Percentile Rank	Number of Restricted Stock Units
50th percentile	100,000
75th percentile	300,000
90th percentile	500,000

Notwithstanding any of the foregoing, in the event that the Company's Total Shareholder Return is negative, no portion of the Award shall vest, even if the TSR Percentile Rank is above the 50th percentile.

3. Determinations by the Administrator. On the TSR Measurement Date, the Administrator shall determine the extent to which, if any, the performance objective has been met and the number of Restricted Stock Units that are earned hereunder. No Restricted Stock Units shall be earned until the Administrator certifies that the performance objective has been met and certifies the extent to which they have so been met. Any Restricted Stock Units that vest shall be rounded down to the nearest whole number of Shares, and any fractional vested Restricted Stock Units shall be disregarded. All determinations under this Exhibit A shall be made by the Administrator and will be final and binding on the Grantee.

3. Section 162(m). The Award is intended to qualify as exempt performance-based compensation under Section 162(m) of the Code and shall be interpreted consistently with this intent.

Nonstatutory Stock Option

Inducement Award

1. Grant of Option.

This certificate evidences a nonstatutory stock option (this "Stock Option") granted by pSivida Corp., a Delaware corporation (the "Company"), to Nancy Lurker (the "Participant"), subject to approval by the Company's stockholders, with effect from September 15, 2016 (the "Date of Grant"). This Stock Option is granted to the Participant in connection with her entering into Employment with the Company and is regarded by the parties as an inducement material to the Grantee's entering into Employment within the meaning of NASDAQ Listing Rule 5635(c). Under this Stock Option, the Participant may purchase, in whole or in part, on the terms herein provided, a total of 850,000 shares of common stock of the Company (the "Shares") at $3.63 per Share, which is not less than the fair market value of a Share on the Date of Grant. The latest date on which this Stock Option, or any part thereof, may be exercised is 5:00 P.M. Eastern Time on September 14, 2026 (the "Final Exercise Date"). The Stock Option evidenced by this certificate is intended to be, and is hereby designated, a nonstatutory option, meaning an option that does *not* qualify as an incentive stock option as defined in section 422 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). This Stock Option shall be subject to and governed by, and shall be construed and administered in accordance with, the terms and conditions of the Company's 2008 Incentive Plan (as from time to time in effect, the "Plan"), which terms and conditions are incorporated herein by reference. A copy of the Plan has been made available to the Participant. Notwithstanding the foregoing, this Stock Option is not awarded under the Plan and the grant of this Stock Option shall not reduce the number of shares of Stock available for issuance under awards issued pursuant to the Plan. Capitalized terms in this certificate shall have the meaning specified in the Plan, unless a different meaning is specified herein.

2. Vesting.

(a) During Employment. This Stock Option will vest and become exercisable with respect to 25% of the Shares on each of the first, second, third and fourth anniversaries of the Grant Date; provided that, and subject to Section 2(c) below, upon a cessation of the Participant's Employment by reason of an involuntary termination without Cause (as defined in the Employment Agreement between the Company and the Participant dated September 15, 2016 ("Employment Agreement") ("Cause")) or a voluntary termination for Good Cause (as defined in the Employment Agreement ("Good Cause")) any unvested portion of this Stock Option that would have vested as of the second anniversary of the cessation of the Participant's Employment had the Participant continued in Employment through such second anniversary will vest immediately prior to such cessation of Employment.

(b) Termination of Employment. Notwithstanding the foregoing, and subject to Section 2(c) below, the following rules will apply if a Participant's Employment ceases regardless of the circumstances: automatically and immediately upon the cessation of Employment, this Stock Option will cease to be exercisable and will terminate, except that:

(I) such portion, if any, of this Stock Option as is held by the Participant immediately prior to the cessation of the Participant's Employment for any reason other than for Cause or as a result of Participant's death and as is then exercisable (after giving effect to any accelerated vesting owing to a cessation of Employment by reason of an involuntary termination without Cause or a voluntary termination for Good Cause pursuant to Section 2(a) above), will remain exercisable until (i) 5:00 P.M. Eastern Time on the last day of the three-month period commencing on the date of such cessation of Employment or (ii) the Final Exercise Date, if earlier, and will thereupon terminate;

(II) such portion, if any, of this Stock Option as is held by the Participant immediately prior to the Participant's death and as is then exercisable, will remain exercisable until (i) 5:00 P.M. Eastern Time on the first anniversary of the Participant's death or (ii) the Final Exercise Date, if earlier, and will thereupon terminate; and

(III) such portion, if any, of this Stock Option as is held by the Participant immediately prior to the cessation of the Participant's Employment for Cause will immediately terminate.

(c) Change of Control. Notwithstanding any other provision of this Section 2 to the contrary, if a Change of Control occurs, whether or not the Change of Control also constitutes a Covered Transaction, and within the 24 months thereafter there is a cessation of the Participant's Employment by reason of an involuntary termination without Cause or a voluntary termination for Good Cause, the provisions of this Section 2(c) shall apply:

(I) This Stock Option, if it survives the Change of Control, including any stock option granted in substitution for this Stock Option in connection with the Change of Control, shall automatically vest and become exercisable immediately prior to such cessation of Employment and will remain exercisable until (i) 5:00 P.M. Eastern Time on the first anniversary of the date of such cessation of Employment or (ii) the Final Exercise Date, if earlier, and will thereupon terminate; provided that, in the event of the Participant's death during such extended exercise period following a Change of Control, any portion of this Stock Option as is held by the Participant immediately prior to the Participant's death will remain exercisable until (i) 5:00 P.M. Eastern Time on the first anniversary of the Participant's death or (ii) the Final Exercise Date, if earlier, and will thereupon terminate.

(II) Any and all performance or other vesting conditions imposed pursuant to Section 7(a)(5) of the Plan with respect to any stock, cash or other property delivered in exchange for this Stock Option in connection with the Change of Control shall automatically be deemed to have been satisfied immediately prior to such cessation of Employment.

(III) For purposes of this Section 2(c), "Employment" shall be deemed to include employment with any successor to the Company's business or assets in connection with a Change of Control.

(IV) For purposes of this Stock Option, "Change of Control" shall mean:

(A) the acquisition by any Person (defined as any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act"))) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of the common stock of the Company; provided, however, that for purposes of this subsection (a), an acquisition shall not constitute a Change of Control if it is: (i) either by or directly from the Company, or by an entity controlled by the Company, (ii) by any employee benefit plan, including any related trust, sponsored or maintained by the Company or an entity controlled by the Company ("Benefit Plan"), or (iii) by an entity pursuant to a transaction that complies with the clauses (i), (ii) and (iii) of subsection (C) below; or

(B) individuals who, as of the Date of Grant, constitute the Board (together with the individuals identified in the proviso to this Section 2(c)(IV)(B), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Date of Grant whose election, or nomination for election by the Company's stockholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be treated as a member of the Incumbent Board unless he or she assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(C) consummation of a reorganization, merger or consolidation involving the Company, or a sale or other disposition of all or substantially all of the assets of the Company, (a "transaction") in each case unless, following such transaction, (i) all or substantially all of the Persons who were the beneficial owners of the common stock of the Company outstanding immediately prior to such transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the entity resulting from such transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such transaction, of the outstanding common stock of the Company, (ii) no Person (excluding any entity or wholly owned subsidiary of any entity resulting from such transaction or any Benefit Plan of the Company or such entity or wholly owned subsidiary of such entity resulting from such transaction) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the transaction and (iii) at least a majority of the members of the board of directors or similar board of the entity

resulting from such transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such transaction; or

(D) approval by the stockholders of the Company of a liquidation or dissolution of the Company.

(d) Notwithstanding the foregoing provisions of this Section 2, this Stock Option shall not vest or become eligible to vest on any date specified above unless the Participant has continuously been, since the Grant Date until the date immediately prior to such termination of Employment, Employed by the Company, its Affiliates, its subsidiaries, or, following a Change of Control, any successor to the Company's business or assets in connection with the Change of Control.

3. Exercise of Stock Option.

Each election to exercise this Stock Option shall be in writing, signed by the Participant or the Participant's executor, administrator, or legally appointed representative (in the event of the Participant's incapacity) or the person or persons to whom this Stock Option is transferred by will or the applicable laws of descent and distribution (collectively, the "Option Holder"), and received by the Company at its principal office, accompanied by this certificate and payment in full as provided in the Plan. Subject to the further terms and conditions provided in the Plan, the purchase price may be paid as follows: (i) by delivery of cash or check acceptable to the Administrator; or (ii) through a broker-assisted exercise program acceptable to the Administrator; or (iii) by any other means acceptable to the Administrator, or (iv) by any combination of the foregoing means of exercise. In the event that this Stock Option is exercised by an Option Holder other than the Participant, the Company will be under no obligation to deliver Shares hereunder unless and until it is satisfied as to the authority of the Option Holder to exercise this Stock Option.

4. Withholding.

Except as otherwise determined by the Administrator, this Stock Option may not be exercised unless the person exercising this Stock Option timely remits to the Company, in cash, all amounts required to be withheld upon exercise (all as determined by the Administrator) or makes other arrangements satisfactory to the Administrator for the payment of such taxes.

5. Nontransferability of Stock Option.

This Stock Option is not transferable by the Participant otherwise than by will or the laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant (or in the event of the Participant's incapacity, the person or persons legally appointed to act on the Participant's behalf).

6. Provisions of the Plan.

This Stock Option is subject to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the date of the grant of this Stock Option has been furnished to the Participant. By accepting this Stock Option, the Participant agrees to be bound by the terms of the Plan and this certificate. All initially capitalized terms used herein will have the meaning specified in the Plan, unless another meaning is specified herein.

7. Other Agreements.

The Company and Participant agree, in consideration of the grant of this Stock Option, and other good and valuable consideration, the receipt of which is mutually acknowledged, that the provisions of Section 2 shall supersede section 8(c)(iii) of the Employment Agreement or the provisions of any other agreement between the Company and Participant regarding the vesting and exercise of this Stock Option following a cessation of the Participant's Employment by reason of an involuntary termination without Cause or a voluntary termination for Good Cause.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer.

pSivida Corp.

By /s/ David J. Mazzo
David J. Mazzo

Dated: 11.2.16

Acknowledged and agreed:

/s/ Nancy Lurker
Nancy Lurker

Dated: 11/4/16

October 31, 2016

Dear Ms. Jorn:

This letter (the "Agreement") will confirm our offer to you of employment with pSivida Corp. (the "Company"), under the terms and conditions that follow.

1. **Position and Duties.**

(a) You will commence employment on November 2, 2016, or such other date as the Company and you may agree, (the "Start Date") on a full-time basis, as its EVP, Corporate and Commercial Development, reporting to the Chief Executive Officer of the Company. During your employment, you may be asked from time to time to serve as a director or officer of one or more of the Company's subsidiaries, in each case, without further compensation. If your employment with the Company terminates for any reason, then concurrently with such termination, you will be deemed to have resigned from any director, officer, trustee, or other positions you may hold with the Company, the Company's subsidiaries, or any of their respective related committees, trusts, or other similar entities, in each case unless otherwise agreed in writing by the Company and you.

(b) You agree to perform the duties of your position and such other duties as may reasonably be assigned to you consistent therewith from time to time. You also agree that, while employed by the Company, you will devote your full business time and your best efforts, business judgment, skill and knowledge exclusively to the advancement of the business interests of the Company and its subsidiaries and to the discharge of your duties and responsibilities for them.

You agree that, while employed by the Company, you will comply with all Company policies, practices and procedures and all codes of ethics or business conduct applicable to your position, as in effect from time to time.

2. **Compensation and Benefits.** During your employment, as compensation for all services performed by you for the Company and its subsidiaries and subject to your full performance of your obligations hereunder, the Company will provide you the following pay and benefits:

(a) Base Salary. The Company will pay you a base salary at the rate of $380,000 per year, payable in accordance with the regular payroll practices of the Company (as may be adjusted, from time to time, the "Base Salary").

(b) Bonus Compensation. For each fiscal year completed during your employment under this Agreement, you will be eligible to earn an annual cash bonus. Your target bonus will be 40.0% of the Base Salary (the "Target Bonus"), with the actual amount of any such bonus being determined by the Board of Directors of the Company (the "Board") in its discretion, based on your performance and that of the Company against goals established by the Board. Except as otherwise expressly provided in Section 5 hereof, you must be employed through the date a bonus is paid in order to be eligible for the bonus.

(c) Participation in Employee Benefit Plans. You will be entitled to participate in all employee benefit plans from time to time in effect for employees of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided you under this Agreement (e.g., a severance pay plan). Your participation will be subject to the terms of the applicable plan documents and generally applicable Company policies, as the same may be in effect from time to time, and any other restrictions or limitations imposed by law.

(d) Vacations. You will be entitled to earn four (4) weeks of vacation per year, in addition to holidays observed by the Company. Vacation may be taken at such times and intervals as you shall determine, subject to the business needs of the Company. Vacation shall otherwise be subject to the policies of the Company, as in effect from time to time.

(e) Business Expenses. The Company will pay or reimburse you for all reasonable business expenses incurred or paid by you in the performance of your duties and responsibilities for the Company, subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as may be specified from time to time. Your right to payment or reimbursement for business expenses hereunder shall be subject to the following additional rules: (i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for payment or reimbursement in any other calendar year, (ii) payment or reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense or payment was incurred, and (iii) the right to payment or reimbursement is not subject to liquidation or exchange for any other benefit.

3. **Confidential Information and Restricted Activities.**

(a) Confidential Information. During the course of your employment with the Company, you will learn of Confidential Information, as defined below, and you may develop Confidential Information on behalf of the Company and its subsidiaries. You agree that you will not use or disclose to any Person (except as required by applicable law or for the proper performance of your regular duties and responsibilities for the Company) any Confidential Information obtained by you incident to your employment or any other association with the Company or any of its subsidiaries. You agree that this restriction shall continue to apply after your employment terminates, regardless of the reason for such termination. Nothing in this Agreement limits, restricts or in any other way affects your communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity. You cannot be held criminally or civilly liable under any federal or state trade secret law for

disclosing a trade secret (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, you may be held liable if you unlawfully access trade secrets by unauthorized means.

(b) Protection of Documents. All documents, records and files, in any media of whatever kind and description, relating to the business, present or otherwise, of the Company or any of its subsidiaries, and any copies, in whole or in part, thereof, other than your rolodex (or electronic equivalent), which we agree is your property, (the "Documents"), whether or not prepared by you, shall be the sole and exclusive property of the Company. You agree to safeguard all Documents and to surrender to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all Documents then in your possession or control. You also agree to disclose to the Company, at the time your employment terminates or at such earlier time or times as the Board or its designee may specify, all passwords necessary or desirable to obtain access to, or that would assist in obtaining access to, any information which you have password-protected on any computer equipment, network or system of the Company or any of its subsidiaries.

(c) Assignment of Rights to Intellectual Property. You shall promptly and fully disclose all Intellectual Property to the Company. You hereby assign and agree to assign to the Company (or as otherwise directed by the Company) your full right, title and interest in and to all Intellectual Property. You agree to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company (or as otherwise directed by the Company) and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. You will not charge the Company for time spent in complying with these obligations. All copyrightable works that you create during your employment shall be considered "work made for hire" and shall, upon creation, be owned exclusively by the Company.

(d) Restricted Activities. You agree that the following restrictions on your activities during and after your employment are necessary to protect the good will, Confidential Information, trade secrets and other legitimate interests of the Company and its subsidiaries:

(i) While you are employed by the Company and during the twelve (12)-month period immediately following termination of your employment, regardless of the reason therefor (in the aggregate, the "Restricted Period"), you shall not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, Compete with the Company or any of its subsidiaries in any geographic area in which the Company does business or is actively planning to do business during your employment or, with respect to the portion of the Restricted Period that follows the termination of your employment, at the time your employment terminates (the "Restricted Area") or undertake any planning for any business competitive with the Company or any of its subsidiaries in the Restricted Area. Specifically, but without limiting the foregoing, you agree not to work or provide services, in any capacity, anywhere in the Restricted Area, whether as an employee, independent contractor or

otherwise, whether with or without compensation, to any Person that is engaged in any business that is competitive with all or any portion of the business of the Company or its subsidiaries, as conducted or in planning during your employment with the Company, or, with respect to the portion of the Restricted Period that follows the termination of your employment, at the time your employment terminates. Notwithstanding the foregoing, in the event of any termination of your employment pursuant to Section 4(b) or Section 4(c) below that occurs prior to the first anniversary of the Start Date, the Restricted Period shall mean the period that commences on the Start Date and ends on the date that is six (6) months following the date that your employment terminates.

(ii) During the Restricted Period, you will not directly or indirectly (a) solicit or encourage any customer, vendor, supplier or other business partner of the Company or any of its subsidiaries to terminate or diminish its relationship with them; or (b) seek to persuade any such customer, vendor, supplier or other business partner or prospective customer, vendor, supplier or other business partner of the Company or any of its subsidiaries to conduct with anyone else any business or activity which such customer, vendor, supplier or other business partner or prospective customer, vendor, supplier or other business partner conducts or could conduct with the Company or any of its subsidiaries; provided, however, that these restrictions shall apply (y) only with respect to those Persons who are or have been a business partner of the Company or any of its subsidiaries at any time within the immediately preceding two (2)-year period or whose business has been solicited on behalf of the Company or any of the subsidiaries by any of their officers, employees or agents within such two (2) year period, other than by form letter, blanket mailing or published advertisement, and (z) only if you have performed work for such Person during your employment with the Company or one of its subsidiaries or been introduced to, or otherwise had contact with, such Person as a result of your employment or other associations with the Company or one of its subsidiaries or have had access to Confidential Information which would assist in your solicitation of such Person.

(iii) During the Restricted Period, you will not, and will not assist any other Person to, (a) hire or engage, or solicit for hiring or engagement, any employee of the Company or any of its subsidiaries or seek to persuade any employee of the Company or any of its subsidiaries to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its subsidiaries to terminate or diminish his, her or its relationship with them. For the purposes of this Agreement, an "employee" or an "independent contractor" of the Company or any of its subsidiaries is any person who was such at any time within the preceding eighteen (18) months.

(e) In signing this Agreement, you give the Company assurance that you have carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on you under this Section 3. You agree without reservation that these restraints are necessary for the reasonable and proper protection of the Company and its subsidiaries, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. You further agree that, were you to breach any of the covenants contained in this Section 3, the damage to the Company and its subsidiaries would be irreparable. You therefore agree that the Company, in addition and not in the alternative to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by you of any of those covenants, without having to post

bond, together with an award of its reasonable attorney's fees incurred in enforcing its rights hereunder. So that the Company may enjoy the full benefit of the covenants contained in this Section 3, you further agree that the Restricted Period shall be tolled, and shall not run, during the period of any breach by you of any of the covenants contained in this Section 3. You and the Company further agree that, in the event that any provision of this Section 3 is determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, that provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law. It is also agreed that each of the Company's subsidiaries shall have the right to enforce all of your obligations to that subsidiary under this Agreement, including without limitation pursuant to this Section 3. Finally, no claimed breach of this Agreement or other violation of law attributed to the Company, or change in the nature or scope of your employment or other relationship with the Company or any of its subsidiaries, shall operate to excuse you from the performance of your obligations under this Section 3.

4. **Termination of Employment.** Your employment under this Agreement shall continue until terminated pursuant to this Section 4.

(a) By the Company for Cause. The Company may terminate your employment for Cause upon notice to you setting forth in reasonable detail the nature of the Cause. The following, as determined by the Board in its reasonable, good faith judgment, shall constitute "Cause" for termination: (i) your substantial failure to perform (other than by reason of disability), or gross negligence in the performance of, your duties and responsibilities to the Company or any of its subsidiaries; (ii) your material breach of this Agreement or any other agreement between you and the Company or any of its subsidiaries; (iii) your commission of, or plea of nolo contendere to, a felony or other crime involving moral turpitude; or (iv) other conduct by you that is or could reasonably be expected to be harmful to the interests or reputation of the Company or any of its subsidiaries.

(b) By the Company Without Cause. The Company may terminate your employment at any time other than for Cause upon notice to you.

(c) By You for Good Cause. You may terminate your employment for Good Cause by (A) providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Cause no later than the thirtieth (30th) day following your first becoming aware of such event or condition; (B) providing the Company a period of (30) days to remedy the event or condition; and (C) terminating your employment for Good Cause within fifteen (15) days following the expiration of the period to remedy if the Company fails to remedy the condition. The following, if occurring without your consent, shall constitute "Good Cause" for termination by you: (i) a material diminution in the nature or scope of your position, duties, or authority (other than temporarily while you are physically or mentally incapacitated to such a degree that you would be eligible for disability benefits under the Company's disability income plan or as required by applicable law); (ii) a material reduction in the Base Salary or the Target Bonus opportunity; (iii) a material breach by the Company of this Agreement; (iv) a requirement by the Company that you relocate to a location more than thirty (30) miles from Watertown, Massachusetts.

(d) By You Without Good Cause. You may terminate your employment at any time without Good Cause upon sixty (60) days' notice to the Company. The Board may elect to waive such notice period or any portion thereof; but in that event, the Company shall pay you the Base Salary for that portion of the notice period so waived.

(e) Death and Disability. Your employment hereunder shall automatically terminate in the event of your death during employment. In the event you become disabled during employment and, as a result, are unable to continue to perform substantially all of your duties and responsibilities under this Agreement, either with or without reasonable accommodation, the Company will continue to pay you the Base Salary and to provide you benefits in accordance with Section 2(c) above, to the extent permitted by plan terms, for up to twelve (12) weeks of disability during any period of three hundred sixty-five (365) consecutive calendar days. If you are unable to return to work after twelve (12) weeks of disability, the Company may terminate your employment, upon notice to you. If any question shall arise as to whether you are disabled to the extent that you are unable to perform substantially all of your duties and responsibilities for the Company and its subsidiaries, you shall, at the Company's request, submit to a medical examination by a physician selected by the Company to whom you or your guardian, if any, has no reasonable objection to determine whether you are so disabled, and such determination shall for purposes of this Agreement be conclusive of the issue. If such a question arises and you fail to submit to the requested medical examination, the Company's determination of the issue shall be binding on you.

5. **Other Matters Related to Termination.**

(a) Final Compensation. In the event of termination of your employment with the Company, howsoever occurring, the Company shall pay you (i) the Base Salary for the final payroll period of your employment, through the date that your employment terminates; (ii) compensation at the rate of the Base Salary for any vacation time earned but not used as of the date your employment terminates; and (iii) reimbursement, in accordance with Section 2(e) hereof, for business expenses incurred by you but not yet paid to you as of the date your employment terminates; provided you submit all expenses and supporting documentation required within sixty (60) days of the date your employment terminates, and provided further that such expenses are reimbursable under Company policies as then in effect (all of the foregoing, "Final Compensation"). Except as otherwise provided in Section 5(a)(iii), Final Compensation will be paid to you within thirty (30) days following the date of termination (or such shorter period required by law).

(b) Severance Payments. In the event of any termination of your employment pursuant to Section 4(b) or Section 4(c) above, the Company will pay you, in addition to Final Compensation, (i) the Base Salary for the period of twelve (12) months from the date of termination, provided, however, that if such termination occurs within twelve (12) months following the Start Date (a "Year One Termination"), the Company will instead pay you, in addition to Final Compensation, the Base Salary for the period of six (6) months from the date of termination; (ii) one times the Target Bonus, or 0.5 times the Target Bonus in the event of a Year One Termination, in either case, payable in equal installments during the period of Base Salary continuation under clause (i); and (iii) provided you timely elect continuation coverage for yourself and your eligible dependents under the federal law known as "COBRA" or similar state

law, a monthly amount that equals the portion of the monthly health premiums paid by the Company on your behalf and that of your eligible dependents immediately preceding the date that your employment terminates until the earlier of (A) the last day of the period of Base Salary continuation under clause (i) and (B) the date that you and your eligible dependents become ineligible for COBRA coverage pursuant to applicable law or plan terms. The severance payments described in clauses (i) through (iii) above are referred to as the "Severance Payments". In the event a Change of Control occurs following the Start Date, and any options to purchase Stock or shares of restricted Stock held by you are assumed or substituted in such Change of Control, all such assumed or substituted options and restricted shares that remain outstanding and are not fully vested at the time of any subsequent termination of your employment pursuant to Section 4(b) or Section 4(c) will accelerate and vest in full upon such termination and the options will remain exercisable until the earlier of the first anniversary of the date of your employment termination (or three (3) months following the date of your employment termination in the case of any incentive stock options) and last day of the option term (the "Equity Acceleration").

(c) Conditions to and Timing of Severance Payments. Any obligation of the Company to provide you the Severance Payments and the Equity Acceleration is conditioned, however, on your signing and returning to the Company a timely and effective separation agreement containing a general release of claims substantially in the form attached hereto as Exhibit A (the "Release of Claims") and other customary terms in the form provided to you by the Company at the time your employment is terminated. The Release of Claims must become effective, if at all, by the sixtieth (60th) calendar day following the date your employment is terminated. Any Severance Payments to which you are entitled will be provided in the form of salary continuation, payable in accordance with the normal payroll practices of the Company. The first payment will be made on the Company's next regular payday following the expiration of sixty (60) calendar days from the date of termination; but that first payment shall include all amounts accrued retroactive to the day following the date your employment terminated.

(d) Benefits Termination. Except as provided in Section 5(b) above or under COBRA, your participation in all employee benefit plans shall terminate in accordance with the terms of the applicable benefit plans based on the date of termination of your employment, without regard to any continuation of the Base Salary or other payment to you following termination and you shall not be eligible to earn vacation or other paid time off following the termination of your employment.

(e) Survival. Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation your obligations under Section 3. The obligation of the Company to make payments to you under Section 5(b), and your right to retain the same, are expressly conditioned upon your continued full performance of your obligations under Section 3 hereof. Upon termination by either you or the Company, all rights, duties and obligations of you and the Company to each other shall cease, except as otherwise expressly provided in this Agreement.

6. **Timing of Payments and Section 409A.**

(a) Notwithstanding anything to the contrary in this Agreement, if at the time your employment terminates, you are a "specified employee," as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six (6) month period or, if earlier, upon your death; except (A) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1.409A-1(b) (including without limitation by reason of a short-term deferral or the safe harbor set forth in Section 1.409A-1(b)(9)(iii), as determined by the Company in its reasonable good faith discretion); (B) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1.409A-1(a)(5); or (C) other amounts or benefits that are not subject to the requirements of, or satisfy an exception from treatment as deferred compensation under, Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A").

(b) For purposes of this Agreement, all references to "termination of employment" and correlative phrases shall be construed to require a "separation from service" (as defined in Section 1.409A-1(h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term "specified employee" means an individual determined by the Company to be a specified employee under Treasury regulation Section 1.409A-1(i).

(c) Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments.

(d) In no event shall the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A.

7. **Definitions**. For purposes of this Agreement, the following definitions apply:

"Change of Control" means

(A) The acquisition by any Person (defined for purposes of this definition as any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act"))) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of the common stock of the Company; provided, however, that for purposes of this subsection (A), an acquisition shall not constitute a Change of Control if it is: (i) either by or directly from the Company, or by an entity controlled by the Company, (ii) by any employee benefit plan, including any related trust, sponsored or maintained by the Company or an entity controlled by the Company ("Benefit Plan"), or (iii) by an entity pursuant to a transaction that complies with clauses (i), (ii) and (iii) of subsection (C) below; or

(B) Individuals who, as of the effective date of this Agreement, constitute the Board (together with the individuals identified in the proviso to this subsection (B), the "Incumbent

Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the effective date of this agreement whose election, or nomination for election by the Company's stockholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be treated as a member of the Incumbent Board unless he or she assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(C) Consummation of a reorganization, merger or consolidation involving the Company, or a sale or other disposition of all or substantially all of the assets of the Company (a "Transaction"), in each case unless, following such Transaction, (i) all or substantially all of the Persons who were the beneficial owners of the common stock of the Company outstanding immediately prior to such Transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the entity resulting from such Transaction (including, without limitation, an entity that as a result of such Transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Transaction, of the outstanding common stock of the Company, (ii) no Person (excluding any entity or wholly-owned subsidiary of any entity resulting from such Transaction or any Benefit Plan of the Company or such entity or wholly-owned subsidiary of such entity resulting from such Transaction) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the transaction and (iii) at least a majority of the members of the board of directors or similar board of the entity resulting from such Transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Transaction; or

(D) Approval by the stockholders of the Company of a liquidation or dissolution of the Company.

"Confidential Information" means any and all information of the Company and its subsidiaries that is not generally available to the public. Confidential Information also includes any information received by the Company or any of its subsidiaries from any Person with any understanding, express or implied, that it will not be disclosed. Confidential Information does not include information that enters the public domain, other than through your breach of your obligations under this Agreement.

"Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by you (whether alone or with others, whether or not during normal business hours or on or off Company premises) during your employment and during the period of twelve (12) months immediately following termination of your employment that relate either to the business of the Company or any of its subsidiaries or to any prospective activity of the Company or any of its subsidiaries or that result from any work performed by you for the Company or any of its subsidiaries or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its subsidiaries.

"Person" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust or any other entity or organization, other than the Company or any of its subsidiaries.

8. **Conflicting Agreements.** You hereby represent and warrant that your signing of this Agreement and the performance of your obligations under it will not breach or be in conflict with any other agreement to which you are a party or are bound, and that you are not now subject to any covenants against competition or similar covenants or any court order that could affect the performance of your obligations under this Agreement. You agree that you will not disclose to or use on behalf of the Company any confidential or proprietary information of a third party without that party's consent.

9. **Withholding.** All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

10. **Assignment.** Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, the Company may assign its rights and obligations under this Agreement without your consent to one of its subsidiaries or to any Person with whom the Company shall hereafter effect a reorganization, consolidate or merge, or to whom the Company shall hereafter transfer all or substantially all of its properties or assets. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of our respective successors, executors, administrators, heirs and permitted assigns.

11. **Severability.** If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. **Miscellaneous.** This Agreement sets forth the entire agreement between you and the Company, and replaces all prior and contemporaneous communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and an expressly authorized representative of the Board. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. This is a Massachusetts contract and shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to any conflict of laws principles that would result in the application of the laws of any other jurisdiction. You agree to submit to the exclusive jurisdiction of the courts situated in the county in which the Company's headquarters is located in connection with any dispute arising out of this Agreement.

13. **Notices.** Any notices provided for in this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, and addressed to you at your last known address on the books of the Company or, in the case of the Company, to it at its principal place of business, attention of the Chairman of the Board, or to such other address as either party may specify by notice to the other actually received.

[Remainder of page intentionally left blank.]

If the foregoing is acceptable to you, please sign this letter in the space provided and return it to me no later than November 2, 2016. At the time you sign and return it, this letter will take effect as a binding agreement between you and the Company on the basis set forth above. The enclosed copy is for your records.

Sincerely yours,

/s/ Nancy Lurker

Nancy Lurker
President & Chief Executive Officer

Accepted and Agreed:

/s/ Deb Jorn
Deb Jorn

Date: November 2, 2016

EXHIBIT A

General Release and Waiver of Claims

For and in consideration of the severance benefits to be provided to me under the letter between me and pSivida Corp. (the "Company"), dated October 22, 2016 (the "Agreement"), which are conditioned on my signing this General Release and Waiver of Claims (this "Release of Claims"), and to which I am not otherwise entitled, and other good and valuable consideration, the receipt and sufficiency of which I hereby acknowledge, on my own behalf and on behalf of my heirs, executors, administrators, beneficiaries, representatives, successors and assigns, and all others connected with or claiming through me, I hereby release and forever discharge the Company and its Affiliates, and all of their respective past, present and future officers, directors, shareholders, employees, employee benefits plans, administrators, trustees, agents, representatives, consultants, predecessors, successors and assigns, and all those connected with any of them, in their official and individual capacities (collectively, the "Released Parties"), from any and all causes of action, suits, rights and claims, demands, damages and compensation of any kind and nature whatsoever, whether at law or in equity, whether now known or unknown, suspected or unsuspected, contingent or otherwise, which I now have or ever have had against the Released Parties, or any of them, in any way related to, connected with or arising out of my employment and/or other relationship with the Company or any of its Affiliates, or the termination of such employment and/or other relationship, or pursuant to Title VII of the Civil Rights Act, the Americans With Disabilities Act, the Family and Medical Leave Act, the Age Discrimination in Employment Act (as amended by the Older Workers Benefit Protection Act), the Employee Retirement Income Security Act, the wage and hour, wage payment and fair employment practices laws of the state or states in which I have provided services to the Company or any of its Affiliates (each as amended from time to time) and/or any other federal, state or local law, regulation, or other requirement (collectively, the "Claims") through the date that I sign this Release of Claims, and I hereby waive all such Claims. For purposes of this Release of Claims, "Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

I understand that nothing contained in this Release of Claims shall be construed to prohibit me from filing a charge with or participating in any investigation or proceeding conducted by the federal Equal Employment Opportunity Commission or a comparable state or local agency; provided, however, that I hereby agree to waive my right to recover monetary damages or other individual relief in any such charge, investigation or proceeding or any related complaint or lawsuit filed by me or by anyone else on my behalf. I further understand that nothing contained in this Release of Claims shall be construed to limit, restrict or in any other way affect my communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to such governmental agency or entity. Subject to this paragraph, I agree that (a) I will not disclose this Release of Claims or any of its terms or provisions, directly or by implication, except to members of my immediate family and to my legal and tax advisors, and then only on condition that they agree not to further disclose this Release of Claims or any of its terms or provisions to others and (b) I will not disparage or criticize the Company, its Affiliates, their business, their management or their products or services.

[I acknowledge and agree I have received any and all compensation and benefits due to me from the Company or any of its Affiliates, whether for services provided to the Company, under the Agreement, or otherwise, through the date that my employment with the Company terminated. I further acknowledge that, except as expressly provided hereunder, no further compensation or benefits are owed or will be provided to me by the Company or any of its Affiliates.][1]

I acknowledge that I will continue to be bound by my obligations under the Agreement and under [ ][2] that survive the termination of my employment by the terms thereof (the "Continuing Obligations"). I further acknowledge that the obligation of the Company to make the Severance Payments and provide the Equity Acceleration to me under the Agreement, and my right to retain the same, are expressly conditioned upon my continued full performance of the Continuing Obligations.

I understand that I must sign this Release of Claims, if at all, within [twenty-one (21)/forty-five (45)] days of the date hereof, and in no event prior to the date that my employment with the Company terminates. I acknowledge that this Release of Claims creates legally binding obligations, and that the Company has advised me to consult an attorney before signing it. In signing this Release of Claims, I give the Company assurance that I have signed it voluntarily and with a full understanding of its terms; that I have had sufficient opportunity of not less than [twenty-one (21)/forty-five (45)] days before signing this Release of Claims to consider its terms and to consult with an attorney, if I wished to do so, or to consult with any of the other persons described in the third sentence of the second paragraph hereof; and that I have not relied on any promises or representations, express or implied, that are not set forth expressly in this Release of Claims. [I understand that I will have seven (7) days after signing this Release of Claims to revoke my signature, and that, if I intend to revoke my signature, I must do so in writing addressed and delivered to the [Contact Name and Title] prior to the end of the seven (7)-day revocation period.][3] I understand that this Release of Claims will become effective [at the time that I sign it/upon the eighth (8th) day following the date that I sign it, provided that I do not revoke my acceptance in accordance with the immediately preceding sentence]. This Release constitutes the entire agreement between me and the Company or any of its Affiliates and supersedes all prior and contemporaneous communications, agreements and understandings, whether written or oral, with respect to my employment, its termination and all related matters, excluding only the Continuing Obligations, which shall remain in full force and effect in accordance with their terms.

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1 Note to Draft: To be adjusted depending on when the release is presented to the Executive and whether final compensation has been paid yet.

2 Note to Draft: To include any other relevant documents.

3 Note to Draft: To be included if elected by the Company at the time of separation.

Accepted and agreed:

Signature: _____
Deb Jorn

Date: _____

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

Name of Grantee: Deb Jorn

No. of Restricted Stock Units Subject to Award: 200,000

Grant Date: November 2, 2016

Pursuant to the pSivida Corp. 2008 Incentive Plan (as amended from time to time, the "Plan"), as amended through the date hereof, and this agreement (this "Agreement"), pSivida Corp., a Delaware corporation (the "Company") hereby grants an award (the "Award") of performance-based restricted stock units (the "Restricted Stock Units") to the Grantee named above.

1. Grant of Award. On the grant date (the "Grant Date") set forth above, the Grantee shall receive the Award, consisting of the right to receive, on the terms and subject to the conditions and restrictions provided herein and in the Plan, one share of common stock of the Company ("Stock") with respect to each Restricted Stock Unit forming a part of the Award, in each case, subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Relationship to and Incorporation of the Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 3 of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

3. Conditions. If the Grantee's Employment is voluntarily or involuntarily terminated for any reason prior to the TSR Measurement Date, all such unvested Restricted Stock Units shall immediately and automatically be forfeited.

4. Vesting of Restricted Stock Units; Delivery of Stock.

(a) Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock Units will vest following the end of the Performance Period to the extent earned in accordance with the performance objective set forth on Exhibit A, subject to the Administrator certifying in its sole discretion the achievement of such performance objective, and further subject to the Grantee's remaining in continuous Employment through the TSR Measurement Date (as defined in Exhibit A).

(b) In the event of a Change of Control prior to the Performance Period End Date (as defined in Exhibit A), the Administrator shall determine the extent to which the

performance objective is met, treating the date of such Change of Control as the Performance Period End Date, and the number of Restricted Stock Units that will vest, if any, and the TSR Measurement Date shall be the date of such Change of Control.

(c) The Company shall deliver to the Grantee as soon as practicable after the vesting of Restricted Stock Units, but in all events no later than sixty (60) days following the date on which such Restricted Stock Units vest, one share of Stock with respect to each such vested Restricted Stock Unit, subject to the terms and conditions of the Plan and this Agreement.

(d) For purposes of this Agreement:

5. Dividends; Other Rights. The Award shall not be interpreted to bestow upon the Grantee any equity interest or ownership in the Company or any of its affiliates prior to the date on which the Company delivers shares of Stock (if any) in respect thereof to the Grantee. The Grantee is not entitled to vote any shares of Stock by reason of the granting of this Award or to receive or be credited with any dividends declared and payable on any share of Stock prior to the date on which any such share is delivered to the Grantee hereunder. The Grantee shall have the rights of a shareholder only as to those shares of Stock, if any, that are actually delivered under this Award.

6. Transferability. This Agreement is personal to the Grantee, and the Award and the Restricted Stock Units are not assignable or transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Company shall cause the required minimum tax withholding obligation to be satisfied by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

8. Election Under Section 83(b). The Grantee expressly acknowledges that because this Award consists of an unfunded and unsecured promise by the Company to deliver Stock in the future, subject to the terms hereof, it is not possible to make a so-called “83(b) election” with respect to the Award.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address set forth below or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

10. Acknowledgments. By accepting the Award, the Grantee agrees to be bound by, and agrees that the Award and the Restricted Stock Units are subject in all respects to, the terms of the Plan. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which, taken together, will constitute one and the same legal instrument.

Executed as of the 3rd day of November, 2016.

pSivida Corp.

By: /s/ Nancy Lurker
Name: Nancy Lurker
Title: President & CEO

/s/ Deb Jorn
Grantee's Signature

Grantee's name:

Deb Jorn

1. Definitions. The terms set forth below, as used in this Exhibit A or the Agreement, shall have the following meanings:

(a) "Change of Control" shall mean:

(i) the acquisition by any Person (defined solely for purposes of this definition as any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act"))) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of thirty-five percent (35%) or more of the common stock of the Company; provided, however, that for purposes of this subsection (i), an acquisition shall not constitute a Change of Control if it is: (A) either by or directly from the Company, or by an entity controlled by the Company, (B) by any employee benefit plan, including any related trust, sponsored or maintained by the Company or an entity controlled by the Company ("Benefit Plan"), or (C) by an entity pursuant to a transaction that complies with the clauses (A), (B) and (C) of Section 1(a)(iii) below; or

(ii) individuals who, as of the Grant Date, constitute the Board (together with the individuals identified in the immediately following proviso to this Section 1(a)(ii), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Grant Date whose election, or nomination for election by the Company's stockholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be treated as a member of the Incumbent Board unless he or she assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) the consummation of a reorganization, merger or consolidation involving the Company, or a sale or other disposition of all or substantially all of the assets of the Company, (a "transaction") in each case unless, following such transaction, (A) all or substantially all of the Persons who were the beneficial owners of the common stock of the Company outstanding immediately prior to such transaction beneficially own, directly or indirectly, more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of the entity resulting from such transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such transaction, of the outstanding common stock of the Company, (B) no Person (excluding any entity or wholly owned subsidiary of any entity resulting from such transaction or any Benefit Plan of the Company or such entity or wholly owned subsidiary of such entity resulting from such transaction) beneficially owns, directly or indirectly, thirty-five percent (35%) or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the transaction and (C) at least a majority of the members of

the board of directors or similar board of the entity resulting from such transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such transaction; or

(iv) the approval by the stockholders of the Company of a liquidation or dissolution of the Company.

(b) "NBI Companies" shall mean the companies making up the NASDAQ Biotechnologies Index.

(c) "Performance Period" shall mean the period beginning on November 2, 2016 and ending on the earliest of a Change of Control and November 1, 2019.

(d) "Performance Period End Date" shall mean the earliest of a Change of Control and November 1, 2019.

(e) "Total Shareholder Return" shall mean the change in value expressed as a percentage of a given dollar amount invested in a company's most widely publicly traded stock over the Performance Period, taking into account both stock price appreciation (or depreciation) and the reinvestment of dividends (including the cash value of non-cash dividends) in such stock of the company. The average closing price of Stock and the stock of the NBI Companies, as applicable, of the thirty (30) consecutive trading days ending on each of November 1, 2016 and the Performance Period End Date will be used to value Stock and the stock of the NBI Companies, as applicable. Dividend reinvestment will be calculated using the closing price of Stock or the stock of the applicable NBI Company, as applicable, on the ex-dividend date for the applicable dividend or, if no trades were reported on such date, the latest preceding date for which a trade was reported.

(f) "TSR Measurement Date" shall mean the date on which the Administrator determines the number of Restricted Stock Units that have been earned with respect to the Award, which date shall occur not later than forty-five (45) days after the Performance Period End Date (or, in the case of a Performance Period End Date that is a Change of Control, such TSR Measurement Date shall be the date of such Change of Control).

(g) "TSR Percentile Rank" shall mean, as of the Performance Period End Date, the percentage of Total Shareholder Return values among the NBI Companies that are equal to or lower than the Company's Total Shareholder Return, provided that if the Company's Total Shareholder Return falls between the Total Shareholder Return of two of the NBI Companies, the TSR Percentile Rank shall be adjusted by interpolating the Company's Total Shareholder Return on a straight-line basis between the Total Shareholder Return of the two NBI Companies that are closest to the Company's.

2. Earning of Restricted Stock Units. No Restricted Stock Units shall vest unless they have become earned in accordance with this Section 2. No portion of the Restricted Stock Units shall vest unless the TSR Percentile Rank is above the 50th percentile. If the TSR Percentile Rank performance objective described in the previous sentence has been met as of the Performance Period End Date, the portion of the Award that vests shall be equal to the number of Restricted Stock Units set forth in the table below.

TSR Percentile Rank	Number of Restricted Stock Units
50th percentile	150,000
75th percentile	175,000
90th percentile	200,000

Notwithstanding any of the foregoing, in the event that the Company's Total Shareholder Return is negative, no portion of the Award shall vest, even if the TSR Percentile Rank is above the 50th percentile.

3. Determinations by the Administrator. On the TSR Measurement Date, the Administrator shall determine the extent to which, if any, the performance objective has been met and the number of Restricted Stock Units that are earned hereunder. No Restricted Stock Units shall be earned until the Administrator certifies that the performance objective has been met and certifies the extent to which they have so been met. Any Restricted Stock Units that vest shall be rounded down to the nearest whole number of Shares, and any fractional vested Restricted Stock Units shall be disregarded. All determinations under this Exhibit A shall be made by the Administrator and will be final and binding on the Grantee.

3. Section 162(m). The Award is intended to qualify as exempt performance-based compensation under Section 162(m) of the Code and shall be interpreted consistently with this intent.

Nonstatutory Stock Option
Granted Under pSivida Corp. 2008 Incentive Plan

1. Grant of Option.

This certificate evidences a nonstatutory stock option (this "Stock Option") granted by pSivida Corp., a Delaware corporation (the "Company"), on November 2, 2016 (the "Date of Grant") to Deb Jorn (the "Participant") pursuant to the Company's 2008 Incentive Plan (as from time to time in effect, the "Plan"). Under this Stock Option, the Participant may purchase, in whole or in part, on the terms herein provided, a total of 300,000 shares of common stock of the Company (the "Shares") at $1.91 per Share, which is not less than the fair market value of a Share on the Date of Grant. The latest date on which this Stock Option, or any part thereof, may be exercised is 5:00 P.M. Eastern Time on November 2, 2026 (the "Final Exercise Date"). The Stock Option evidenced by this certificate is intended to be, and is hereby designated, a nonstatutory option, meaning an option that does *not* qualify as an incentive stock option as defined in section 422 of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

2. Vesting.

(a) During Employment. This Stock Option will vest and become exercisable with respect to 25% of the Shares on each of the first, second, third and fourth anniversaries of the Grant Date; provided that, and subject to Section 2(c) below, upon a cessation of the Participant's Employment by reason of an involuntary termination without Cause (as defined in the Employment Agreement between the Company and the Participant dated October 31, 2016 ("Employment Agreement") ("Cause")) or a voluntary termination for Good Cause (as defined in the Employment Agreement ("Good Cause")) any unvested portion of this Stock Option that would have vested as of the first anniversary of the cessation of the Participant's Employment had the Participant continued in Employment through such first anniversary will vest immediately prior to such cessation of Employment.

(b) Termination of Employment. Notwithstanding the foregoing, and subject to Section 2(c) below, the following rules will apply if a Participant's Employment ceases regardless of the circumstances: automatically and immediately upon the cessation of Employment, this Stock Option will cease to be exercisable and will terminate, except that:

(I) such portion, if any, of this Stock Option as is held by the Participant immediately prior to the cessation of the Participant's Employment for any reason other than for Cause or as a result of Participant's death and as is then exercisable (after giving effect to any accelerated vesting owing to a cessation of Employment by reason of an involuntary termination without Cause or a voluntary termination for Good Cause pursuant to Section 2(a) above), will remain exercisable until (i) 5:00 P.M. Eastern Time on the last day of the three-month period commencing on the date of such cessation of Employment or (ii) the Final Exercise Date, if earlier, and will thereupon terminate;

(II) such portion, if any, of this Stock Option as is held by the Participant immediately prior to the Participant's death and as is then exercisable, will remain exercisable until (i) 5:00 P.M. Eastern Time on the first anniversary of the Participant's death or (ii) the Final Exercise Date, if earlier, and will thereupon terminate; and

(III) such portion, if any, of this Stock Option as is held by the Participant immediately prior to the cessation of the Participant's Employment for Cause will immediately terminate.

(c) Change of Control. Notwithstanding any other provision of this Section 2 to the contrary, if a Change of Control occurs, whether or not the Change of Control also constitutes a Covered Transaction, and within the 24 months thereafter there is a cessation of the Participant's Employment by reason of an involuntary termination without Cause or a voluntary termination for Good Cause, the provisions of this Section 2(c) shall apply:

(I) This Stock Option, if it survives the Change of Control, including any stock option granted in substitution for this Stock Option in connection with the Change of Control, shall automatically vest and become exercisable immediately prior to such cessation of Employment and will remain exercisable until (i) 5:00 P.M. Eastern Time on the first anniversary of the date of such cessation of Employment or (ii) the Final Exercise Date, if earlier, and will thereupon terminate; provided that, in the event of the Participant's death during such extended exercise period following a Change of Control, any portion of this Stock Option as is held by the Participant immediately prior to the Participant's death will remain exercisable until (i) 5:00 P.M. Eastern Time on the first anniversary of the Participant's death or (ii) the Final Exercise Date, if earlier, and will thereupon terminate.

(II) Any and all performance or other vesting conditions imposed pursuant to Section 7(a)(5) of the Plan with respect to any stock, cash or other property delivered in exchange for this Stock Option in connection with the Change of Control shall automatically be deemed to have been satisfied immediately prior to such cessation of Employment.

(III) For purposes of this Section 2(c), "Employment" shall be deemed to include employment with any successor to the Company's business or assets in connection with a Change of Control.

(IV) For purposes of this Stock Option, "Change of Control" shall mean:

(A) the acquisition by any Person (defined as any individual, entity or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act"))) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 35% or more of the common stock of the Company; provided, however, that for purposes of this subsection (a), an acquisition shall not

constitute a Change of Control if it is: (i) either by or directly from the Company, or by an entity controlled by the Company, (ii) by any employee benefit plan, including any related trust, sponsored or maintained by the Company or an entity controlled by the Company ("Benefit Plan"), or (iii) by an entity pursuant to a transaction that complies with the clauses (i), (ii) and (iii) of subsection (C) below; or

(B) individuals who, as of the Date of Grant, constitute the Board (together with the individuals identified in the proviso to this Section 2(c)(IV)(B), the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Date of Grant whose election, or nomination for election by the Company's stockholders, was approved by at least a majority of the directors then comprising the Incumbent Board shall be treated as a member of the Incumbent Board unless he or she assumed office as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(C) consummation of a reorganization, merger or consolidation involving the Company, or a sale or other disposition of all or substantially all of the assets of the Company, (a "transaction") in each case unless, following such transaction, (i) all or substantially all of the Persons who were the beneficial owners of the common stock of the Company outstanding immediately prior to such transaction beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the entity resulting from such transaction (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such transaction, of the outstanding common stock of the Company, (ii) no Person (excluding any entity or wholly owned subsidiary of any entity resulting from such transaction or any Benefit Plan of the Company or such entity or wholly owned subsidiary of such entity resulting from such transaction) beneficially owns, directly or indirectly, 35% or more of the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the transaction and (iii) at least a majority of the members of the board of directors or similar board of the entity resulting from such transaction were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such transaction; or

(D) approval by the stockholders of the Company of a liquidation or dissolution of the Company.

(d) Notwithstanding the foregoing provisions of this Section 2, this Stock Option shall not vest or become eligible to vest on any date specified above unless the Participant has continuously been, since the Grant Date until the date immediately prior to such termination of Employment, Employed by the Company, its Affiliates, its subsidiaries, or, following a Change of Control, any successor to the Company's business or assets in connection with the Change of Control.

3. Exercise of Stock Option.

Each election to exercise this Stock Option shall be in writing, signed by the Participant or the Participant's executor, administrator, or legally appointed representative (in the event of the Participant's incapacity) or the person or persons to whom this Stock Option is transferred by will or the applicable laws of descent and distribution (collectively, the "Option Holder"), and received by the Company at its principal office, accompanied by this certificate and payment in full as provided in the Plan. Subject to the further terms and conditions provided in the Plan, the purchase price may be paid as follows: (i) by delivery of cash or check acceptable to the Administrator; or (ii) through a broker-assisted exercise program acceptable to the Administrator; or (iii) by any other means acceptable to the Administrator, or (iv) by any combination of the foregoing means of exercise. In the event that this Stock Option is exercised by an Option Holder other than the Participant, the Company will be under no obligation to deliver Shares hereunder unless and until it is satisfied as to the authority of the Option Holder to exercise this Stock Option.

4. Withholding.

Except as otherwise determined by the Administrator, this Stock Option may not be exercised unless the person exercising this Stock Option timely remits to the Company, in cash, all amounts required to be withheld upon exercise (all as determined by the Administrator) or makes other arrangements satisfactory to the Administrator for the payment of such taxes.

5. Nontransferability of Stock Option.

This Stock Option is not transferable by the Participant otherwise than by will or the laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant (or in the event of the Participant's incapacity, the person or persons legally appointed to act on the Participant's behalf).

6. Provisions of the Plan.

This Stock Option is subject to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the date of the grant of this Stock Option has been furnished to the Participant. By accepting this Stock Option, the Participant agrees to be bound by the terms of the Plan and this certificate. All initially capitalized terms used herein will have the meaning specified in the Plan, unless another meaning is specified herein.

7. Other Agreements.

The Company and Participant agree, in consideration of the grant of this Stock Option, and other good and valuable consideration, the receipt of which is mutually acknowledged, that the provisions of Section 2 shall supersede the provisions of any other agreement between the Company and Participant regarding the vesting and exercise of this Stock Option following a cessation of the Participant's Employment by reason of an involuntary termination without Cause or a voluntary termination for Good Cause.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer.

pSivida Corp.

By /s/ Nancy Lurker

Dated: November 2, 2016

Acknowledged and agreed:

/s/ Deb Jorn
Deb Jorn

Dated: November 3, 2016

September 20, 2016

By hand delivery

Dr. Paul Ashton

Dear Paul:

As we have discussed, you have resigned from pSivida Corp. (the "Company") as Chief Executive Officer and as a member of the Board of Directors of the Company effective September 14, 2016, and as a result your employment with the Company will terminate, effective as of September 14, 2016 (the "Separation Date"). The purpose of this letter (this "Agreement") is to confirm the terms concerning your separation from employment, as follows:

1. **Termination of Employment.** Effective as of the Separation Date your employment with the Company will terminate and you will cease to serve in any and all officer positions you hold with the Company or any of its Affiliates, any and all memberships you hold on any board of directors or any other governing board of the Company or any of its Affiliates, and any and all memberships you hold on any of the committees of any such boards.

2. **Final Salary and Vacation Pay.** You acknowledge that, on or before the Separation Date, you will receive pay for all work you performed for the Company through the Separation Date, to the extent not previously paid, as well as pay, at your final base rate of pay, for any vacation days you have earned but not used as of the Separation Date, determined in accordance with Company policy and as reflected on the books of the Company.

3. **Severance Benefits.** In consideration of your signed acceptance of this Agreement and subject to your meeting in full your obligations under it, including signing an effective Release (as defined below) and complying with the Continuing Obligations (as defined below), you will receive the following severance benefits:

(a) The Company will pay you the amount of $543,016.22, which is equal to (i) one year of your base salary of $477,409.00, as in effect on the Separation Date, plus (ii) $65,607.22, which reflects a pro-rata portion of the Maximum Bonus (as defined in the letter agreement between you and the Company dated October 31, 2008 (the "Employment Agreement," attached hereto as Exhibit A)) you would be eligible to receive in 2016 (collectively, the "Cash Severance Benefits"). The Cash Severance Benefits will be

paid in a lump sum on the first scheduled payroll date of the Company following the latest of (x) the Separation Date, (y) the date the Company receives the Release, and (z) the date the revocation period specified in the Release expires.

(b) Provided you timely elect to continue medical and dental coverage under COBRA, the Company will contribute toward your medical and dental benefits at the same rate as it contributes to medical and dental coverage for the Company's other executive-level employees for twelve (12) months following the Separation Date (the "COBRA Benefits"). In addition, the Company will pay you a cash amount equal to the premium cost that the Company would incur to provide you life and disability insurance coverage for twelve (12) as the rates in effect on the Separation Date (the "Benefits Payment").

(c) 180,100 of the Options (as defined below) will immediately vest in full upon the Separation Date. The accelerated vesting described in this Section 3(c), collectively with the Cash Severance Benefits, the COBRA Continuation, and the Benefits Payment are referred to herein in as the "Severance Benefits."

4. **Acknowledgement of Full Payment and Withholding.**

(a) You acknowledge and agree that the payments provided under Section 2 and Section 3 of this Agreement, and the vesting of the Options under Section 3(c), are in complete satisfaction of any and all compensation or benefits due to you from the Company, whether for services provided to the Company or otherwise, through the Separation Date and that, except as expressly provided under this Agreement, no further compensation or benefits are owed or will be paid to you.

(b) All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law and all other lawful deductions authorized by you.

5. **Status of Employee Benefits, Paid Time Off, Expenses, and Equity Awards.**

(a) Except for any right you may have to continue your participation and that of your eligible dependents in the Company's medical, dental, and vision plans under the federal law known as "COBRA" or similar applicable law, your participation in all employee benefit plans of the Company will end as of the Separation Date, in accordance with the terms of those plans. You acknowledge that you will not continue to earn paid time off or other similar benefits after the Separation Date. You will receive information about your COBRA continuation rights under separate cover.

(b) Within two (2) weeks following the Separation Date, you must submit your final expense reimbursement statement reflecting all business expenses you incurred

through the Separation Date, if any, for which you seek reimbursement, and, in accordance with Company policy, reasonable substantiation and documentation for the same. The Company will reimburse you for your authorized and documented expenses within thirty (30) days of receiving such statement pursuant to its regular business practice.

(c) You acknowledge and agree that as of the Separation Date, you will hold 1,441,780 options to purchase common stock of the Company, 1,235,530 of which will be vested as of the Separation Date (taking into account the accelerated vesting under Section 3(c) above), and 206,250 of which will be unvested as of the Separation Date (the "Options"). You further acknowledge and agree that each of the Options that is vested as of the Separation Date will remain outstanding and exercisable until the date that is twelve (12) months following the Separation Date, and each of the Options that is unvested as of the Separation Date will automatically terminate upon your termination of employment. In addition, you acknowledge and agree that the fiscal year 2017 award to you of 445,000 options to purchase common stock of the Company that was subject to approval by the stockholders of the Company will automatically terminate upon your termination of employment.

6. **Continuing Obligations, Confidentiality and Non-Disparagement.**

(a) You acknowledge that you continue to be bound by your obligations under the Employment Agreement and the Non-Competition Agreement between you and the Company dated October 3, 2005 (the "Non-Competition Agreement," attached hereto as Exhibit B) that survive the termination of your employment by necessary implication or the terms thereof (the "Continuing Obligations"). For the avoidance of doubt, you acknowledge and agree that your resignation constitutes a termination of employment covered by Section 3(b) of the Non-Competition Agreement. Nothing in this Agreement or the Continuing Obligations limits, restricts or in any other way affects your communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity.

(b) Subject to Section 5(a) of this Agreement and as expressly provided in the Release, you agree that you will not disclose this Agreement or any of its terms or provisions, except to members of your immediate family and to your legal and tax advisors, and then only on condition that they agree not to further disclose this Agreement or any of its terms or provisions to others, provided you may disclose the existence of, but not the terms of, this Agreement. However, the foregoing non-disclosure obligation shall not apply to the extent this Agreement or any agreement referenced herein is publicly filed.

7. **Return of Company Documents and Other Property.** In signing this Agreement, you represent and warrant that, except as may otherwise be agreed in writing by the Company, you will return to the Company, on or after the Separation Date, any and all documents, materials and information (whether in hardcopy, on electronic media or otherwise) related to the business of the Company and its Affiliates (whether present or

otherwise), and all keys, access cards, credit cards, computer hardware and software, telephones and telephone-related equipment and all other property of the Company or any of its Affiliates in your possession or control. Further, you represent and warrant that you will not retain any copy or derivation of any documents, materials or information (whether in hardcopy, on electronic media or otherwise) of the Company or any of its Affiliates. Recognizing that your employment with the Company will terminate as of the Separation Date, you represent and warrant that you will not, following the Separation Date, for any purpose, attempt to access or use any computer or computer network or system of the Company or any of its Affiliates, including, without limitation, the electronic mail system, and you agree that you will not do so. Further, you acknowledge that you have disclosed to the Company all passwords necessary or desirable to obtain access to, or that would assist in obtaining access to, all information which you have password-protected on any computer equipment, network or system of the Company or any of its Affiliates. For the purposes of this Agreement, "Affiliates" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, equity interest or otherwise.

8. **Employee Cooperation.** You agree to cooperate with the Company and its Affiliates hereafter with respect to all matters arising during or related to your employment, including, but not limited to, all matters in connection with any governmental investigation, litigation or regulatory or other proceeding which may have arisen or which may arise following the signing of this Agreement. The Company will reimburse your out-of-pocket expenses incurred in complying with Company requests hereunder, provided such expenses are authorized by the Company in advance.

9. **General Release of Claims.** In exchange for the Severance Benefits provided to you under this Agreement, to which you would not otherwise be entitled, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, you agree to sign and not revoke the general release of claims attached hereto as Exhibit C (the "Release") by the time period specified therein. You further acknowledge and agree that a signed and unrevoked Release is an express condition to your receipt and retention of the Severance Benefits.

10. **Miscellaneous.**

(a) This Agreement constitutes the entire agreement between you and the Company, and supersedes all prior and contemporaneous communications, agreements and understandings, whether written or oral, with respect to your employment, its termination and all related matters, excluding only the Continuing Obligations, and your obligations with respect to the securities of the Company, all of which shall remain in full force and effect in accordance with their terms.

(b) This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and the Chairman of the Board of Directors of the Company or his expressly authorized designee. The captions and headings in this Agreement are for convenience only, and in no way define or describe the scope or content of any provision of this Agreement.

(c) The obligation of the Company to make payments or provide benefits to you or on your behalf under Section 3 of this Agreement, and your right to retain the same, is expressly conditioned upon your continued full performance of your obligations under this Agreement and the Continuing Obligations.

(d) This is a Massachusetts contract and shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to any conflict of laws principles that would result in the application of the laws of another jurisdiction. You agree to submit to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts in connection with any dispute arising out of this Agreement.

Formalities aside, I want to take this opportunity to thank you for all of your efforts on behalf of the Company and to wish you well in your future endeavors.

Sincerely,
pSivida Corp.

By: /s/ David J. Mazzo
David J. Mazzo, Ph.D.
Chairman of the Board of Directors

Accepted and agreed:

Signature: /s/ Paul Ashton
Paul Ashton, Ph.D.

Date: September 20, 2016

Exhibit A

Employment Agreement

PSIVIDA CORP.

October 31, 2008

Dr. Paul Ashton
76 Page Road
Newton, MA 02460

Dear Dr. Ashton:

On behalf of the Board of Directors of pSivida Corp., a Delaware corporation (the **"Company"**), I am pleased to offer you, Paul Ashton (referred to herein as **"you"** or **"Executive"**) the following employment agreement pursuant to this letter (the **"Agreement"**):

1. **Employment:** The Company agrees to employ you, and you agree to serve in the Company's employ, on and subject to the terms and conditions hereinafter set forth.

2. **Duties and Responsibilities:** You will hold the title of and will serve as (i) Managing Director an executive officer position with ultimate executive authority in the management team reporting directly to the Board of Directors of the Company, You agree to work full-time at your positions with the Company and to devote your entire working time, skill, attention and best efforts to the discharge of your duties and responsibilities and to promoting the best interests of the Company. Participation in charitable and professional organizations is allowed so long as such activities do not interfere with your duties and responsibilities or compete with the business and activities of the Company, as further set forth in that certain Non-Competition Agreement, dated October 3, 2005, between you and the Company (the **"Non-Competition Agreement"**).

3. **Term:** The term of your employment will be from the date hereof until such time as your employment is terminated by mutual consent of the parties or in accordance with, and subject to the obligations set forth in, Section 8.

4. **Compensation:** You shall receive compensation commensurate with that received by the other Executive Directors of the Company, including without limitation the following initial terms:

(a) *Base Salary*: Your base salary as of the date hereof will be Three Hundred Thousand Dollars ($300,000) per year (the **"Base Salary"**), payable in accordance with the policies and procedures of the Company or the Subsidiary, as the case may be, as in effect from time to time. The Company will review your Base Salary on an annual basis and may elect to increase (but not decrease) it pursuant to such review.

(b) *Bonus:* In addition to your base salary, you will be eligible to receive an annual cash bonus in an amount to be determined by the Company's Board of Directors (the **"Bonus"**).

(c) *Stock Options:* You will be eligible to participate in the Company's Employee Share Option Plan in accordance with the terms and guidelines thereof. The issuance of options and shares thereunder shall be subject to the approval of the Board of Directors or shareholders of the Company. Notwithstanding the foregoing, the Company agrees that you will receive grants of stock options commensurate with those received by other Executive Directors of the Company. In addition, as soon as practicable after the execution of this Agreement, you will be granted stock options to purchase 500,000 of the Company's ordinary shares at an exercise price of 0.92 Australian dollars per share. Except as provided in Section 8(c), these options shall vest in accordance with the vesting schedule described below, subject to the Company achieving certain milestones that the parties shall determine by mutual agreement, and once vested shall be exercisable (unless earlier terminated) until December 31, 2010.

Number of Ordinary Shares	Vesting Schedule
250,000	December 31, 2006
250,000	December 31, 2007

The initial terms set forth above shall be subject to review and adjustment on an annual basis to ensure that your overall compensation package is commensurate with the compensation package, including base salary, bonus and stock options grants, of other Executive Directors of the Company.

5. **Expenses:** You shall be reimbursed for reasonable business-related expenses in accordance with applicable policies and procedures of the Company or the Subsidiary, as the case may be, as in effect from time to time.

6. **Vacation, Fringe Benefits and Indemnification:** You will be entitled to four (4) weeks' paid vacation per calendar year and fringe benefits in accordance with the policies of the Subsidiary, which benefits shall include (i) participation in any employee pension benefit plan within the meaning of Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended (**"ERISA"**), including the 401(k) savings plan adopted or maintained by the Subsidiary, made generally available to executives of the Subsidiary and (ii) participation in any health insurance, disability insurance, group life insurance or any other employee welfare benefit plan within the meaning of Section 3(1) of ERISA made generally available to executives of the Subsidiary. The Company and the Subsidiary will provide you with indemnification to the fullest extent permitted under the applicable Certificate of Incorporation, By-Laws, Constitution or other governing documents of the Company or the Subsidiary, as the case may be.

7. **Taxes:** All payments made to you pursuant to this Agreement or otherwise in connection with your employment shall be subject to the usual withholding practices of the Company or the Subsidiary, as the case may be, and will be made in compliance with existing federal and state requirements regarding the withholding of taxes.

8. **Termination and Severance Benefits:** Either you or the Company may at any time terminate your employment with the Company and the Subsidiary after giving two weeks' notice to the other party, provided that the parties discharge their respective obligations as set forth in this Section 8 and elsewhere in this Agreement.

(a) *Termination Upon Death or Disability:* If you cease to be an employee of the Company and the Subsidiary as a result of death or Disability, the Company will have no further obligation or liability to you hereunder other than for (i) Base Salary earned and unpaid at the date of termination, (ii) Bonus earned (*i.e.* all targets or other requirements necessary to receive the Bonus have been met) but unpaid at the date of termination, if any, and (iii) compensation for accrued vacation, if any (the **"Accrued Obligations"**). However, nothing in this Agreement shall adversely affect your rights or those of your family or beneficiaries under any applicable plans, policies or arrangements of the Company or the Subsidiary.

(b) *Termination by the Company for Cause or by You Without Good Cause:* If the Company terminates your employment for Cause (as defined in Section 8(d)) or if you terminate your employment other than for Good Cause (as defined in Section 8(d)), the Company and the Subsidiary shall have no further obligation or liability to you hereunder other than for payment of the Accrued Obligations.

(c) *Termination by the Company Without Cause or by You for Good Cause:* If the Company terminates your employment other than for Cause, or you terminate your employment for Good Cause, then, in addition to payment of the Accrued Obligations, you shall receive the following:

(i) The Company will pay you, within thirty (30) days following the later of (a) the termination of employment, or (b) the date you deliver to the Company a release of claims in accordance with Section 8(e), a lump-sum cash amount equal to the sum of (x) an amount equal to one year's then-current Base Salary plus (y) a pro rata portion (based on the number of weeks worked in the year of termination) of the Maximum Bonus (as defined in Section 8(d)) that would otherwise be payable to you in the year that the termination occurs, if any (the **"Severance Payment"**). The parties acknowledge and agree that the obligation to pay the Severance Payment is solely that of the Company and that none of the directors or officers of the Company or the Subsidiary shall have any personal liability with respect thereto. You understand that payments to be made to you pursuant to Section 3(c) of the Non-Competition Agreement shall be offset against (and consequently reduced by) any payments made to you hereunder, on a dollar-for-dollar basis.

(ii) The Company will continue, for a period of twelve (12) months after termination, to provide you with medical benefits under (as the case may be) the Company's or the Subsidiary's group medical plan, life insurance arrangements and disability arrangements equivalent to those provided to executive-level employees. To the extent that the Company is unable to provide such benefits to you under its existing plans and arrangements, the Company will pay you cash amounts equal to the cost the Company or the Subsidiary would have incurred to provide those benefits.

(iii) Notwithstanding the terms of any awards of stock options or restricted stock, all options to purchase Company stock held by you will automatically and immediately vest and become exercisable upon such termination and remain exercisable for a

period of six (6) months thereafter (except that incentive stock options shall be exercisable for only three (3) months thereafter), and all restricted stock held by you pursuant to the restricted stock plans or arrangements of the Company shall automatically and immediately vest and no longer be subject to forfeiture.

(iv) Notwithstanding any other provision of this Agreement, should any benefit payment that is described in this subsection (c) be subject to Section 409A of the Internal Revenue Code of 1986 as amended, the Company is authorized to make payments in a manner that complies with the requirements of Section 409A. However, in the event that one or more provisions of Section 409A is violated, the Company shall not be responsible for the payment of any tax liability, penalties or interest that are imposed upon you as a result of said violation, nor shall the Company be under any obligation to make you whole or otherwise compensate you for such additional liability.

(d) *Definitions:* The following terms shall have the meanings set forth below:

"Cause" shall mean, in respect of the termination of your employment by the Company, (a) willful malfeasance, gross misconduct or gross negligence in your performance of the duties of your position that has a material adverse effect on the Company or the Subsidiary, (b) the material breach by you of this Agreement or of Sections 3(a), 4, 5 or 6 of the Non-Competition Agreement, (c) fraud or dishonesty by you with respect to the Company, the Subsidiary or your employment, (d) your conviction of any crime that involves deception, fraud or moral turpitude or any felony (including, in each case, entry of a guilty or nolo contendere plea and excluding traffic violations or similar minor offenses), or (e) your repeated or prolonged absence from work other than for illness, Disability or authorized vacation. The Company may treat a termination of your employment as termination for Cause only after (i) giving you written notice of the intention to terminate for Cause, including a description of the conduct that the Company believes constitutes the basis for a Cause termination, and of your right to a hearing by the Company's Board of Directors, (ii) in the event of a termination under clause (a), (b) or (e) above, providing you with a 30-day period in which to cure the conduct giving rise to the Company's notice of a Cause termination, unless, with respect to clause (a) and (b) above, (I) in the Company's reasonable judgment, protective action inconsistent with such cure period (e.g., immediate termination) is necessary to avoid harm to the Company of the Subsidiary or (II) the Company reasonably determines that your conduct is egregious, in which event, the Company may shorten the cure period or terminate your employment immediately (subject to the requirements set forth in clauses (iii) and (iv) below), (iii) at least 30 days after giving the notice, conducting a hearing by the Board at which you may be represented by counsel, and (iv) giving you written notice of the results of the hearing and the factual basis for the Board's determination of Cause, which shall require a vote of a majority of the members of the Board then in office other than yourself. Except in connection with your opportunity, if any, to cure the conduct giving rise to the Company's notice of termination for Cause as set forth in clause (ii) above, nothing in the foregoing sentence shall prevent the Company from terminating your employment pending any determination of Cause as set forth in the foregoing sentence, any such determination shall be retroactive to the date of termination, and the Company shall not be obligated to compensate you hereunder for the period from such termination until such time, if any, as the Company's Board of Directors determines that such termination was not for Cause. Notwithstanding the foregoing, Cause shall not include an act or failure to act based on authority

given pursuant to a resolution duly adopted by the Company's Board of Directors or based on the advice of the Company's General Counsel or willful failure due to incapacity resulting from Disability or any actual or anticipated failure after you provide written notice of a termination for Good Cause.

"Disability" shall mean physical or mental incapacity of a nature which prevents you, in the professional judgment of your physician or, at the Company's election, a board-certified physician mutually agreed upon by the Company and you, from performing the essential functions of your position with the Company or the Subsidiary with or without a reasonable accommodation for a period of ninety (90) consecutive days or one hundred eighty (180) days during any consecutive 12-month period.

"Good Cause" shall mean, in respect of the termination of your employment by you, (i) failure by the Company to maintain you in the position of Managing Director (ii) a material diminution of your duties and responsibilities in such position or a material diminution of your authority with respect to such position, as described in Section 2 hereof, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of written notice thereof given by you, (iii) a breach by the Company of any material term of this Agreement or the Non-Competition Agreement, or (iv) relocation of your principal place of work to a location more than thirty (30) miles from your address as set forth in Section 10 below without your prior consent. You may treat a resignation from employment as termination for Good Cause only after (a) giving the Company written notice of the intention to terminate for Good Cause, (b) providing the Company at least 30 days after receipt of such notice to cure the conduct or action giving rise to Good Cause, unless, with respect to clause (i) and (ii), you reasonably determine that the Company's conduct is egregious and has resulted in significant, irreparable harm to you, in which event, you may shorten the cure period or terminate your employment immediately, and (c) if applicable, the Company has failed to cure the action or conduct giving rise to Good Cause during the 30 day cure period. Notwithstanding anything herein to the contrary, a change in your title from Managing Director to Chief Executive Officer shall not constitute Good Cause.

"Maximum Bonus" shall mean your bonus for the year in which termination occurs, calculated on the assumption that all targets and formulas for determining such bonus have been met If no such targets or formulas have been established, then the Maximum Bonus shall be the total bonus you were eligible to receive during the preceding fiscal year, calculated on the assumption that all targets and formulas for determining such bonus have been met. The Maximum Bonus (A) payable upon termination shall be reduced by any bonus payments relating to services performed in the year in which termination occurs that (1) have already been paid to you as of the date of termination, (2) are payable to you as an Accrued Obligation hereunder, or (3) could have been earned during the year in which termination occurs but that were not so earned because of the failure to achieve targets or formulas which are no longer able to be achieved, and (B) shall not include any bonus paid or payable in the year in which termination occurs to the extent such payment represents payment for services rendered in a prior year. By way of illustration and not limitation, if you are paid a bonus on February 18, 2008 relating to your performance during all or part of the 2007 calendar year and you are later terminated without Cause on August 31, 2008, the Maximum Bonus payment due upon

termination will not be reduced by the bonus payment received on February 15, 2008, nor shall the amount of the February 15, 2008 bonus be included as part of the Maximum Bonus, because such payment relates to services rendered in the year preceding the year in which termination occurs. If you are paid a bonus on July 15, 2008 relating to your performance during the first and/or second quarter of the 2008 calendar year and are later terminated without Cause on August 31, 2008, the Maximum Bonus payment due upon termination will be reduced by the bonus payment received on July 15, 2008 because such payment relates to services rendered in the year in which termination occurs, and if you do not receive a bonus for the first and/or second quarter of the 2008 calendar year because quarterly performance objectives had not been achieved, the amount of such bonus that could have been earned shall not be included in determining the Maximum Bonus.

(e) *Release*: Notwithstanding anything to the contrary contained in this Agreement, in order for you to be eligible for any severance benefits under this Section 8, you must execute and deliver to the Company (and not revoke within seven (7) days of executing) the release of claims in the attached as Exhibit A hereto.

9. **Non-Disparagement:** You will not at any time during or after the term of your employment hereunder make any statement to any person, including, without limitation, employees, customers, suppliers or competitors of the Company or the Subsidiary, that is derogatory or negative about the Company or the Subsidiary or their respective affiliates or any statement regarding the future plans of the Company. This Section 9 will not apply to any statements made by you (i) in support of any claim or defense asserted by you in any mediation, arbitration or litigation process or proceeding between you and the Company or the Subsidiary and (ii) made only within the specific forum (i.e. arbitral tribunal, courtroom) in which such mediation, arbitration or litigation is taking place.

10. **Notices:** Any notices required or permitted to be sent under this Agreement shall be effective when delivered by hand or mailed by registered or certified mail, return receipt requested, and addressed as follows:

If to the Company:

pSivida Corp.

400 Pleasant Street

Watertown, MA 02472

Attn: General Counsel, pSivida Corp.

With a copy to:

Ropes & Gray One International Place Boston, MA 02110-2624 Attn: Mary Weber

If to Executive:

Paul Ashton

76 Page Road

Newton, MA 12460

Either party may change its address for receiving notices by giving notice to the other party.

11. **Waiver:** The failure of either party to enforce any of the provisions of this Agreement shall not be deemed a waiver thereof. No provision of this Agreement shall be deemed to have been waived or modified unless such waiver or modification shall be in writing and signed by both parties hereto.

12. **Arbitration:** All controversies and disputes between or among any of the parties hereto arising out of or in connection with the interpretation, performance or enforcement of this Agreement, whether based on federal, state or foreign law and whether grounded in common law or statutory law, shall be settled exclusively by arbitration conducted as provided herein, and otherwise in accordance with the National Employment Rules of the American Arbitration Association.

(a) *Procedure*: The arbitration shall be administered by the American Arbitration Association, as follows:

(i) the arbitration shall be conducted in Boston, Massachusetts by a panel of three (3) arbitrators, jointly selected by the parties, except that if the parties are unable to agree on all three arbitrators within fifteen (15) days after demand for arbitration has been made (or such later time as the parties may agree), the arbitration shall be conducted by three (3) arbitrators as are selected in accordance with the applicable rules of the American Arbitration Association;

(ii) final decision shall be by a majority of the arbitrators, which arbitrators shall prepare and deliver a written reasoned award. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof; and

(iii) all costs and fees relating to the arbitration shall be borne by the losing party, except that if the arbitrators determine that any party has prevailed in part and lost in part, the costs and fees relating to the arbitration shall be allocated between the parties as equitably determined by the arbitrators.

(b) *Refusal to Arbitrate*: The failure or refusal of any party to submit to arbitration shall be deemed a breach of this Agreement. If a party seeks and secures judicial intervention requiring enforcement of this Section 12, such party shall be entitled to recover from the other party in such judicial proceeding all costs and expenses, including reasonable attorneys' fees, that it was thereby required to incur.

(c) *Sole Procedure*: The procedures specified in this Section 12 shall be the sole and exclusive procedures for the resolution of disputes between the parties arising out of or relating to this Agreement; provided, however, that a party, without prejudice to the above procedures, may seek a preliminary injunction or other equitable relief if in its judgment such action is necessary to avoid irreparable damage or to preserve the status quo. Despite such action the parties will continue to participate in good faith in the procedures specified in this Section 12.

13. **No Duty to Mitigate; No Offset:** Benefits payable under this Agreement as a result of termination of your employment will be considered severance pay in consideration of your past services and your continued service or obligations from and after the date of execution of this Agreement, and your entitlement thereto will neither be governed by any duty to mitigate your damages by seeking further employment or offset by any compensation you may receive from other employment following the date of your termination of employment. Notwithstanding the foregoing, you agree that the Company may cease its payment for, or provision of, one or more of the continued benefits under Section 8(c)(ii) during the twelve month period following the date of your termination from employment to the extent that you obtain comparable benefit coverage with another employer. This provision shall be applied in an *ad seriatim* basis so that the Company may only cease payment of those comparable benefits that you obtain with another employer. You agree to notify the Company as soon as practicable in the event that you obtain comparable coverage or benefits during the period noted above and you acknowledge that the Company's obligation to continue payment for, or provision of, benefits shall cease from and after the date you obtain comparable coverage.

14. **Successors:** This agreement shall inure to and be binding upon the Company's successors and assigns. The Company shall require any successor to all or substantially all of the business or assets of the Company by sale, merger or consolidation (where the Company is not the surviving corporation), lease or otherwise, to expressly assume this Agreement. This Agreement is not otherwise assignable by the Company or you.

15. **Rights of Survivors:** If you die after becoming entitled to benefits under this Agreement following termination of employment but before all such benefits have been provided, (a) all unpaid cash amounts will be paid to your designated beneficiary or, if no such beneficiary has been designated, to your estate, (b) all applicable insurance coverage will be provided to your family as though you had continued to live, to the extent permitted under the plans, and (c) any stock options that become exercisable under Section 8 will be exercisable by the beneficiary or, if none, the estate.

16. **Entire Agreement; Termination:** This Agreement together with the Non-Competition Agreement shall constitute the entire agreement of the parties pertaining to this subject matter and shall supersede all prior agreements, representations and understandings of the parties with respect to such subject matter. Any and all employment, severance, compensation, or other agreements and arrangements between the Executive and the Company or the Subsidiary, whether dating from before or after the Company's acquisition of the Subsidiary (including, without limitation, the Severance Agreement, dated February 20, 2004, between the executive and the Subsidiary, as amended, and the Amended and Restated Change of Control Agreement, dated August 17, 2004, between the Executive and the Subsidiary) are hereby terminated and of no further force and effect, and no parties shall have any further rights, obligations or liabilities thereunder; provided, however, that the Retention Agreement, dated September 29, 2005, between the Executive, the Subsidiary and the Company shall remain in full force and effect. The parties hereto acknowledge and agree that this Agreement satisfies the Company's obligations under Section 2(b) of the Non-Competition Agreement.

17. **Partial Invalidity.** If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainings nevertheless shall continue in full force and effect without being impaired or invalidated in any manner.

18. **Counterparts:** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts. The parties agree that any action to enforce the terms of this Agreement shall be commenced in, and subject to the exclusive jurisdiction of, Suffolk County, Boston, Massachusetts.

[Signature Page to Immediately Following]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

PSIVIDA, Corp.

By: /s/ David Mazzo
Name: David J. Mazzo, Ph.D.
Title: Chairman of the Board of Directors

EXECUTIVE

By: /s/ Paul Ashton
Name: Paul Ashton

EXHIBIT A

RELEASE OF CLAIMS

FOR AND IN CONSIDERATION OF the benefits to be provided me in connection with the termination of my employment, as set forth in the Employment Agreement between myself and pSivida Corp. (the "**Company**") dated as of , 2005 (the "**Agreement**"), which benefits are subject to my signing of this Release of Claims and to which I am not otherwise entitled, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, I, on my own behalf and on behalf of my heirs, executors, administrators, beneficiaries, representatives and assigns, and all others connected with me, hereby release and forever discharge the Company, the Subsidiary (as defined in the Agreement), its other subsidiaries and other affiliates and all of their respective past, present and future officers, directors, trustees, shareholders, employees, agents, general and limited partners, members, managers, joint venturers, representatives, successors and assigns, and all others connected with any of them, both individually and in their official capacities, from any and all causes of action, rights and claims of any type or description, known or unknown, which I have had in the past, now have, or might now have, through the date of my signing of this Release of Claims, in any way resulting from, arising out of or connected with my employment by the Company or the Subsidiary or any of its other subsidiaries or other affiliates or the termination of that employment or pursuant to any federal, state or local law, regulation or other requirement (including without limitation Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the fair employment practices laws of the state or states in which I have been employed by the Company or any of the subsidiaries or other affiliates, each as amended from time to time).

Excluded from the scope of this Release of Claims is (i) any claim arising under the terms of the Agreement and (ii) any right of indemnification or contribution that I have pursuant to the Certificate of Incorporation, Constitution, By-Laws or other governing documents of the Company or the Subsidiary.

In signing this Release of Claims, I acknowledge my understanding that I may not sign it prior to the termination of my employment, but that I may consider the terms of this Release of Claims for up to twenty-one (21) days (or such longer period as the Company may specify) from the later of the date my employment with the Company terminates or the date I receive this Release of Claims. I also acknowledge that I am advised by the Company and its affiliates to seek the advice of an attorney prior to signing this Release of Claims; that I have had sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing; and that I am signing this Release of Claims voluntarily and with a full understanding of its terms.

I further acknowledge that, in signing this Release of Claims, I have not relied on any promises or representations, express or implied, that are not set forth expressly in the Agreement. I understand that I may revoke this Release of Claims at any time within seven (7) days of the date of my signing by written notice to the General Counsel of the Company and that this Release of Claims will take effect only upon the expiration of such seven-day revocation period and only if I have not timely revoked it.

Intending to be legally bound, I have signed this Release of Claims under seal as of the date written below.

Signature: _____

Name (please print): _____

Date Signed: _____

Exhibit B

Non-Competition Agreement

NON-COMPETITION AGREEMENT

IN CONSIDERATION of and as a condition to my (i) receiving consideration pursuant to the terms of the Agreement and Plan of Merger, dated October 3, 2005 (the "MERGER AGREEMENT") by and among pSivida Limited ("PARENT"), pSivida Inc. and Control Delivery Systems, Inc. (the "COMPANY"), and (ii) receiving an offer of employment with Parent consistent with the terms set forth in Section 2(b) below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, I, Paul Ashton (referred to herein as "I", "ME" or as "EXECUTIVE"), agree with Parent as follows:

1. DEFINITIONS.

(a) "AGREEMENT" shall mean this Non-Competition Agreement.

(b) "CAUSE" shall mean, in respect of the termination of Executive's employment by Parent, (a) willful malfeasance, gross misconduct or gross negligence in the performance by Executive of the duties of his position that has a material adverse effect on the Parent, (b) the material breach by Executive of Sections 3(a), 4, 5 or 6 of this Agreement, (c) fraud or dishonesty by Executive with respect to Parent or any of its affiliates or his employment, (d) Executive's conviction of any crime that involves deception, fraud or moral turpitude or any felony (including, in each case, entry of a guilty or nolo contendere plea, and, excluding traffic violations or similar minor offenses), or (e) repeated or prolonged absence from work by Executive other than for illness, Disability or authorized vacation. Parent may treat a termination of Executive's employment as termination for Cause only after (i) giving Executive written notice of the intention to terminate for Cause, including a description of the conduct that the Parent believes constitutes the basis for a Cause termination, and of his right to a hearing by Parent's Board of Directors (the "Board"), (ii) in the event of a termination under clause (a), (b) or (e) above, providing Executive a 30-day period in which to cure the conduct giving rise to the Parent's notice of a Cause termination, unless, with respect to clause (a) and (b) above, (I) in Parent's reasonable judgment, protective action inconsistent with such cure period (e.g., immediate termination) is necessary to avoid harm to Parent or (II) Parent reasonably determines that Executive's conduct is egregious, in which event, Parent may shorten the cure period or terminate Executive's employment immediately (subject to the requirements set forth in clauses (iii) and (iv) below), (iii) at least 30 days after giving the notice, conducting a hearing by the Board at which Executive may be represented by counsel, and (iv) giving Executive written notice of the results of the hearing and the factual basis for the Board's determination of Cause, which shall require a vote of a majority of the members of the Board then in office other than Executive. Except in connection with Executive's opportunity, if any, to cure the conduct giving rise to Parent's notice of termination for Cause as set forth in clause (ii) above, nothing in the foregoing sentence shall prevent Parent from terminating Executive's employment pending any determination of Cause as set forth in the foregoing sentence, any such determination shall be retroactive to the date of termination, and Parent shall not be obligated to compensate Executive hereunder for the period from such termination until such time as a determination by Parent's Board of Directors that such termination was not for Cause. Notwithstanding the foregoing, cause shall not include an act or failure to act based on authority given pursuant to a resolution duly adopted by the Board or based on the advice of Parent's General Counsel or willful failure due to incapacity resulting from Disability or any actual or anticipated failure after Executive provides written notice of a termination for Good Cause.

(c) “CLOSING” shall have the meaning set forth in the Merger Agreement.

(d) “DEVELOPMENTS” shall have the meaning set forth in Section 5(a).

(e) “DISABILITY” shall mean physical or mental incapacity of a nature which prevents Executive, in the professional judgment of Executive’s physician or, at Parent’s election, a board-certified physician mutually agreed upon by Parent and Executive, from performing the essential functions of Executive’s position with Parent with or without a reasonable accommodation for a period of ninety (90) consecutive days or one hundred eighty (180) days during any consecutive 12-month period.

(f) “EFFECTIVE TIME” shall have the meaning set forth in the Merger Agreement.

(g) “GOOD CAUSE” shall mean, in respect of the termination of Executive’s employment by Executive, (i) failure by Parent to maintain Executive in the positions of Head of R&D Ophthalmology for the Surviving Company and Executive Director Strategy of Parent, without Executive’s consent, (ii) a material diminution of Executive’s duties and responsibilities in such positions or a material diminution of Executive’s authority with respect to such positions, as described in Section 2(b) hereof and otherwise set forth in the employment agreement referenced therein (assuming the parties execute such employment agreement), excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by Parent promptly after receipt of written notice thereof given by Executive, (iii) a breach by Parent of any material term of this Agreement or the employment agreement referenced in Section 2(b) (assuming the parties execute such employment agreement), or (iv) relocation of Executive’s principal place of work to a location more than thirty (30) miles from Executive’s address set forth in Section 11(e) below without Executive’s consent. Executive may treat a resignation from employment as termination for Good Cause only after (a) giving Parent written notice of the intention to terminate for Good Cause, (b) providing Parent at least 30 days after receipt of such notice to cure the conduct or action giving rise to Good Cause, unless, with respect to clause (i) and (ii), Executive reasonably determines that Parent’s conduct is egregious and has resulted in significant, irreparable harm to Executive, in which event, Executive may shorten the cure period or terminate his employment immediately, and (c) if applicable, Parent has failed to cure the action or conduct giving rise to Good Cause during the 30 day cure period.

(h) “MERGER” shall have the meaning set forth in the Merger Agreement.

(i) “PROPRIETARY INFORMATION” shall have the meaning set forth in Section 4(a).

(j) “REAR-OCULAR DRUG DELIVERY BUSINESS” shall have the meaning set forth in Section 3(b)(i).

(k) “RESTRICTED ACTIVITIES” shall have the meaning set forth in Section 3(b).

(l) "SURVIVING COMPANY" shall have the meaning set forth in the Merger Agreement.

2. EFFECTIVENESS.

(a) This Agreement shall enter into full force and effect as of the Effective Time. In the event that the Merger Agreement is terminated prior to the Effective Time, this Agreement shall be null and void and neither party shall have any rights or obligations hereunder.

(b) Parent represents that, prior to the Effective Time, it shall provide Executive with an employment agreement setting forth the material terms of his employment with Parent as of the Effective Time. Such employment agreement shall include, among other things, the following material terms: (i) a title Head of Research & Development Ophthalmology of the Surviving Company, responsible for duties typically associated with such position; (ii) a title with Parent of Executive Director Strategy, reporting directly to Parent's chief executive officer, responsible for, among other things, the production of overall strategic business and development plans; (iii) a title of interim President of the Surviving Company, responsible for, among other things, ensuring effective communication among Parent business units particularly with respect to milestones and participation in the general management of Parent including regular meetings and discussions with Parent's chief executive officer and chairman; (iv) a compensation package commensurate with other senior executives of Parent, which shall include, without limitation: (A) a base salary of $300,000 per year, (B) annual discretionary bonus eligibility on terms that are no less favorable than that which Executive was entitled as of the date of this Agreement, (C) entitlement to benefits that are no less favorable than those to which Executive was entitled as of the date of this Agreement, and (D) a grant of options to purchase capital stock in the Parent commensurate with other senior executives of Parent, including without limitation, subject to confirmation of Parent's remuneration committee and shareholder approval, 500,000 options vesting as to half in 12 months and the balance in 24 months, subject to achieving milestones; (v) four (4) weeks paid vacation per calendar year; (vi) a principal work location located no more than thirty (30) miles from Executive's address set forth in Section 11(e) below without Executive's consent; and (vii) eligibility for severance and related post-termination benefits on terms no less favorable to Executive than those set forth in that certain Severance Agreement between Executive and Company dated February 20, 2004, as amended on August 17, 2004 (the "Severance Agreement") and no greater than those set forth in that certain Change in Control Agreement between Executive and Company dated August 17, 2004 (the "Change in Control Agreement"), which shall supercede and/or terminate Executive's entitlement to severance and related post-termination benefits pursuant to the Severance Agreement and the Change in Control Agreement. Parent and Executive agree to negotiate in good faith and use their reasonable best efforts to finalize the employment agreement consistent with the terms of this Agreement and the contracts referenced herein.

(c) If (i) Parent fails to offer Executive an employment agreement consistent with the requirements of Section 2(b), or Parent revokes such offer prior to the Effective Time for any reason and (ii), as a result of any of the above, Executive declines Parent's offer of employment on or before the Effective Time, then (I) this Agreement shall be null and void and neither party shall have any obligations hereunder, and (II) both the Severance Agreement and Change in Control Agreement shall continue to be in effect as of the Effective Time.

(d) If (i) Parent offers Executive an employment agreement consistent with the requirements of Section 2(b) and (ii) Executive declines Parent's offer of employment for any reason (other than his death or Disability), then (I) this Agreement shall continue in full force and effect as of the Effective Time and (II) the Severance Agreement but not the Change in Control Agreement shall continue to be in effect upon the Effective Time. Such declination by Executive shall be deemed a termination of employment with Parent by Executive for other than Good Cause under Section 3(b) below.

3. COVENANT NOT TO COMPETE.

(a) I understand that Parent is engaged worldwide in the development, production and commercialization of drug delivery and other products based on platform technologies. As of the Effective Time, I agree that I will not, during my employment with Parent, render (as a provider of services, consultant or otherwise) any services related to the business of Parent to anyone other than Parent.

(b) In the event of: (i) the termination of my employment with Parent (other than termination by reason of death or Disability) by me for any reason (whether voluntary on my part, or involuntary) other than Good Cause; or (ii) the termination of my employment with Parent (other than termination by reason of death or Disability) by Parent for Cause, I agree that for a period of twelve (12) months from the date of such termination, I will neither:

(i) engage directly for myself, or in conjunction with or on behalf of any person or entity, or otherwise own, manage, operate, control, acquire, hold any interest in, or participate in the ownership, management, operation or control of any person or entity engaged in the development, production or commercialization of systems for the delivery of therapeutic drugs to the tissues in the posterior segment of the eye (the "REAR-OCULAR DRUG DELIVERY BUSINESS"), nor

(ii) work for or become employed by or associated with (in any capacity, including without limitation officer, director, employee, partner, stockholder, owner, member, proprietor, consultant, investor, salesperson, co-owner, trustee, promoter, technician, engineer, analyst, agent, representative, distributor, supplier, lender, advisor or manager) any person or entity that is engaged in the Rear-Ocular Drug Delivery Business (the activities set forth in (i) and (ii) (as modified by the following paragraph) are collectively referred to as the "RESTRICTED ACTIVITIES").

Notwithstanding the foregoing, Parent accepts that nothing in this Section 3(b) shall prevent Executive from and after the date six (6) months after termination of Executive's employment from engaging in activities predominantly academic (and not commercial) in nature, including without limitation teaching, lecturing, writing and publishing articles or engaging in research; provided that (I) unless approved by Parent in writing or otherwise described below, Executive receives no compensation (including without limitation salary, benefits, bonus, profit sharing, dividends, commissions, gifts, gratuities, or any other payments, whether in cash or otherwise, present or future) whatsoever for such activities, other than reimbursement of expenses, for any period in which he is receiving severance payments from the Parent under this Agreement, his employment agreement with Parent or any other agreement between Executive and Parent, except where the payment of compensation is required by the academic institution

and Executive agrees in writing to donate the full amount of such compensation to a registered charitable organization; and (II) in the course of engaging in such activities Executive does not breach his obligations under this Agreement, including without limitation any obligations under Sections 4 and 5 herein.

Within six (6) months after the termination of my employment for the reasons set forth above, Parent may at its sole discretion extend my obligations under this Section 3(b) for an additional twelve-month period; provided that in such a case Parent will pay me an amount equal to my annual base salary as of the date of termination, to be paid in equal monthly installments over such additional twelve-month period.

(c) In the event of the termination of my employment with Parent (other than termination by reason of death or Disability) (x) by me for Good Cause, or (y) by Parent for any reason other than for Cause, I agree that, at Parent's option, exercisable by written notice given:

(i) not less than 30 days after Parent receives notice of such termination by me hereunder; and/or

(ii) at the time of such termination by Parent hereunder; and/or

(iii) with respect to a follow-on notice to Executive, no later than six months after the termination of my employment with Parent hereunder,

for a period of up to twenty-four (24) months from the date of such termination, as specified in Parent's notice or notices, I will not engage in any Restricted Activities; provided that in such case Parent will pay me an amount equal to 1/24th of $800,000 for each month in the period specified, which amount may be offset against any severance or other payments owed to me in connection with the termination of my employment as described in this Section 3(c). I understand that any payments made to me pursuant to the preceding sentence are made in consideration of my not engaging in any Restricted Activities or otherwise violating the terms of this Agreement, and that, in addition to any other rights or remedies available to Parent at law or in equity, Parent shall have the right to terminate such payments if, and only if, I engage in Restricted Activities during the specified period or otherwise violate the terms of this Agreement and such conduct continues following my receipt of written notice from the Company that describes the basis for the Company's contention that I have engaged in Restricted Activities or otherwise violated the terms of this Agreement. I understand that the Company may provide more than one written notice to extend the noncompete period under this Section 3(c), provided that such notices are sent within the six (6) month period after the termination of my employment.

(d) My obligations under this Section 3 shall extend to all geographical areas of the world in which Parent, or any of its related companies, is offering its services, either directly or indirectly, through licenses or otherwise, during the time period specified in this Section 3.

(e) I further agree that while I remain employed by Parent and for the duration of any period during which I am prohibited from engaging in the Restricted Activities pursuant to this Section 3, I will not, on behalf of myself or any other person or entity, (i) compete for, or engage in the solicitation of, or attempt to divert or take away from the Company, Parent or any of their affiliates, any customer of the Company, Parent or any of their affiliates who has done business with the Company, Parent or any of their affiliates, as the case may be, during the period of my employment by Parent;

(ii) compete for, solicit or attempt to divert or take away from the Company, Parent or any of their affiliates, any prospective customer that has within the twelve (12) month period prior to such termination, expressed an interest in doing business with the Company, Parent or any of their affiliates and about which I learned during my employment with Parent; or (iii) hire or engage or attempt to hire or engage any individual, or attempt to induce an individual to terminate their employment or other service arrangement, who was an employee of or other service provider to the Company, Parent or any of their affiliates at any time during the twelve (12) month period prior to my termination from employment.

(f) Further, while I remain employed by Parent and for the duration of any period during which I am prohibited from engaging in the Restricted Activities pursuant to this Section 3, I shall not, directly or indirectly, make or cause to be made to any Person any disparaging, derogatory or other negative statement about the Company, Parent or any of their affiliates, including their businesses, products, services, policies, practices, operations, employees, sales representatives, agents, officers, members, managers or directors. Similarly, during the period set forth in the preceding sentence, Parent shall not and shall not authorize or encourage any members of its Board of Directors or employees to directly or indirectly, make or cause to be made to any person any disparaging, derogatory or other negative statement about Executive, including the performance of his duties on behalf of the Company or the circumstances surrounding his separation from employment.

(g) I REPRESENT AND WARRANT THAT THE KNOWLEDGE, SKILLS AND ABILITIES I POSSESS ARE SUFFICIENT TO PERMIT ME, IN THE EVENT OF TERMINATION OF MY EMPLOYMENT WITH PARENT FOR ANY REASON, TO EARN, FOR A PERIOD OF UP TO TWENTY-FOUR (24) MONTHS FROM SUCH TERMINATION, A LIVELIHOOD SATISFACTORY TO ME WITHOUT VIOLATING ANY PROVISION OF SECTION 3 HEREOF, FOR EXAMPLE BY USING SUCH KNOWLEDGE, SKILLS AND ABILITIES, OR SOME OF THEM, IN THE SERVICE OF A PERSON OR ENTITY WHO OR WHICH DOES NOT COMPETE WITH PARENT AS DESCRIBED HEREIN.

4. PROPRIETARY INFORMATION.

(a) I agree that all information and know-how, whether or not in writing, of a private, secret or confidential nature concerning the Company, Parent or any of their affiliates or their respective businesses, financial affairs or operations (collectively, “PROPRIETARY INFORMATION”) is and shall be the exclusive property of the Company, Parent or any of their affiliates, as the case may be. By way of illustration, but not limitation, Proprietary Information may include inventions, products, manufacturing and other processes, methods, techniques, formulas, compositions, compounds, projects, developments, plans, research data, financial data, personnel data, computer programs, and customer and supplier lists. I will not disclose any Proprietary Information to others outside the Company, Parent or any of their affiliates, provided that my obligation not to disclose shall not apply to any information that (i) has become generally available to the public other than as a result of a breach by Executive of his obligations hereunder, (ii) may be required or appropriate in response to any summons or subpoena or in connection with any litigation, or investigation or review by any governmental agency or authority and (iii) must be disclosed in order to comply with any law, order, regulation or ruling applicable to Executive. I will not use any Proprietary Information for any purposes other than my work for the Company, Parent or any of their affiliates, without prior written approval by the Board of Directors of Parent, either during or after my providing services. If I have any questions as to what constitutes Proprietary Information, I will consult with the Board of Directors of Parent or an individual designated by the Board of Directors for this purpose.

(b) I agree that all files, letters, memoranda, reports, records, data, sketches, drawings, program listings, or other written, photographic, or other tangible material containing Proprietary Information, whether created by me or others, which shall come into my custody or possession, shall be and are the exclusive property of the Company, Parent or any of their affiliates, as the case may be, to be used by me only in the performance of my duties for Parent. All such records or copies thereof and all tangible property of the Company, Parent or any of their affiliates in my custody or possession shall be delivered to Parent within ten (10) calendar days from the earlier of (i) a request by Parent or (ii) termination of my providing services to Parent. After such delivery, I shall not retain any such records or copies thereof or any such tangible property.

(c) I agree that my obligation not to disclose or to use information, know-how and records of the types set forth in paragraphs (a) and (b) above, and my obligation to return records and tangible property, set forth in paragraph (b) above, also extends to such types of information, know-how, records and tangible property of customers of the Company, Parent or any of their affiliates or suppliers to the Company, Parent or any of their affiliates or other third parties who may have disclosed or entrusted the same to Parent or to me in the course of Parent's business with an expectation or understanding that such information was to be maintained as confidential.

5. DEVELOPMENTS.

(a) I will make full and prompt disclosure to Parent of all inventions, improvements, discoveries, methods, developments, products, processes, techniques, formulas, compositions, compounds, software, works of authorship and all ideas for trademarks, trade-names and the like, related in any way to the Parent's current, planned or potential products or services, whether patentable or not and whether copyrightable or not, which are created, made, conceived or reduced to practice by me or under my direction or jointly with others during my employment by Parent, whether or not during normal working hours or on the premises of Parent (all of which are collectively referred to in this Agreement as "DEVELOPMENTS").

(b) Except as hereinafter provided, I agree to assign and do hereby assign to Parent (or any person or entity designated by Parent) all my right, title and interest in and to all Developments and all related patents, patent applications, copyrights and copyright applications. I expressly agree that all of my Developments capable of protection under copyright laws shall be deemed and are works made for hire with the understanding that Parent shall own all of the exclusive rights to such developments under the United States Copyright Act and all international copyright conventions and foreign laws, and any successor laws thereto.

(c) I agree to cooperate fully with Parent, both during and after my employment with Parent, with respect to the procurement, maintenance and enforcement of copyrights and patents (both in the United States and foreign countries) relating to Developments. I shall sign all papers, including, without limitation, copyright applications, patent applications, trademark or service mark applications, declarations, oaths, formal assignments, assignment of priority rights, and powers of attorney, which Parent may deem necessary or desirable in order to protect its rights and interests in any Development.

6. CURRENT EMPLOYMENT; NO CONTRARY AGREEMENTS.

I hereby represent that I am not bound by the terms of any agreement with any current or previous employer or other party to refrain from using or disclosing any trade secret or confidential or Proprietary Information in the course of my employment with Parent or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party. I further represent that, and agree that, in the performance of my duties as a provider of services to Parent, I will not breach any agreement to keep in confidence Proprietary Information, knowledge or data acquired by me in confidence or in trust prior to my employment with Parent, and I will not disclose to Parent or induce Parent to use any confidential or proprietary information or material belonging to any previous employer or others. I represent and warrant to Parent that I am not now under any obligation of a contractual nature to any person, firm or corporation which is inconsistent or in conflict with this Agreement.

7. INJUNCTIVE RELIEF.

The restrictions contained herein are necessary for the protection of the business and goodwill of the Company, Parent and their affiliates and are considered by me to be reasonable for such purposes. I understand and agree that Parent will suffer irreparable harm in the event that I breach any of my obligations under this Agreement and that monetary damages will be inadequate to compensate Parent for such breach. Accordingly, I agree that, in the event of a breach or threatened breach by me of any of the provisions of this Agreement, Parent, in addition to and not in limitation of any other rights, remedies or damages available to Parent at law or in equity, shall be entitled to a permanent injunction in order to prevent or to restrain any such breach by me, or by my partners, agents, representatives, employers, employees and/or any and all persons directly or indirectly acting for or with me.

8. ACCOUNTING FOR PROFITS.

I covenant and agree that, if I shall violate any of my covenants or agreements under this Agreement, Parent, at its own expense, shall be entitled to an accounting and repayment of all profits, compensation, commissions, remunerations or benefits which I directly or indirectly have realized and/or may realize as a result of, growing out of or in connection with any such violation; such remedy shall be in addition to and not in limitation of any injunctive relief or other rights or remedies to which Parent is or may be entitled at law, in equity or under this Agreement.

9. NO EMPLOYMENT CONTRACT.

I understand that this Agreement does not constitute a contract of employment and does not imply that my employment will continue for any period of time.

10. ENFORCEABILITY AND SCOPE.

In the event that any Section of this Agreement, or any provision of any such Section, shall for any reason be held to be wholly invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other Section hereof, or any other provision of an affected Section, and this Agreement shall be construed as if, and enforced as fully as if, such

invalid, illegal or unenforceable Section or provision had never been contained herein. In the event any Section, or any provision thereof, is found to be partially invalid, illegal or unenforceable (on the ground, for example, that it is excessive in scope), then such Section or provision shall be enforced to the extent not invalid, illegal or unenforceable, and its partial invalidity, illegality or unenforceability shall not affect any other Section or provision of this Agreement. If any restriction set forth in Section 3 above is found by a court of competent jurisdiction to be unenforceable because it extends for too long a period of time, over too great a range of activities or in too broad a geographic area, such restriction shall be interpreted to extend only over the maximum period of time, maximum range of activities or maximum geographic area as to which it may be deemed to be enforceable.

11. GENERAL.

(a) This Agreement supersedes all prior agreements, written or oral, between me and Parent relating to the subject matter of this Agreement, except for the the Change in Control Agreement and the Severance Agreement, which are referenced herein. This Agreement may not be modified, changed or discharged in whole or in part, except by an agreement in writing signed by me and Parent. I agree that any change or changes in my duties, salary or compensation after the signing of this Agreement shall not affect the validity or scope of this Agreement.

(b) This Agreement will be binding upon my heirs, executors and administrators and will inure to the benefit of and be binding upon Parent and its successors and assigns.

(c) No delay or omission by Parent in exercising any right under this Agreement will operate as a waiver of that or any other right. A waiver or consent given by Parent on any one occasion is effective only in that instance and will not be construed as a bar to or waiver of any right on any other occasion.

(d) I expressly consent to be bound by the provisions of this Agreement for the benefit of the Company, Parent or any of their affiliates to whose employ or other service providing arrangement I may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

(e) Any notices required or permitted to be sent under this Agreement shall be effective when delivered by hand or mailed by registered or certified mail, return receipt requested, and addressed as follows:

If to Parent:

pSivida Limited
Level 12, BGC Centre
28 The Esplanade, Perth
WA 6000 Australia
GPO Box 2535
Perth, WA 6831

With a copy to:

Curtis, Mallet-Prevost, Colt & Mosle LLP
101 Park Avenue
New York, NY 10178
Attn: Lawrence Goodman, Esq.

If to Executive:

Paul Ashton
19 Brimmer Street
Boston, MA 02108

Either party may change its address for receiving notices by giving notice to the other party.

(f) This Agreement is governed by and will be construed as a sealed instrument under and in accordance with the laws of the Commonwealth of Massachusetts.

I ACKNOWLEDGE AND UNDERSTAND THAT THIS AGREEMENT AFFECTS MY RIGHTS TO COMPETE WITH PARENT OR TO DISCLOSE AND USE PARENT'S PROPRIETARY INFORMATION OR DURING AND AFTER MY EMPLOYMENT.

I HAVE READ ALL OF THE PROVISIONS OF THIS AGREEMENT CAREFULLY AND I UNDERSTAND, AND AGREE TO, EACH OF SUCH PROVISIONS.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF, I have executed this Agreement under seal as of this 3 day of October, 2005.

/s/ Paul Ashton
Paul Ashton

ACKNOWLEDGED AND AGREED:

PSIVIDA LIMITED

By: /s/ Gavin Rezos
Name: Gavin Rezos
Title: Managing Director

Exhibit C

RELEASE OF CLAIMS

FOR AND IN CONSIDERATION OF the benefits to be provided me in connection with the termination of my employment, as set forth in the Employment Agreement between myself and pSivida Corp. (the "Company") dated as of October 31, 2008 (the "Agreement"), which benefits are subject to my signing of this Release of Claims and to which I am not otherwise entitled, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, I, on my own behalf and on behalf of my heirs, executors, administrators, beneficiaries, representatives and assigns, and all others connected with me, hereby release and forever discharge the Company, the Subsidiary (as defined in the Agreement), its other subsidiaries and other affiliates and all of their respective past, present and future officers, directors, trustees, shareholders, employees, agents, general and limited partners, members, managers, joint venturers, representatives, successors and assigns, and all others connected with any of them, both individually and in their official capacities, from any and all causes of action, rights and claims of any type or description, known or unknown, which I have had in the past, now have, or might now have, through the date of my signing of this Release of Claims, in any way resulting from, arising out of or connected with my employment by the Company or the Subsidiary or any of its other subsidiaries or other affiliates or the termination of that employment or pursuant to any federal, state or local law, regulation or other requirement (including without limitation Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the fair employment practices laws of the state or states in which I have been employed by the Company or any of the subsidiaries or other affiliates, each as amended from time to time).

Excluded from the scope of this Release of Claims is (i) any claim arising under the terms of the Agreement, (ii) any right of indemnification or contribution that I have pursuant to the Certificate of Incorporation, Constitution, By-Laws or other governing documents of the Company or the Subsidiary, and (iii) any claim that I have related to any failure by pSivida Limited to register "Registrable Securities" pursuant to Section 4 of the Registration Rights Agreement, dated as of December 30, 2005, by and among pSivida Limited and certain securityholders of Control Delivery Systems, Inc.

In signing this Release of Claims, I acknowledge my understanding that I may not sign it prior to the termination of my employment, but that I may consider the terms of this Release of Claims for up to twenty-one (21) days (or such longer period as the Company may specify) from the later of the date my employment with the Company terminates or the date I receive this Release of Claims. I also acknowledge that I am advised by the Company and its affiliates to seek the advice of an attorney prior to signing this Release of Claims; that I have had sufficient time to consider this Release of Claims and to consult with an attorney, if I wished to do so, or to consult with any other person of my choosing before signing; and that I am signing this Release of Claims voluntarily and with a full understanding of its terms.

I further acknowledge that, in signing this Release of Claims, I have not relied on any promises or representations, express or implied, that are not set forth expressly in the Agreement. I understand that I may revoke this Release of Claims at any time within seven (7) days of the date of my signing by written notice to the General Counsel of the Company and that this Release of Claims will take effect only upon the expiration of such seven-day revocation period and only if I have not timely revoked it.

Intending to be legally bound, I have signed this Release of Claims under seal as of the date written below.

Signature: _____

Name (please print): _____

Date Signed: _____

Exhibit 10.8

Form approved September 26, 2016

AGREEMENT

This Agreement, made and entered into on , 20 ("Agreement"), by and between pSivida Corp., a Delaware corporation ("Company"), and ("Indemnitee"):

WHEREAS, it is reasonable, prudent and necessary for the Company to obligate itself to indemnify, and to advance expenses on behalf of, its directors and officers to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, Indemnitee is willing to serve the Company as an officer and a director and to take on additional service for or on its behalf on the condition that [s]he be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services by Indemnitee. Indemnitee agrees to serve as an officer and a director of the Company. Indemnitee may at any time and for any reason resign from such positions (subject to any other contractual obligation or any obligation imposed by operation of law).

Section 2. Indemnification – General. The Company shall indemnify, and advance Expenses (as hereinafter defined) to, Indemnitee (a) as provided in this Agreement and (b) (subject to the provisions of this Agreement) to the fullest extent permitted by applicable law in effect on the date hereof and as amended from time to time. The rights of Indemnitee provided under the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement.

Section 3. Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 3 if, by reason of [his][her] Corporate Status (as hereinafter defined), [s]he is, or is threatened to be made, a party to or a participant in any threatened, pending or completed Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, penalties, fines and amounts paid in settlement) actually and reasonably incurred by [him][her] or on [his][her] behalf in connection with such Proceeding or any claim, issue or matter therein, if [s]he acted in good faith and in a manner [s]he reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal Proceeding, had no reasonable cause to believe [his][her] conduct was unlawful.

Section 4. Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 4 if, by reason of [his][her] Corporate Status, [s]he is, or is threatened to be made, a party to or a participant in any threatened, pending

or completed Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section, Indemnitee shall be indemnified against all Expenses (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses) actually and reasonably incurred by [him][her] or on [his][her] behalf in connection with such Proceeding if [s]he acted in good faith and in a manner [s]he reasonably believed to be in or not opposed to the best interests of the Company; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company if and only to the extent that the Chancery Court of the State of Delaware (the "Delaware Court"), or court in which such Proceeding shall have been brought or is pending, shall determine that despite such adjudication of liability and in light of all circumstances, such indemnification may be made.

Section 5. Partial Indemnification. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of [his][her] Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding, [s]he shall be indemnified to the maximum extent permitted by law against all Expenses actually and reasonably incurred by [him][her] or on [his][her] behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by [him][her] or on [his][her] behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification for Additional Expenses.

(a) The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within thirty (30) days of such request) advance such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Company under this Agreement or any other agreement or by-law of the Company now or hereafter in effect; or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

(b) Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of [his][her] Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, [s]he shall be indemnified against all Expenses actually and reasonably incurred by [him][her] or on [his][her] behalf in connection therewith.

Section 7. Advancement of Expenses. The Company shall advance all reasonable Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee

requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the obligation of the Company to advance Expenses pursuant to this Section 7 shall be subject to the condition that, if, when and to the extent that the Company determines that Indemnitee would not be permitted to be indemnified under applicable law, the Company shall be entitled to be reimbursed, within thirty (30) days of such determination, by Indemnitee (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if Indemnitee has commenced or thereafter commences legal proceedings in accordance with the terms of this Agreement to secure a determination that Indemnitee should be indemnified under applicable law, any determination made by the Company that Indemnitee would not be permitted to be indemnified under applicable law shall not be binding and Indemnitee shall not be required to reimburse the Company for any advance of Expenses until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or lapsed).

Section 8. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors of the Company (the "Board") in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 8(a) hereof, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case by (A) a majority vote of the Disinterested Directors (as hereinafter defined), even though less than a quorum of the Board, or (B) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (C) if contracting an Independent Counsel is impracticable or undesirable and if so directed by the Board, by the stockholders of the Company. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. The Company and the Indemnitee shall each cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification), and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) hereof, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising [him][her] of the identity of the Independent Counsel so selected. Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 18 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 8(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Indemnitee to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Delaware Court or by such other person as the Delaware Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 8(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 8(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 8(c), regardless of the manner in which such Independent Counsel was selected or appointed. Upon the due commencement of any judicial proceeding pursuant to Section 10(a)(iii) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company shall not be required to obtain the consent of the Indemnitee to the settlement of any Proceeding which the Company has undertaken to defend if the Company assumes full and sole responsibility for such settlement and the settlement grants the Indemnitee a complete and unqualified release in respect of the potential liability. The Company shall not be liable for any amount paid by the Indemnitee in settlement of any Proceeding that is not defended by the Company, unless the Company has consented to such settlement, which consent shall not be unreasonably withheld.

Section 9. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification or the advancement of expenses hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification or advancement of expenses under this Agreement if Indemnitee has submitted a request for indemnification or the advancement of expenses in accordance with Section 8(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person,

persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including its board of directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including its board of directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 8 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within ninety (90) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 90-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 9(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 8(b) of this Agreement and if (A) within thirty (30) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within ninety (90) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within thirty (30) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within ninety (90) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which [s]he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that [his][her] conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be presumed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company or relevant enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Company or relevant enterprise in the course of their duties, or on the advice of legal counsel for the Company or relevant enterprise or on information or records given in reports made to the Company or

relevant enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or relevant enterprise. The provisions of this Section 9(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or relevant enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 10. Remedies of Indemnitee.

(a) In the event that any of the following occur: (i) a determination is made pursuant to Section 8 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 7 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 8(b) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5 or 6 of this Agreement within thirty (30) days after receipt by the Company of a written request therefor, or (v) payment of indemnification is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of [his][her] entitlement to such indemnification or advancement of Expenses. Indemnitee shall commence any such proceeding within one hundred eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 10(a).

(b) In the event that a determination shall have been made pursuant to Section 8(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 10 shall be conducted in all respects as a de novo trial on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination.

(c) If a determination shall have been made pursuant to Section 8(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 10, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 10, seeks a judicial adjudication of, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all expenses (of the types described in the definition of Expenses in Section 17 of this Agreement) actually and reasonably incurred by [him][her] in such judicial adjudication, but only if [s]he prevails therein. If it shall be determined in said judicial adjudication that Indemnitee is entitled to receive part but not all of the indemnification or advancement of expenses sought, the expenses incurred by Indemnitee in connection with such judicial

adjudication shall be appropriately prorated. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' or officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 10 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such judicial proceeding that the Company is bound by all the provisions of this Agreement.

Section 11. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-Laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in [his][her] Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the General Corporation Law of the State of Delaware, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's By-Laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees or agents of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit or enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 12. Duration of Agreement.

(a) This Agreement shall continue until and terminate upon the later of: (a) 10 years after the last date that Indemnitee shall have served as a director or an officer of the Company (or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which Indemnitee served at the request of the Company); or (b) the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 10 of this Agreement relating thereto.

(b) This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries) is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries), other applicable formal severance policies duly adopted by the Board or the Company's Certificate of Incorporation, By-Laws or the General Corporation Law of the State of Delaware. The foregoing notwithstanding, this Agreement shall continue in force as provided above after such date as Indemnitee has ceased to serve as a director or an officer of the Company.

(c) This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and [his][her] heirs, executors and administrators.

Section 13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 14. Exception to Right of Indemnification or Advancement of Expenses. Except as provided in Section 6(a) of this Agreement, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee (other than a Proceeding by Indemnitee to enforce [his][her] rights under this Agreement), or any claim therein, unless the bringing of such Proceeding or making of such claim shall have been approved by the Board.

Section 15. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 16. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 17. Construction. This Agreement shall not be construed more strictly against one party than another merely by virtue of the fact that it, or any part of it, may have been prepared by one of the parties, it being recognized that this Agreement is the result of arm's-length negotiations among the parties.

Section 18. Definitions. For purposes of this Agreement:

(a) "Corporate Status" describes the status of a person who is or was a director, officer, employee, fiduciary or agent of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(b) "Disinterested Director" means a director of the company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "Effective Date" means , 20 .

(d) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding.

(e) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii)

any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "Proceeding" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Corporation or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is, may be or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by [him][her] or of any inaction on [his][her] part while acting as director or officer of the Company, or by reason of the fact that [s]he is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; in each case whether or not [s]he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement; except one (i) initiated by an Indemnitee pursuant to Section 10 of this Agreement to enforce [his][her] right under this Agreement or (ii) pending on or before the Effective Date.

Section 19. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director and an officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director and an officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

Section 20. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

Section 21. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so

notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

Section 22. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee to:

[NAME]
[ADDRESS]

(b) If to the Company to:

pSivida Corp.
480 Pleasant Street
Watertown, Massachusetts 02472

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 23. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (a) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (b) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 24. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) consent to the service of legal process outside the State of Delaware via registered mail or in-person service in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (d) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (e) waive, and agree not to plead or to

make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or otherwise inconvenient forum.

[Remainder of Page Intentionally Blank]

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

pSivida Corp.

By: _____
Name: _____
Title: _____

INDEMNITEE

By: _____
Name: _____

Exhibit 31.1

Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.

CERTIFICATIONS

I, Nancy Lurker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of pSivida Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2016

/s/ Nancy Lurker

Name: Nancy Lurker
Title: President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.

CERTIFICATIONS

I, Leonard S. Ross, certify that:

1. I have reviewed this quarterly report on Form 10-Q of pSivida Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2016

/s/ Leonard S. Ross

Name: Leonard S. Ross
Title: Vice President, Finance
(Principal Financial Officer)

Exhibit 32.1

Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report of pSivida Corp. (the "Company") on Form 10-Q for the quarter ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nancy Lurker, President and Chief Executive Officer of the Company, certify that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2016

/s/ Nancy Lurker

Name: Nancy Lurker
Title: President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report of pSivida Corp. (the "Company") on Form 10-Q for the quarter ended September 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leonard S. Ross, Vice President, Finance of the Company, certify that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2016

/s/ Leonard S. Ross

Name: Leonard S. Ross
Title: Vice President, Finance
(Principal Financial Officer)