

ABEONA THERAPEUTICS INC.
3333 Lee Parkway, Suite 600
Dallas, Texas 75219
214-665-9495

April 9, 2018

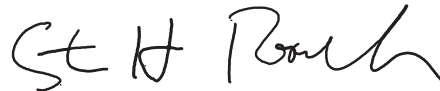
To Our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Abeona Therapeutics Inc. (the "Company") to be held on Thursday, May 10, 2018 at 10:00 a.m., local time, at the New York offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, 45th Floor, New York, New York 10178, 212-309-6000.

The Notice of Annual Meeting and the proxy statement that follow describe the business to be considered and acted upon by stockholders of the Company at the Annual Meeting. Please carefully review the information contained in the proxy statement.

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, IT IS VERY IMPORTANT THAT YOU MARK, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED AS SOON AS POSSIBLE. IF YOU ATTEND THE ANNUAL MEETING, YOU MAY REVOKE YOUR PROXY AT THAT TIME BY REQUESTING THE RIGHT TO VOTE IN PERSON. YOU MAY ALSO REVOKE YOUR PROXY AT ANY TIME BEFORE IT IS EXERCISED BY VOTING IN PERSON AT THE ANNUAL MEETING, BY SUBMITTING ANOTHER PROXY BEARING A LATER DATE OR BY GIVING NOTICE IN WRITING TO OUR SECRETARY NOT LATER THAN THE DAY PRIOR TO THE ANNUAL MEETING.

Sincerely,



Steven H. Rouhandeh
Executive Chairman

ABEONA THERAPEUTICS INC.
3333 Lee Parkway, Suite 600
Dallas, Texas 75219
214-665-9495

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

to be held on Thursday, May 10, 2018

PLEASE TAKE NOTICE that the Annual Meeting of Stockholders (the "Meeting") of Abeona Therapeutics Inc. (the "Company") will be held at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, 45th Floor, New York, New York 10178, on Thursday, May 10, 2018, at 10:00 a.m., local time, for the following purposes:

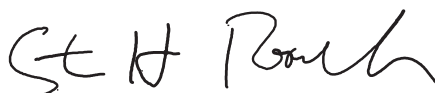
1. To elect the two Class 2 Directors named in the accompanying proxy statement to hold office for a term of three years and until their successors are elected and qualified.
2. To ratify the appointment of Whitley Penn LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

The Board of Directors has fixed the close of business on Thursday, March 29, 2018, as the record date for the determination of stockholders entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof. Only stockholders of record at the close of business on the record date are entitled to notice of and to vote at the Meeting. A complete list of stockholders entitled to vote at the Meeting will be available for inspection by stockholders during normal business hours, during the ten days prior to the Meeting as well as at the Meeting.

Information relating to the proposals described above is set forth in the accompanying proxy statement. Please carefully review the proxy statement, which is accompanied by our annual report for the fiscal year ended December 31, 2017.

Stockholders are cordially invited to attend the Meeting in person. YOUR VOTE IS IMPORTANT. If you do not expect to attend the Meeting, or if you do plan to attend but wish to vote by proxy, please complete, date, sign and mail the enclosed proxy card in the return envelope provided addressed to Abeona Therapeutics Inc., c/o American Stock Transfer & Trust Company, 6201 15th Avenue, Brooklyn, New York 10219. Proxies will also be accepted by transmission of a facsimile provided that such facsimile contains sufficient information from which it can be determined that the transmission was authorized by the stockholder delivering such proxy. American Stock Transfer & Trust Company's fax number is 718-234-2287.

By Order of the Board of Directors,



Steven H. Rouhandeh
Executive Chairman

Dallas, Texas
April 9, 2018

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ABEONA THERAPEUTICS INC.
3333 Lee Parkway, Suite 600
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214-665-9495

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS
To Be Held On Thursday, May 10, 2018

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON MAY 10, 2018

**The Notice of Meeting, proxy statement and proxy card
are available at <http://abeonatherapeutics.investorroom.com>**

This proxy statement is furnished by Abeona Therapeutics Inc., a Delaware corporation (“we”, “Abeona” or the “Company”), to holders of its common stock, par value \$.01 per share (“Common Stock”), in connection with the solicitation of proxies by our Board of Directors (the “Board”) for use at our Annual Meeting of Stockholders (the “Meeting”), and at any and all adjournments or postponements thereof. The Meeting will be held on Thursday, May 10, 2018 at 10:00 a.m., local time, at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, 45th Floor, New York, New York 10178. This proxy statement and the accompanying form of proxy is first being sent to holders of Common Stock on or about April 10, 2018. Our mailing address and the location of our principal executive offices is 3333 Lee Parkway, Suite 600, Dallas, Texas 75219. Our telephone number is 214-665-9495. The purposes of the Meeting are set forth in the Notice of Annual Meeting of Stockholders which accompanies this proxy statement.

A stockholder signing and returning the enclosed proxy may revoke it at any time before it is exercised by voting in person at the Meeting, by submitting another proxy bearing a later date or by giving notice in writing to our Secretary not later than the day prior to the Meeting. All proxies returned prior to the Meeting will be voted in accordance with instructions contained therein or, if no choice is specified for one or more proposals the shares represented by such proxy will be voted “For” such proposals and in the discretion of the named proxies with respect to any other matters which may properly come before the Meeting.

A stockholder may designate a person or persons other than those persons designated on the form of proxy to act as the stockholder’s proxy by striking out the name(s) appearing on the proxy card, inserting the name(s) of another person(s) and delivering the signed card to that person(s). The person(s) designated by the stockholder must present the signed proxy card at the meeting in order for the shares to be voted.

Where the stockholder is not the record holder, such as where the shares are held through a broker, nominee, fiduciary or other custodian, the stockholder must provide voting instructions to the record holder of the shares in accordance with the record holder’s requirements in order to ensure that the shares are properly voted.

At the close of business on March 29, 2018, the record date for the Meeting (the “Record Date”), the number of our issued and outstanding shares of Common Stock entitled to vote was 47,232,940. Each share of Common Stock entitles the holder to one vote with respect to all matters submitted to stockholders for a vote at the Meeting.

A complete list of Company stockholders entitled to vote at the Meeting will be available at our principal executive offices, during normal business hours, at least ten days prior to the Meeting as well as during the Meeting. Our by-laws require that a majority of the shares entitled to vote, present in person or by proxy, constitute a quorum for the conduct of business at the Meeting. Abstentions and broker non-votes are counted as present for purposes of determining whether a quorum is present. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received

instructions from the beneficial owner. We believe that nominees do not have discretionary voting power with respect to the election of directors (Proposal 1). We believe that nominees do have discretionary voting power with respect to the ratification of the appointment of our independent registered public accounting firm (Proposal 2).

Stockholders have the right to vote cumulatively for the election of Directors. This means that in voting at the Meeting, each stockholder, or his or her proxy, may multiply the number of his or her shares by two (the number of directors to be elected) and then vote the resulting total number of shares for a single nominee, or distribute such votes on the ballot among the two nominees desired. The proxies submitted to the Board in response to this solicitation may, at the discretion of the proxy holder, cumulate the votes of the shares the proxies represent. However, the Board requires any stockholder otherwise electing to exercise his or her cumulative voting rights, if voting in person, to so indicate prior to the beginning of the Meeting, or if voting by proxy given to someone other than those designated by the Board, in the solicitation to so indicate on said proxy.

For Proposal 1, directors will be elected by a plurality of shares present in person or represented by proxy at the Meeting, which means that the two individuals receiving the highest number of “For” votes will be elected director. Abstentions will have no effect on the voting results of Proposal 1.

For Proposal 2, ratification of our independent public accountant will be approved upon the affirmative vote of a majority of shares of Common Stock voting present in person or by proxy at the Meeting and entitled to vote on the proposal. Abstentions will have the effect of a vote “Against” such proposal and broker non-votes will have no effect on the voting on such proposal.

All expenses in connection with solicitation of proxies will be borne by us. We will also request brokers, dealers, banks and voting trustees, and their nominees, to make available this proxy statement, the accompanying form of proxy and our annual report for the fiscal year ended December 31, 2017 to beneficial owners and will reimburse them for their expenses in forwarding these materials. We expect to solicit proxies primarily by mail, but our directors, officers and employees may also solicit in person, by telephone, email or by fax.

The Board does not know of any matters that will be brought before the Meeting other than those matters specifically set forth in the Notice of Annual Meeting. However, if any other matter properly comes before the Meeting, it is intended that the persons named in the enclosed form of proxy, or their substitutes acting thereunder, will vote on such matter in accordance with the recommendations of the Board, or, if no such recommendations are made, in accordance with their best judgment.

This proxy statement should be read together with our annual report for the fiscal year ended December 31, 2017, including the financial statements and management’s discussion and analysis of financial condition and results of operations contained therein.

Corporate Governance Matters

Pursuant to the Delaware General Corporation Law and our by-laws, as amended, our business, property and affairs are managed by or under the direction of our Board. Members of the Board are kept informed of our business through discussions with our Executive Chairman and Chief Executive Officer and other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. The Board is currently set at seven directors and, effective as of the Annual Meeting will be set at five directors. The Board meets during our fiscal year to review significant developments affecting us and to act on matters requiring Board approval.

The Board has adopted a number of corporate governance documents, including charters for its Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, corporate governance guidelines, a code of business conduct and ethics for employees, executive officers and directors (including its principal executive officer and principal accounting officer) and a whistleblower policy regarding the treatment of complaints on accounting, internal accounting controls and auditing matters. All of these documents are available on our website at www.abeonatherapeutics.com under the heading “Investor Relations,” and a copy of any such document may be obtained, without charge, upon written request to the Company, c/o Investor Relations, 3333 Lee Parkway, Suite 600, Dallas, Texas, 75219.

Stockholder Communications with the Board

The Board has established a process for stockholders to send communications to it. Stockholders may send written communications to the Board or individual directors to Abeona Therapeutics Inc., Board of Directors, c/o Executive Chairman, 3333 Lee Parkway, Suite 600, Dallas, Texas 75219. Stockholders also may send communications via email to sthompson@abeonatherapeutics.com with the notation "Attention: Executive Chairman" in the subject field. All communications will be reviewed by the Executive Chairman of the Company, who will determine whether such communications are relevant and for a proper purpose and appropriate for Board review and, if applicable, submit such communications to the Board on a periodic basis.

Director Independence

We are listed on the Nasdaq Capital Market ("Nasdaq") and follow Nasdaq rules and regulations governing director independence. The Board has determined that each of Mr. Alvino, Dr. Howell and Mr. Wider are independent under applicable Nasdaq rules.

Board Leadership Structure

The Board has no set policy with respect to the separation of the offices of Chairman and the Chief Executive Officer. Currently, Steven H. Rouhandeh serves as our Chairman of the Board and as Executive Chairman. There are currently no lead independent directors serving on the Board.

Our Board leadership structure is commonly utilized by other public companies in the United States, and we believe that it is effective for us. This leadership structure is appropriate for us given the size and scope of our business, the experience and active involvement of our independent directors, and our corporate governance practices, which include regular communication with and interaction between and among the Executive Chairman and the Chief Accounting Officer and the independent directors. Of the current members of our Board, three are independent from management. Effective as of the Annual Meeting the Board will be set at five members, three of whom are independent from management. At this time, we believe that having one person as Chairman and Executive Chairman and independent chairs for each of our Board committees provides the best form of leadership for us.

Board of Director's Role in Risk Oversight

The Board is responsible for overseeing our management and operations, including overseeing our risk assessment and risk management functions. We believe that our directors provide effective oversight of risk management functions. On a regular basis we perform a risk review wherein the management team evaluates the risks we expect to face in the upcoming year and over a longer term horizon. From this risk assessment plans are developed to deal with the risks identified. The results of this risk assessment are provided to the Board for their consideration and review. In addition, members of our management periodically present to the Board the strategies, issues and plans for the areas of our business for which they are responsible. While the Board oversees risk management, our management is responsible for day-to-day risk management processes. Additionally, the Board requires that management raise exceptional issues to the Board. We believe this division of responsibilities is the most effective approach for addressing the risks we face and that the Board leadership structure supports this approach.

Code of Business Conduct and Ethics

We have adopted a written Code of Business Conduct and Ethics that applies to all of our directors, officers and employees. A copy of our Code of Business Conduct and Ethics is available on our website at www.abeonatherapeutics.com and print copies are available, without charge, to any stockholder that requests a copy. Any amendment to the Code of Business Conduct and Ethics or any waiver of the Code of Business Conduct and Ethics will be disclosed on our website at www.abeonatherapeutics.com promptly following the date of such amendment or waiver.

Officers and Directors

Our certificate of incorporation and by-laws presently provide that our Board shall consist of three to fifteen members. The Board is currently set at five directors. Our directors serve for a term of three years

and until the respective election and qualification of their successors. Pursuant to our by-laws, our Chairman of the Board and our executive officers consisting of our president, treasurer and secretary are selected by the Board. Each of our executive officers is selected by the Board for a term of one year or until the executive officer's successor is duly elected and qualified or until such executive officer's resignation or removal. There is no family relationship among any of the directors or executive officers.

Our directors and executive officers are as follows:

<u>Name</u>	<u>Age</u>	<u>Title</u>
Steven H. Rouhandeh	61	Chairman of the Board and Executive Chairman*
F. Carsten Thiel, Ph.D.	55	Chief Executive Officer**
Timothy J. Miller, Ph.D.	46	President and Chief Scientific Officer and Director**
Mark J. Alvino	50	Director
Stephen B. Howell, M.D.	73	Director
Todd Wider, M.D.	53	Director
Jeffrey B. Davis	55	Chief Operating Officer
Stephen B. Thompson	64	Sr. Vice President Finance and Administration Chief Accounting Officer, Treasurer, Secretary

* Appointed to the board of directors by SCO Capital Partners LLC ("SCO") pursuant to a Director Designation Agreement between SCO and Abeona.

** Effective March 29, 2018, Dr. Thiel was appointed to the position of Chief Executive Officer and Dr. Miller assumed the role of Chief Scientific Officer. Dr. Miller will continue in his role as President. The compensation decisions made in connection with these events are further described below.

Committees of the Board of Directors

The Board established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each of the committees of the Board acts pursuant to a separate written charter adopted by the Board. The Board also established a Medical Affairs Committee.

The Audit Committee is currently comprised of Mark J. Alvino (Chairman), Stephen B. Howell, M.D. and Todd Wider, M.D. The Board has determined that Mr. Alvino is an "audit committee financial expert," under applicable SEC rules and regulations. The Audit Committee's responsibilities and duties are, among other things, to engage the independent auditors, review the audit fees, supervise matters relating to audit functions and review and set internal policies and procedure regarding audits, accounting and other financial controls. The Board has determined that Mr. Alvino, Dr. Howell and Dr. Wider are independent under applicable SEC and Nasdaq rules and regulations. The Audit Committee acts pursuant to a written charter which is available on our website at www.abeonatherapeutics.com under "Investors."

The Compensation Committee is currently comprised of Stephen B. Howell, M.D. and Mark J. Alvino. Dr. Howell and Mr. Alvino are non-employee directors under applicable SEC rules, and are "outside" directors under Internal Revenue Code Section 162(m). Dr. Howell and Mr. Alvino are independent under applicable Nasdaq rules and regulations. The Compensation Committee acts pursuant to a written charter which is available on our website at www.abeonatherapeutics.com under "Investors."

The Nominating and Corporate Governance Committee is currently comprised of Mark J. Alvino and Stephen B. Howell, M.D. All committee members are independent under applicable SEC and Nasdaq rules and regulations. The Nominating and Corporate Governance Committee is responsible for, among other things, considering potential Board members, making recommendations to the full Board as to nominees for election to the Board, assessing the effectiveness of the Board and implementing our corporate governance guidelines. The Nominating and Corporate Governance Committee acts pursuant to a written charter which is available on our website at www.abeonatherapeutics.com under "Investors."

The Medical Affairs Committee is currently comprised of Todd Wider, M.D.

Meetings Attendance

During the 2017 fiscal year, the Board held five (5) meetings. Each director attended 75 percent or more of the Board meetings and meetings of committees of which he was a member that were held during the period of his service as a director.

The Audit Committee held four (4) meetings during the 2017 fiscal year and all members were present.

The Compensation Committee held two (2) meetings during the 2017 fiscal year and all members were present.

The Nominating and Corporate Governance Committee did not hold any formal meetings during the 2017 fiscal year, but did meet informally on several occasions.

The Medical Affairs Committee, comprised of Todd Wider, M.D., did not have a formal meeting during 2017 but Dr. Wider provided advice to the Company during the course of 2017.

One of the directors then currently serving as director attended the 2017 annual stockholder meeting. Although we currently do not require directors to attend annual stockholder meetings, we do encourage directors to do so and welcome their attendance. We generally schedule a Board meeting in conjunction with the Meeting and plan to continue to do so in the future. We expect that directors will attend annual stockholder meetings absent a valid reason.

Compensation of Directors

Each director who is not also an Abeona employee receives a quarterly fee of \$10,000. Each director will have \$2,000 deducted from his fee if the director misses more than one Board meeting, and \$1,000 deducted per committee meeting not attended. In addition, we reimbursed each director, whether an employee or not, for the expense of attending Board and committee meetings.

During 2017, each of our outside directors received \$10,000 cash compensation for each quarter of 2017 in which he served as a director.

Director Compensation Table — 2017

The table below represents the compensation paid to our outside directors during the year ended December 31, 2017:

Name	Fees earned or Paid in Cash (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) ⁽¹⁾	Total (\$)
Mark J. Alvino	\$40,000	\$—	\$ —	\$380,000	\$420,000 ⁽²⁾
Stephen B. Howell, MD	40,000	—	—	380,000	420,000 ⁽³⁾
Todd Wider, MD	40,000	—	484,000 ⁽⁴⁾	380,000	904,000 ⁽⁵⁾

(1) The value listed represents the fair value of the options granted under ASC 718 during 2017. Fair value is calculated as of the grant date using a Black-Scholes (“Black-Scholes”) option-pricing model. The determination of the fair value of share-based payment awards made on the date of grant is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. Our assumptions in determining fair value are described in note 8 to our audited financial statements for the year ended December 31, 2017, included in our Annual Report on Form 10-K.

(2) Represents the fair value of options granted in 2017 to purchase 30,000 shares of our Common Stock based on a grant date, December 14, 2017. Mr. Alvino had options to purchase 217,120 shares of our Common Stock at December 31, 2017.

(3) Represents the fair value of options granted in 2017 to purchase 30,000 shares of our Common Stock based on a grant date, December 14, 2017. Dr. Howell had options to purchase 219,820 shares of our Common Stock at December 31, 2017.

(4) Dr. Wider received a stock grant for performing as Chairman of the Medical Affairs Committee.

- (5) Represents the fair value of options granted in 2017 to purchase 30,000 shares of our Common Stock based on a grant date, December 14, 2017. Dr. Wider had options to purchase 230,000 shares of our Common Stock at December 31, 2017. Dr. Wider was granted 100,000 shares of our Common Stock on November 11, 2016. We recognized \$484,000 for the vesting of his stock in 2017.

Certain Relationships and Related Transactions

On occasion we may engage in certain related party transactions. There were no related party transactions in 2017 or 2016.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2017, information about shares of common stock outstanding and available for issuance under our existing equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders:			
2015 Equity Incentive Plan	5,112,967	\$ 9.07	3,106,637
2005 Equity Incentive Plan ⁽¹⁾	316,760	14.31	—
Equity compensation plans not approved by security holders	—	—	—
Total	5,429,727	\$ 8.73	3,106,637

(1) No further grants may be made under the 2005 Equity Incentive Plan.

Security Ownership of Certain Beneficial Owners and Management

Based solely upon information made available to us, the following table sets forth certain information with respect to the beneficial ownership of our Common Stock as of April 9, 2018 by (i) each person who is known by us to beneficially own more than five percent of any class of our Common Stock; (ii) each of our directors; (iii) each of our named executive officers; and (iv) all of our executive officers and directors as a group. Beneficial ownership as reported in the following table has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. The address of each holder listed below, except as otherwise indicated, is c/o Abeona Therapeutics Inc., 3333 Lee Parkway, Suite 600, Dallas, Texas 75219.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership Common Stock ⁽¹⁾	Percent of Common Stock ⁽²⁾
Steven H. Rouhandeh ⁽³⁾	763,333	1.6%
F. Carsten Thiel, Ph.D. ⁽⁴⁾	5,700	*
Timothy J. Miller, Ph.D. ⁽⁵⁾	806,310	1.7%
Mark J. Alvino ⁽⁶⁾	262,000	*
Stephen B. Howell, M.D. ⁽⁷⁾	265,195	*
Todd Wider, M.D. ⁽⁸⁾	375,000	*
Jeffrey B. Davis ⁽⁹⁾	577,647	1.2%
Stephen B. Thompson ⁽¹⁰⁾	224,538	*
SCO Capital Partners LLC, and Beach Capital LLC ⁽¹¹⁾	14,094,660	29.4%
FMR LLC ⁽¹²⁾	4,779,191	10.1%
Viking Global Investors LP ⁽¹³⁾	4,040,727	8.6%
Adage Capital Partners L.P. ⁽¹⁴⁾	2,413,959	5.1%
Knoll Capital Management, LP ⁽¹⁵⁾	2,359,767	5.0%
All Directors and Executive Officers as a group (consisting of 8 persons)	3,279,723	6.7%

* Less than 1%

- (1) Includes our outstanding shares of Common Stock held plus all shares of Common Stock issuable upon exercise of options, warrants and other rights exercisable within 60 days after April 9, 2018.
- (2) Based upon 47,226,940 shares of Common Stock issued and outstanding as of April 9, 2018.
- (3) Mr. Rouhandeh, our Chairman and Executive Chairman, is known to beneficially own an aggregate of 375,000 shares of our Common Stock, presently exercisable options for the purchase of 308,333 shares of our Common Stock pursuant to the 2015 Equity Incentive Plan and 80,000 shares of our Common Stock pursuant to the 2005 Equity Incentive Plan. He is also the Chief Investment Officer of SCO Capital Partners LLC. His address is c/o SCO Capital Partners LLC, 1330 Avenue of the Americas, Suite 33A, New York, NY 10019. SCO Capital Partners LLC and Beach Capital LLC are known to beneficially own an aggregate of 13,444,659 shares of our Common Stock and warrants to purchase an aggregate of 650,001 shares of our Common Stock. Mr. Rouhandeh disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein.
- (4) Dr. Thiel was appointed Chief Executive Officer on March 29, 2018 and is known to beneficially own an aggregate of 5,700 shares of our Common Stock. On March 29, 2018, Dr. Thiel received a grant of stock options to purchase 350,000 shares of our common stock, none of which are exercisable within 60 days of April 9, 2018.
- (5) Dr. Miller, our President and Chief Scientific Officer and director, is known to beneficially own an aggregate of 368,810 shares of our Common Stock and presently exercisable options for the purchase of 437,500 shares of our Common Stock pursuant to the 2015 Equity Incentive Plan.

- (6) Mr. Alvino, our director, is known to beneficially own an aggregate of 75,000 shares of our Common Stock, presently exercisable options for the purchase of 175,000 shares of our Common Stock pursuant to the 2015 Equity Incentive Plan and 12,000 shares of our Common Stock pursuant to the 2005 Equity Incentive Plan.
- (7) Dr. Howell, our director, is known to beneficially own an aggregate of 75,495 shares of our Common Stock, presently exercisable options for the purchase of 175,000 shares of our Common Stock pursuant to the 2015 Equity Incentive Plan and 14,700 shares of our Common Stock pursuant to the 2005 Equity Incentive Plan.
- (8) Dr. Wider, our director, is known to beneficially own an aggregate of 175,000 shares of our Common Stock and presently exercisable options for the purchase of 200,000 shares of our Common Stock pursuant to the 2015 Equity Incentive Plan.
- (9) Mr. Davis, our Chief Operating Officer beneficially owns an aggregate of 300,147 shares of our Common Stock, presently exercisable options for the purchase of 237,500 shares of our Common Stock pursuant to the 2015 Equity Incentive Plan and 40,000 shares of our Common Stock pursuant to the 2005 Equity Incentive Plan. Lake End Capital LLC's address is 36 Lake End Road, Newfoundland, NJ 07435. Lake End Capital LLC is known to beneficially own an aggregate of 963,511 shares of our Common Stock and warrants to purchase an aggregate of 62,500 shares of our Common Stock. Mr. Davis disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein.
- (10) Mr. Thompson, our Sr. Vice President Finance and Administration and Chief Accounting Officer, is known to beneficially own an aggregate of 83,496 shares of our Common Stock, presently exercisable options for the purchase of 126,042 shares of our Common Stock pursuant to the 2015 Equity Incentive Plan and 15,000 shares of our Common Stock pursuant to the 2005 Equity Incentive Plan.
- (11) SCO Capital Partners LLC and Beach Capital LLC's address is 1330 Avenue of the Americas, Suite #33A, New York, NY 10019. Mr. Rouhandeh is the Chief Investment Officer of SCO Capital Partners LLC. SCO Capital Partners LLC and Beach Capital LLC are known to beneficially own an aggregate of 13,444,659 shares of our Common Stock and warrants to purchase an aggregate of 650,001 shares of our Common Stock. Mr. Rouhandeh disclaims his beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- (12) Based on information set forth in a Schedule 13G/A filed with the SEC on March 12, 2018 by FMR LLC. FMR LLC's address is 245 Summer Street, Boston, MA 02210.
- (13) As of December 31, 2017, based on information set forth in a Schedule 13G/A filed with the SEC on February 14, 2018 by Viking Global Investors LP. Viking Global Investors LP's address is 55 Railroad Avenue, Greenwich, CT 06830.
- (14) As of January 29, 2018, based on information set forth in a Schedule 13G/A filed with the SEC on February 14, 2018 by Adage Capital Partners L.P. Adage Capital Partners L.P.'s address is 200 Clarendon Street, 52nd Floor, Boston, MA 02116.
- (15) As of December 31, 2017, based on information set forth in a Schedule 13G/A filed with the SEC on February 14, 2018 by Knoll Capital Management, LP. Knoll Capital Management, LP's address is 5 East 44th Street, Suite 12, New York, NY 10017. Knoll Capital Management LP, Fred Knoll and Gakasa Holdings LLC are known to beneficially own an aggregate of 2,359,767 shares of our Common Stock.
- (16) Does not include shares held by SCO Capital Partners LLC and affiliates.

To our knowledge, except as noted above, no person or entity is the beneficial owner of more than 5% of the voting power of the Company's Common Stock.

Executive Compensation

The following table sets forth the aggregate compensation paid to our principal executive officer and our next two most highly compensated executive officers whose individual, aggregate total compensation exceeded \$100,000 for services rendered in all capacities for the fiscal years ended December 31, 2017 and 2016.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽⁴⁾	Total (\$)
Steven H. Rouhandeh ⁽⁵⁾ <i>Executive Chairman</i>	2017	\$386,000	\$154,000 ^(a)	\$—	\$1,521,000	\$2,061,000
	2016	370,000	108,000 ^(b) 112,000 ^(c)	—	1,066,000	1,656,000
Timothy J. Miller, PhD ⁽⁶⁾ <i>President and Chief Executive Officer</i>	2017	\$375,000	\$150,000 ^(a)	\$—	\$1,141,000	\$1,666,000
	2016	359,000	66,000 ^(b) 82,000 ^(c)	—	799,000	1,306,000
Jeffrey B. Davis ⁽⁷⁾ <i>Chief Operating Officer</i>	2017	\$348,000	\$122,000 ^(a)	\$—	\$1,014,000	\$1,484,000
	2016	334,000	165,000 ^(b) 101,000 ^(c)	—	799,000	1,399,000

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- (a) Bonus for performance in 2017 and paid in 2017.
- (b) Bonus accrued in 2016 for performance in 2016 and paid in January 2017.
- (c) Bonus paid in 2016 for prior year's performance.
- (1) Includes amounts deferred under our 401(k) Plan, if applicable.
- (2) Represents bonuses recognized in 2017 and 2016.
- (3) Represents expense recognized in 2017 and 2016 for the fair value of Common Stock granted. The fair value used is the stock price on the date the Common Stock is granted.
- (4) The value listed in the above table represents the fair value of the options granted in prior years that was recognized in 2017 and 2016 under ASC 718. Fair value is calculated as of the grant date using a Black-Scholes option-pricing model. The determination of the fair value of share-based payment awards made on the date of grant is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. Our assumptions in determining fair value are described in note 8 to our audited financial statements for the year ended December 31, 2017, included in our annual report on Form 10-K.
- (5) Mr. Rouhandeh, our Chairman of the Board, became Executive Chairman on January 1, 2015, the principal executive officer of the Company.
- (6) Dr. Miller became our President and Chief Executive Officer on May 15, 2015.
- (7) Mr. Davis became our Chief Operating Officer on January 19, 2015.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the aggregate number of option awards held by our named executive officers at December 31, 2017.

<u>Name</u>	<u>Number of Securities Underlying Unexercised Options (#) Exercisable</u>	<u>Number of Securities Underlying Unexercised Options (#) Unexercisable</u>	<u>Option Exercise Price (\$)⁽¹⁾</u>	<u>Option Expiration Date</u>	<u>Number of Shares or Units of Stock That Have Not Vested (#)</u>	<u>Market Value of Shares or Units of Stock That Have Not Vested (\$)</u>
Steven H. Rouhandeh ⁽²⁾	—	120,000	\$16.00	12/14/27	375,000	\$5,944,000
	50,000	150,000	4.45	12/13/26		
	91,667	108,333	2.31	02/11/26		
	125,000	—	7.34	05/11/25		
	80,000	—	18.50	03/07/24		
Timothy J. Miller, PhD ⁽³⁾	—	90,000	\$16.00	12/14/27	—	—
	37,500	112,500	4.45	12/13/26		
	68,750	81,250	2.31	02/11/26		
	258,333	141,667	7.34	05/15/25		
Jeffrey B. Davis ⁽⁴⁾	—	80,000	\$16.00	12/14/27	—	—
	37,500	112,500	4.45	12/13/26		
	68,750	81,250	2.31	02/11/26		
	100,000	—	7.34	05/11/25		
	40,000	—	18.50	03/07/24		

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- (1) On December 31, 2017, the closing price of our Common Stock as quoted on Nasdaq was \$15.85 per share.
- (2) Mr. Rouhandeh's options to purchase shares of Common Stock will vest in the following periods: 120,000 options at \$16.00 per share will be fully vested in December 2021; 200,000 options at \$4.45 per share will be fully vested in December 2020; and, 200,000 options at \$2.31 per share will be fully vested in February 2020. Mr. Rouhandeh's 375,000 shares of Common Stock will vest in May 2019.
- (3) Dr. Miller's options to purchase shares of Common Stock will vest in the following periods: 90,000 options at \$16.00 per share will be fully vested in December 2021; 150,000 options at \$4.45 per share will be fully vested in December 2020; 150,000 options at \$2.31 per share will be fully vested in February 2020; and, 400,000 options at \$7.34 per share will be fully vested in May 2019.
- (4) Mr. Davis' options to purchase shares of Common Stock will vest in the following periods: 80,000 options at \$16.00 per share will be fully vested in December 2021; 150,000 options at \$4.45 per share will be fully vested in December 2020; and, 150,000 options at \$2.31 per share will be fully vested in February 2020.

Compensation Pursuant to Agreements and Plans

Employment Agreements

Executive Chairman

Steven H. Rouhandeh, our Chairman of the Board, was named by the Board as Executive Chairman effective January 1, 2015. Mr. Rouhandeh currently does not have an employment agreement with the Company but effective April 1, 2018 he is entitled to be paid an annual base salary of \$555,000. He was paid a base salary of \$386,000 in 2017. Mr. Rouhandeh is entitled to similar employee benefits as our other executive officers.

On December 14, 2017, Mr. Rouhandeh was granted stock options to purchase 120,000 shares of our Common Stock at \$16.00 per share which will fully vest in December 2021.

On December 13, 2016, Mr. Rouhandeh was granted stock options to purchase 200,000 shares of our Common Stock at \$4.45 per share which will fully vest in December 2020 and on February 11, 2016, he was granted stock options to purchase 200,000 shares of our Common Stock at \$2.31 per share which will fully vest in February 2020.

Chief Executive Officer

We are a party to an employment agreement with Frank Carsten Thiel, PhD, as our Chief Executive Officer, effective as of March 29, 2018. Dr. Thiel's employment agreement, dated March 29, 2018, is renewed automatically every year. Pursuant to the terms of his employment agreement, Dr. Thiel is entitled to receive an annual base salary of \$550,000 and a target annual bonus opportunity equal to 50% of his base salary (with a maximum bonus opportunity of not less than 200% of the target annual bonus opportunity). The amount of the annual bonus actually paid will depend on the extent to which the performance goals are achieved or exceeded as determined by the Company's Board of Directors. Dr. Thiel is entitled to similar employee benefits as our other executive officers.

On March 29, 2018, Dr. Thiel was granted stock options to purchase 350,000 shares of our Common Stock at \$13.65 per share which will fully vest in March 2022.

President and Chief Scientific Officer

We are a party to an employment agreement with Timothy J. Miller, PhD, as our President and Chief Scientific Officer, effective as of March 29, 2018. Dr. Miller is also a director of the Company and was President and Chief Executive Officer from May 15, 2015 until March 29, 2018. Dr. Miller's employment agreement, dated March 29, 2018, is renewed automatically every year. Pursuant to the terms of his employment agreement, Dr. Miller is entitled to receive an annual base salary of \$450,000. He was paid a base salary of \$375,000 in 2017. Dr. Miller is entitled to similar employee benefits as our other executive officers.

On December 14, 2017, Dr. Miller was granted stock options to purchase 90,000 shares of our Common Stock at \$16.00 per share which will fully vest in December 2021.

On December 13, 2016, Dr. Miller was granted stock options to purchase 150,000 shares of our Common Stock at \$4.45 per share which will fully vest in December 2020 and on February 11, 2016, he was granted stock options to purchase 150,000 shares of our Common Stock at \$2.31 per share which will fully vest in February 2020.

Chief Operating Officer

Jeffrey B. Davis, was named by the Board as Chief Operating Officer effective January 19, 2015. Mr. Davis currently does not have an employment agreement with the Company but is entitled to be paid an annual base salary of \$375,000 in 2018. He was paid a base salary of \$348,000 in 2017. Mr. Davis is entitled to similar employee benefits as our other executive officers.

On December 14, 2017, Mr. Davis was granted stock options to purchase 80,000 shares of our Common Stock at \$16.00 per share which will fully vest in December 2021.

On December 13, 2016, Mr. Davis was granted stock options to purchase 150,000 shares of our Common Stock at \$4.45 per share which will fully vest in December 2020 and on February 11, 2016, he was granted stock options to purchase 150,000 shares of our Common Stock at \$2.31 per share which will fully vest in February 2020.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) (“Section 16(a)”) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers and holders of more than 10% of our Common Stock to file with the SEC initial reports of ownership of securities and reports of changes in ownership of such securities. Directors, officers and 10% holders are required by SEC rules to furnish us with copies of all of the Section 16(a) reports they file.

Based solely on a review of reports furnished to us during the 2017 fiscal year or written representations from our directors and executive officers, and except as previously disclosed, none of our directors, executive officers and 10% holders failed to file on a timely basis reports required by Section 16(a) during the 2017 fiscal year.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the Board or Compensation Committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our Board or Compensation Committee. None of the current members of our Compensation Committee has ever been an employee of Abeona or any subsidiary of Abeona.

COMPENSATION COMMITTEE DISCUSSION ON EXECUTIVE COMPENSATION

The Compensation Committee operates under a written charter adopted by the Board and is responsible for making all compensation decisions for the Company’s directors and named executives including determining base salary and annual incentive compensation amounts and recommending stock option grants and other stock-based compensation under our equity incentive plans. The Compensation Committee charter can be found on our website at www.abeonatherapeutics.com under “Investor Relations.”

PROPOSAL 1

ELECTION OF DIRECTORS

Our Certificate of Incorporation and by-laws presently provide that our Board shall consist of between three to fifteen members, shall be divided into three classes as nearly equal in number as possible, and that each Director shall serve for a term of three years and until his successor is elected and qualified or until his earlier resignation, death or removal. By resolution, the Board has set the number of its directors at five directors. The term of office of one class of Directors expires each year in rotation so that one class is elected at each annual meeting of stockholders for a three-year term. The Board presently consists of five members.

Dr. Wider is a Class 1 Director with his term set to expire at the annual meeting of stockholders in 2020.

Mr. Rouhandeh and Dr. Howell are Class 2 Directors with their terms set to expire at the Meeting.

Mr. Alvino and Dr. Miller are Class 3 Directors with their terms set to expire at the annual meeting of stockholders in 2019.

There is no family relationship among any of the directors or officers. The nominees have each consented to serve as a director and the Board has no reason to believe that either nominee will be unavailable for such service.

Nominees for Term Expiring at the Meeting (Class 2 Directors)

Mr. Rouhandeh and Dr. Howell are Class 2 Directors. Mr. Rouhandeh has served as a director since 2008 and Dr. Howell has served as a director since 1996. The terms of Mr. Rouhandeh and Dr. Howell expire at the Meeting. If elected at the Meeting, they will serve for a term of three years expiring on the date of the annual meeting of stockholders in 2021. Each of the director nominees exemplifies how our Board values professional experience in business and our pharmaceutical industry as well as strong moral character. It is this strong and unique background and sets of skills that our Board of Directors believes provide it, as a whole, with a strong foundation of technical expertise. The terms of the three remaining Directors will continue as indicated above.

Business and Experience of Nominees for Director

Mr. Steven H. Rouhandeh, 61, became our Executive Chairman, Principal Executive Officer, on January 1, 2015. Mr. Rouhandeh has been a director and Chairman of the Board since March 4, 2008. He has been Chief Investment Officer of SCO Capital Partners, a group of New York based life sciences funds since 1997. Mr. Rouhandeh possesses a diverse background in financial services that includes experience in asset management, corporate finance, investment banking and law. He has been active throughout recent years as an executive in venture capital and as a founder of several companies in the biotech field. His experience also includes positions as Managing Director of a private equity group at Metzler Bank, a private European investment firm and Vice President, Investment Banking at Deutsche Bank. Mr. Rouhandeh was also a corporate attorney at New York City-based Cravath, Swaine & Moore. Mr. Rouhandeh holds a J.D. from Harvard Law School, Harvard University and a B.A. Political Science, from Southern Illinois University. Mr. Rouhandeh's qualifications to serve our Board include his institutional knowledge of our Company and his extensive domestic and international financial experience in the healthcare industry.

Stephen B. Howell, M.D., 73, has served as our director since 1996. Dr. Howell is a member of the Compensation Committee and Nominating and Corporate Governance Committee of the Board. Dr. Howell has been Professor of Medicine at the University of California, San Diego since 1977, and director of the Cancer Pharmacology Program of the UCSD Cancer Center since 2006. Dr. Howell is a recipient of the Milken Foundation prize for his contributions to the field of cancer chemotherapy. He has served on the National Research Council of the American Cancer Society and is on the editorial boards of multiple medical journals. Dr. Howell founded DepoTech, Inc. and served as a member of its board of directors from 1989 to 1999. Dr. Howell served on the board of directors of Matrix Pharmaceuticals from 2000 to 2002. Dr. Howell received his A.B. at the University of Chicago and his M.D. from Harvard

Medical School. Dr. Howell's qualifications to serve our Board include his technical expertise and strong commitment to promoting and advancing innovation in the healthcare industry as well as his experience as a medical doctor in oncology, his experience as director of several biotech companies and his executive skills and experience as a founder of a biotech company.

Nomination and Election of Directors

When seeking candidates for director, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management or others. After conducting an initial evaluation of a candidate, the committee will interview that candidate if it believes the candidate might be suitable to serve as a director. The committee may also ask the candidate to meet with Company management. If the committee believes a candidate would be a valuable addition to the Board and there is either a vacancy on the Board or the committee believes it is in the best interests of the Company and our stockholders to increase the number of Board members to elect that candidate, it will recommend to the full Board that candidate's election. Mr. Rouhandeh was initially appointed to the Board as a result of contractual obligations of the Company.

Before nominating a sitting director for reelection at an annual stockholder meeting, the committee will consider the director's performance on the Board and whether the director's reelection would be in the best interests of the Company's stockholders and consistent with the Company's corporate governance guidelines and the Company's continued compliance with applicable law, rules and regulations.

The Board believes that it should be comprised of directors with diverse and complementary backgrounds, and that directors should have expertise that, at a minimum, may be useful to the Company and may contribute to the success of the Company's business. Directors also should possess the highest personal and professional ethics and should be willing and able to devote an amount of time sufficient to effectively carry out their duties and contribute to the success of the Company's business. When considering candidates for director, the committee takes into account a number of factors, including the following:

- Independence from management;
- Age, gender and ethnic background;
- Relevant business experience;
- Judgment, skill and integrity;
- Existing commitments to other businesses;
- Potential conflicts of interest;
- Corporate governance background;
- Financial and accounting background;
- Executive compensation background; and
- Size and composition of the existing Board.

The Nominating and Corporate Governance Committee will consider additional candidates for director suggested by stockholders by considering the foregoing criteria and the additional information referred to below. Stockholders wishing to suggest a candidate for director should write to the Company, c/o Investor Relations, 3333 Lee Parkway, Suite 600, Dallas, Texas 75219. When submitting candidates for nomination to be elected at the Company's annual meeting of stockholders, stockholders must follow the notice procedures, which are described under the heading "Stockholder Proposals and for 2019 Annual Meeting" and include the following:

- The name and address of the stockholder and a statement that he, she or it is a stockholder of the Company and is proposing a candidate for consideration by the committee;
- The number of shares of Company capital stock owned by the stockholder as of the record date for the applicable annual stockholder meeting (if such date has been announced) and as of the date of the notice, and length of time such stockholder has held such shares;

- The name, age and address of the candidate;
- A description of the candidate's business and educational experience;
- The class and number of shares of Company capital stock, if any, owned by the candidate, and length of time such candidate has held such shares;
- Information regarding each of the foregoing criteria the Board generally considers, other than the factor regarding Board size and composition, sufficient to enable the committee to evaluate the candidate;
- A description of any relationship between the candidate and any customer, supplier or competitor of the Company or any actual or potential conflict of interest;
- A description of any relationship or understanding between the stockholder and the candidate;
- A statement that the candidate is willing to be considered and willing to serve as a director if nominated and elected;
- A statement as to whether the director is independent under applicable SEC and Nasdaq rules; and
- Such other information regarding each nominee that would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC.

THE BOARD RECOMMENDS A VOTE "FOR" THE PROPOSED NOMINEES TO THE BOARD.

The enclosed proxy will be so voted unless a contrary vote is indicated. The directors shall be elected by a majority of the total votes cast by the holders of Common Stock present in person or by proxy and entitled to vote at the Meeting.

UNLESS OTHERWISE INDICATED THEREON, THE ACCOMPANYING PROXY WILL BE VOTED FOR THE NOMINEE NAMED ABOVE. HOWEVER, THE PERSONS DESIGNATED AS PROXIES RESERVE THE RIGHT TO CAST VOTES FOR ANOTHER PERSON DESIGNATED BY THE BOARD IN THE EVENT ANY NOMINEE IS UNABLE OR UNWILLING TO SERVE.

Information With Respect to Other Directors

Directors Whose Terms Expire at the Annual Meeting in 2019 (Class 3 Directors)

Timothy J. Miller, Ph.D., 46, became our President and Chief Scientific Officer on March 29, 2018 and Director on May 15, 2015. Dr. Miller was our President and Chief Executive Officer from May 15, 2015 to March 29, 2018. Dr. Miller was President & CEO of Abeona Therapeutics LLC from 2013 to 2015. He has 17 years of scientific research, product development, regulatory and clinical operations expertise, with a focus on transitioning novel biotherapeutics through pre-clinical phases and into Phase 1 and 2 human clinical trials. Dr. Miller was President & CEO of Red5 Pharmaceuticals from 2013 until 2015 and was Vice President, Business Development of BioEnterprise Inc. in 2015. He was Senior Director of Product Development at SironRX Therapeutics from 2010 to 2013. Between 1996 and 2010 Dr. Miller held various positions at several companies focusing on gene therapy and regenerative medicine. Dr. Miller earned his PhD in Pharmacology with a focus on Gene therapy/Cystic Fibrosis from Case Western University. He also holds a B.S. in Biology and M.S. in Molecular Biology from John Carroll University (Cleveland, OH). Dr. Miller's qualifications to serve our Board include his leadership skills and his experience in the areas of scientific research, product development, regulatory and clinical operations in the biopharmaceutical field.

Mr. Mark J. Alvino, 50, became a director in March 2006 initially as a designee of SCO Capital Partners LLC and is chairman of the Audit Committee. He is no longer a designee of SCO Capital Partners LLC. Mr. Alvino is also a member of the Compensation Committee and Nominating and Corporate Governance Committees. Mr. Alvino is currently President of Hudson Square Capital LLC, since October 2014. From 2013 to October 2014 Mr. Alvino was leading the LifeSciences efforts of Bradley Woods, & Co. Ltd. Mr. Alvino was Managing Director for Griffin Securities from 2007 to 2013. Mr. Alvino was Managing Director for SCO Financial Group LLC from 2002 to 2007. Mr. Alvino was a member of the board of directors of MacroChem Corporation from 2007 until February 2009. He previously worked at Feinstein

Kean Healthcare, an Ogilvy Public Relations Worldwide Company. There he was Senior Vice President, responsible for managing both investor and corporate communications programs for many private and public companies and acted as senior counsel throughout the agency's network of offices. Prior to working at FKH, Mr. Alvino served as Vice President of Investor Relations and managed the New York Office of Allen & Caron, Inc., an investor relations agency. His base of clients included medical devices, biotechnology, and e-healthcare companies. Mr. Alvino also spent several years working with Wall Street brokerages including Ladenburg, Thallman & Co. and Martin Simpson & Co. Mr. Alvino's qualifications to serve our Board include his leadership skills and his experience in the areas of financial management and business strategy in the biopharmaceutical field.

Director Whose Term Expires at the Annual Meeting in 2020 (Class I Director)

Todd Wider, M.D., 53, became a director in May 2015. Dr. Wider is a surgeon and has served as consultant to numerous entities in the biotechnology space. Dr. Wider holds an M.D. from Columbia College of Physicians and a B.A. from Princeton University. Dr. Wider's qualifications to serve our Board include his biotechnology expertise as well as his experience as a surgeon.

Executive Officers

Frank Carsten Thiel, Ph.D., 55, became our Chief Executive Officer on March 29, 2018. Dr. Thiel brings 25 years of proven global biopharmaceutical industry experience, including rare and orphan diseases, to Abeona. In his most recent position he served at Alexion Inc. as Executive Vice President and Chief Commercial Officer responsible for global commercial operations including maximizing the inline rare disease portfolio as well as guiding the launch of anticipated new products and indications. Prior to that he led the region Europe/Middle East/Africa and Asia Pacific as Senior Vice President, driving Alexion's commercial build out in these regions. Prior to joining Alexion, Dr. Thiel served as Vice President, Head of Europe at Amgen Inc. In this role, he led regional operations and was responsible for multiple products in hematology/oncology, nephrology, and bone disorders, and prepared for new product launches in inflammation and cardiology. He also held various other senior leadership positions at Amgen, including General Manager, Germany, and General Manager, CEE, where he led all markets in Eastern Europe and established Amgen's operations in Russia. He also served as Head of the Oncology franchise in Europe during the time of several blockbuster product launches. Prior to Amgen, Dr. Thiel held several sales and marketing leadership roles across Europe at Hoffmann-Roche. He earned his doctorate in molecular biology & biochemistry at Max Planck Institute for Biophysical Chemistry in Goettingen, Germany.

Mr. Jeffrey B. Davis, 55, since January 19, 2015, Mr. Davis is our Chief Operating Officer. Previously Mr. Davis was director from March 2006 until May 2017. Mr. Davis was our Chief Executive Officer from December 26, 2007 until September 19, 2014. Mr. Davis became Acting Chief Financial Officer, Treasurer and Secretary on November 1, 2013 through September 19, 2014. Previously, Mr. Davis served in a variety of senior investment banking and management positions, and in senior management at a publicly traded healthcare technology company. Prior to that, Mr. Davis was an investment banker with various Deutsche Bank banking organizations, both in the U.S. and Europe. Mr. Davis also served in senior marketing and product management positions at AT&T Bell Laboratories, where he was also a member of the technical staff, and at Philips Medical Systems North America. Mr. Davis holds a B.S. in biomedical engineering from Boston University and an M.B.A. degree from the Wharton School, University of Pennsylvania. Mr. Davis' qualifications to serve on our Board include his past experience as our CEO leading the day to day operations of our Company and his prior experience serving our Board since 2006, as well as his extensive domestic and international financial experience in the healthcare industry.

Mr. Stephen B. Thompson, 64, the Company's Vice President Finance, became the Chief Accounting Officer, Secretary and Treasurer on January 1, 2015. Mr. Thompson consulted with the Company from December 1, 2013 through December 31, 2014. Prior to December 1, 2013 Mr. Thompson was our Vice President from 2000 and our Chief Financial Officer from 1996. From 1990 to 1996, he was Controller and Administration Manager of Access Pharmaceuticals, Inc., a private Texas corporation. Previously, from 1989 to 1990, Mr. Thompson was Controller of Robert E. Woolley, Inc., a hotel real estate company where he was responsible for accounting, finances and investor relations. From 1985 to 1989, he was Controller of OKC Limited Partnership, an oil and gas company, where he was responsible for accounting, finances and SEC reporting. Between 1975 and 1985 he held various accounting and finance positions with Santa Fe International Corporation.

PROPOSAL 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Whitley Penn LLP, independent registered public accounting firm, has been the independent registered public accounting firm of the Company since September 2006. The Board has recommended that the stockholders ratify the reappointment of Whitley Penn LLP as the Company's independent registered public accounting firm for the current year, Fiscal Year 2018.

A representative of Whitley Penn LLP is not expected to be present at the Meeting but will be available to respond to appropriate questions in writing.

Ratification by stockholders is not required. If Proposal 2 is not approved by the stockholders, the Board does not plan to change the appointment for Fiscal Year 2018 but will consider such vote in selecting our independent registered public accounting firm for Fiscal Year 2019.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE RATIFICATION OF THE SELECTION OF WHITLEY PENN LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2018.

Proposal 2 will be approved upon the affirmative vote of a majority in interest of shares of Common Stock present in person or represented by proxy at the Meeting and entitled to vote on such proposal voting together.

REPORT OF THE AUDIT COMMITTEE

In fulfilling its oversight responsibility, the Audit Committee reviewed and discussed our audited 2017 year-end financial statements with management and with Whitley Penn, LLP, our independent registered public accounting firm. The Audit Committee discussed with the independent registered public accounting firm the matters required to be discussed by the Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16 Communications with Audit Committees. In addition, the Audit Committee received from the independent registered public accounting firm written disclosures and the letter required by the applicable standards of the PCAOB. The Audit Committee also discussed with the independent registered public accounting firm the auditors' independence from management and the Company, including a review of audit and non-audit fees and the matters covered by the written disclosures and letter provided by the independent registered public accounting firm.

The Audit Committee discussed with Whitley Penn, LLP the overall scope and plans for the audit. The Audit Committee met with Whitley Penn, LLP to discuss the results of its audit and reviews, its evaluations of the Company and its personnel, our internal controls, and the overall quality of our financial reporting.

Based on the reviews and discussions referred to above, the Audit Committee reviewed and recommended to the Board that our audited 2017 year-end financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2017, for filing with the Securities and Exchange Commission.

The foregoing Audit Committee Report shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent the Company specifically incorporates it by reference into such future filings.

AUDIT COMMITTEE

Mark J. Alvino, Chairman
Stephen B. Howell
Todd Wider

INDEPENDENT AUDITOR FEES

The following table presents fees for professional audit services rendered by Whitley Penn LLP for the audit of our annual financial statements for the years ended December 31, 2017, and December 31, 2016, and fees billed for other services rendered by such firms during the respective periods.

Types of Fees	2017	2016
Audit Fees ⁽¹⁾	\$146,000	\$124,000
Audit-Related Fees ⁽²⁾	\$ 31,000	\$ 69,000
Tax Fees	\$ 0	\$ 0
All Other Fees	\$ 0	\$ 0

- (1) Audit fees for 2017 and 2016 were for professional services rendered for the audit of our financial statements for the fiscal year and reviews of our quarterly financial statements included in our Form 10-Q filings.
- (2) Audit-related fees are for services related to our registration statements on Forms S-1, S-3, audit of Abeona Therapeutics LLC and other fees.

All decisions regarding the selection of an independent registered public accounting firm and approval of accounting services and fees are made by our Audit Committee in accordance with the provisions of the Sarbanes-Oxley Act of 2002 and related SEC rules.

The Audit Committee selected Whitley Penn LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018. Whitley Penn LLP has served as Abeona's independent registered public accounting firm since September 2006.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee pre-approves all audit and non-audit services provided by the independent registered public accounting firm prior to the engagement with respect to such services. The Audit Committee approved 100% of the services listed under the preceding captions "Audit Fees," "Audit-Related Fees," "Tax Fees" and "All Other Fees."

OTHER MATTERS

As of the date of this proxy statement, the Board has no knowledge of any matters to be presented for consideration at the Meeting other than those referred to above. If (i) any matters not within the knowledge of the Board as of the date of this proxy statement should properly come before the Meeting; (ii) a person not named herein is nominated at the Meeting for election as a director because a nominee named herein is unable to serve or for good cause will not serve; (iii) any proposals properly omitted from this proxy statement and the form of proxy, subject to applicable laws and our charter and by-laws, should come before the Meeting; or (iv) any matters should arise incident to the conduct of the Meeting, then the proxies will be voted by the persons named in the enclosed form of proxy, or their substitutes acting thereunder, in accordance with the recommendations of the Board, or, if no such recommendations are made, in accordance with their best judgment.

STOCKHOLDER PROPOSALS FOR 2019 ANNUAL MEETING

The 2019 annual meeting of stockholders is expected to be held on or about May 16, 2019. The Board will make provisions for the presentation of proposals submitted by eligible stockholders who have complied with the relevant rules and regulations of the SEC as well as those contained in our charter and by-laws. These requirements are summarized above under the heading *Nomination and Election of Directors*. We must receive such proposals no later than December 11, 2018, to be considered for inclusion in our proxy statement relating to that meeting. Additionally, with respect to nominations and proposals not to be included in our proxy statement relating to that meeting, we must receive nominations for the election of directors not later than January 13, 2019, and March 12, 2019, for all other proposals.

STOCKHOLDERS SHARING AN ADDRESS OR HOUSEHOLD

Only one copy of our annual report and proxy statement is being delivered to multiple security holders sharing an address unless we have received instructions to the contrary from one or more of the stockholders.

We will deliver promptly upon written or oral request a separate copy of our annual report and proxy statement to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of our annual report and proxy statement, or if two stockholders sharing an address have received two copies of any of these documents and desire to only receive one, you may write Company, c/o Investor Relations, at our principal executive offices at 3333 Lee Parkway, Suite 600, Dallas, Texas 75219 or call the Company at 214-665-9495.

COST AND METHOD OF SOLICITATION

We will pay the cost of soliciting proxies. Proxies may be solicited on behalf of the Company by directors, officers or employees of Abeona in person or by telephone, facsimile or other electronic means. As required by the SEC, we also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of our Common Stock.

FORM 10-K

Our annual report on Form 10-K for the 2017 fiscal year is available without charge to each stockholder, upon written request to the Company, c/o Investor Relations, at our principal executive offices at 3333 Lee Parkway, Suite 600, Dallas, Texas 75219 and is also available on our website at <http://www.abeonatherapeutics.com> under the heading “Investor Relations.”

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