

Warner Music Group Corp.
Form 4
March 16, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BONNIE SHELBY W

(Last) (First) (Middle)

C/O CNET, 150 CHESTNUT ST.

(Street)

SAN FRANCISCO, CA 94111

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Warner Music Group Corp. [WMG]

3. Date of Earliest Transaction (Month/Day/Year)

03/15/2007

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$0.001 ⁽¹⁾	03/15/2007		A		4,558	A	\$ 17.55
					9,955	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BONNIE SHELBY W C/O CNET 150 CHESTNUT ST. SAN FRANCISCO, CA 94111	X			

Signatures

Trent N. Tappe for Shelby
Bonnie 03/16/2007

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
Common Stock granted pursuant to a Director Restricted Stock Award Agreement in accordance with the Company's currently established compensation policies with respect to independent directors. Shares represent 50% of such director's annual director compensation based on a fair market value on the date of grant (calc. as the closing price on the grant date in accordance with the terms of the Company's 2005 Omnibus Award Plan). Shares will be delivered to reporting person upon vesting. Shares vest on February 23, 2008, the one-year anniversary of the Company's Annual Meeting for the preceding fiscal year.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. IGN="TOP">

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of October 3, 2012 (this "**Agreement**"), is by and between BioSante Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), and ANIP Acquisition Company (d/b/a ANI Pharmaceuticals), a Delaware corporation ("**ANI**"). The Company and ANI are sometimes referred to in this Agreement as the "**Parties**".

A. The Company and ANI intend to effect a merger of ANI with and into the Company (the "**Merger**") in accordance with this Agreement and the General Corporation Law of the State of Delaware (the "**DGCL**").

B. Immediately before the Effective Time of the Merger, and subject to stockholder approval, the Company intends to effect a Reverse Stock Split.

C. The board of directors of the Company has approved unanimously and declared advisable the Merger, upon the terms and subject to the conditions set forth herein, has determined that the Merger and the other transactions contemplated by this Agreement are fair to, and in the best interests of, the Company and its stockholders, and has determined to recommend that the Company stockholders adopt this Agreement and approve the Company Charter Amendments, the Merger and the issuance of Company Common Stock as contemplated by this Agreement.

D. The board of directors of ANI has approved unanimously and declared advisable the Merger, upon the terms and subject to the conditions set forth herein, has determined that the Merger and the other transactions contemplated by this Agreement are fair to, and in the best interests of, ANI and its stockholders, and has determined to recommend that ANI stockholders adopt this Agreement and approve the Merger as contemplated by this Agreement.

E. It is intended that the Merger qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "**Code**").

F. In order to induce the Company to enter into this Agreement and to cause the Merger to be consummated, the Company and the stockholders of ANI listed on *Schedule I* hereto are executing voting agreements and irrevocable proxies in favor of the Company concurrently with the execution and delivery of this Agreement in the forms substantially attached hereto as *Exhibit A-1* and *Exhibit A-2* (the "**Voting Agreements**").

G. In order to induce ANI to enter into this Agreement and to cause the Merger to be consummated, ANI and the stockholders of the Company listed on *Schedule II* hereto are executing Voting Agreements in favor of ANI concurrently with the execution and delivery of this Agreement.

Accordingly, and in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein and intending to be legally bound, the Parties agree as follows:

ARTICLE I.
The Transactions

1.1 **The Merger.** At the Effective Time, and subject to and upon the terms and conditions of this Agreement and the applicable provisions of the DGCL, ANI will be merged with and into the Company, with the Company being the surviving entity. The Company, as the surviving entity of the Merger, is hereinafter sometimes referred to as the "Surviving Corporation". At the Effective Time, and as a result of the approval of the Company Charter Amendments, the name of the Surviving Corporation will be changed to "ANI Pharmaceuticals, Inc."

1.2 **Effects of the Merger.** The effects of the Merger will be as provided in this Agreement, the Certificate of Merger and the applicable provisions of the DGCL. Without limiting the foregoing, at

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the Effective Time, by virtue of the Merger and in accordance with the DGCL, all of the property, rights, privileges, powers and franchises of ANI will vest in the Surviving Corporation, and all debts, liabilities and duties of ANI will become the debts, liabilities and duties of the Surviving Corporation.

1.3 Closing; Effective Time. Unless this Agreement is terminated pursuant to *Article VII* hereof, the closing of the Merger and the other transactions contemplated hereby (the "Closing") will take place through the remote exchange of electronic copies of executed documents on the second (2nd) Business Day after satisfaction or waiver of the conditions set forth in *Article VI* (other than those conditions that by their terms are to be satisfied at the Closing), or at such other place or on such other date as is mutually agreeable to the parties hereto. The date of the Closing is herein referred to as the "Closing Date". At the Closing, the parties hereto will cause the Merger to be consummated by filing a certificate of merger (the "Certificate of Merger") with the Secretary of State of the State of Delaware (the "Delaware Secretary"), in accordance with the relevant provisions of the DGCL (the time of such filing, or such later time as may be agreed to in writing by the parties hereto and specified in the Certificate of Merger, being referred to herein as the "Effective Time"). For the purposes of this Agreement, "Business Day" means each day other than a Saturday, Sunday or any other day when commercial banks in New York, New York are authorized or required by law to close.

1.4 Recapitalization of Company Common Stock.

(a) Effective as of the close of business on the Business Day immediately prior to the Effective Time, and subject to receipt of the requisite stockholder approval at the Company Special Meeting of amendments to the certificate of incorporation of the Company (the "**Company Charter Amendments**"), in the forms attached hereto as *Exhibit B*, the Company will cause to be filed a Certificate of Amendment to its Certificate of Incorporation (the "**Company Certificate of Amendment**"), whereby without any further action on the part of the Company, ANI or any stockholder of the Company:

(i) each share of common stock, \$0.0001 per share, of the Company ("**Company Common Stock**") issued and outstanding immediately prior to the filing of the Company Certificate of Amendment will be converted into and become a fractional number of fully paid and nonassessable shares of Company Common Stock to be determined by the Company and ANI, but which in any event will be between the range of one-for-two and one-for-five (the "**Reverse Stock Split**"); and

(ii) any shares of Company Common Stock held as treasury stock or held or owned by the Company immediately prior to the filing of the Company Certificate of Amendment will each be converted into and become an identical fractional number of shares of Company Common Stock, as determined by the Company and ANI in connection with *Section 1.4(a)(i)* above.

(b) No fractional shares of Company Common Stock will be issued in connection with the Reverse Stock Split, and no certificates or scrip for any such fractional shares will be issued. Any holder of Company Common Stock who otherwise would be entitled to receive a fraction of a share of Company Common Stock (after aggregating all fractional shares of Company Common Stock issuable to such holder) will, in lieu of such fraction of a share and upon surrender of such holder's certificate representing such fractional shares of Company Common Stock, be paid in cash the dollar amount (provided to the nearest whole cent), without interest, determined by multiplying such fraction by the closing price of a share of Company Common Stock on The NASDAQ Global Market on the date immediately preceding the effective date of the Reverse Stock Split.

(c) The Exchange Ratio determined in accordance with *Section 2.2* will be appropriately adjusted at the Effective Time to account for the effect of the Reverse Stock Split without

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enlarging or diluting the relative rights and ownership of the stockholders of ANI and stockholders of the Company resulting from such Exchange Ratio.

1.5 **Lock-Up Agreements.** Concurrently with the execution hereof, the chief executive officer and chief financial officer of ANI and each holder of ANI Shares set forth on *Schedule I* is entering into a Lock-up Agreement in the form attached hereto as *Exhibit C*.

ARTICLE II.

Conversion and Cancellation of Securities

2.1 **Cancellation and Conversion of ANI Securities.** As of the Effective Time, by virtue of the Merger, and without any action on the part of the holders of any of the shares of capital stock of ANI ("**ANI Shares**"):

(a) Except as otherwise provided in *Section 2.1(d)* or *Section 2.4*, each share of series D convertible preferred stock, par value \$0.10 per share, of ANI ("**ANI Series D Preferred Stock**") outstanding immediately prior to the Effective Time will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series D Exchange Ratio (as determined pursuant to *Section 2.2* (all such shares of Company Common Stock to be issued pursuant to this *Section 2.1(a)* or *2.1(f)*, together with cash in lieu of any fractional shares of Company Common Stock paid pursuant to *Section 2.3(d)*, are collectively referred to herein as the "**Merger Consideration**").

(b) Each share of ANI's series C convertible preferred stock, par value \$0.10 per share (the "**ANI Series C Preferred Stock**"), ANI's series B convertible preferred stock, par value \$0.10 per share (the "**ANI Series B Preferred Stock**"), ANI's series A convertible preferred stock (the "**ANI Series A Preferred Stock**"), par value \$0.10 per share, and ANI Common Stock, in each case outstanding immediately prior to the Effective Time, will be canceled without consideration therefor, except as may be provided in *Section 2.1(f)* for the ANI Series C Preferred Stock, the ANI Series B Preferred Stock and the ANI Series A Preferred Stock.

(c) Each option, warrant or other right to purchase shares of ANI capital stock outstanding immediately prior to the Effective Time will be canceled without consideration therefor other than the ANI Warrants which, at and after the Effective Time, will not represent the right to acquire any equity or other interest in the Surviving Corporation.

(d) As of the Effective Time, subject to *Section 2.4*, all such cancelled and/or converted ANI Shares will no longer be outstanding and will automatically be canceled and will cease to exist, and each certificate which immediately prior to the Effective Time represented any such ANI Shares (each, a "**Certificate**") will thereafter represent only the right (and, except as provided in *Section 2.1(f)*, only in the case of the shares of ANI Series D Preferred Stock) to receive the applicable portion of the Merger Consideration in exchange therefor in accordance with *Section 2.3*.

(e) Each ANI Share held by ANI or any of the ANI Subsidiaries or owned by the Company or any of the Company Subsidiaries immediately prior to the Effective Time will be canceled, and no payment will be made with respect thereto.

(f) In the event the product of (x) the Merger Shares and (y) the volume weighted average price (rounded to the nearest cent) of the Company Common Stock on The NASDAQ Global Market (as reported by Bloomberg L.P. or, if not reported thereby, by another authoritative source mutually agreed by the Company and ANI) for the five (5) consecutive trading days immediately

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preceding the second trading day prior to the Closing Date, as adjusted for the Reverse Stock Split (the "**Share Value**"):

(i) exceeds the Series D Preference Amount, but does not exceed an amount equal to the Series D Preference Amount *plus* the Series C Preference Amount, then that number of Merger Shares with a Share Value in excess of the Series D Preference Amount will be allocated to the ANI Series C Preferred Stock and each share of (A) ANI Series D Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series D Exchange Ratio and (B) Series C Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series C Exchange Ratio (each as determined pursuant to *Section 2.2*); or

(ii) exceeds the Series D Preference Amount *plus* the Series C Preference Amount, but does not exceed an amount equal to the Series D Preference Amount *plus* the Series C Preference Amount *plus* the Series B Preference Amount, then that number of Merger Shares with a Share Value in excess of the Series D Preference Amount *plus* the Series C Preference Amount will be allocated to the ANI Series Stock B Preferred Stock and each share of (A) ANI Series D Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series D Exchange Ratio, (B) Series C Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series C Exchange Ratio and (C) Series B Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series B Exchange Ratio (each as determined pursuant to *Section 2.2*); or

(iii) exceeds the Series D Preference Amount *plus* the Series C Preference Amount *plus* the Series B Preference Amount, then that number of Merger Shares with a Share Value in excess of the Series D Preference Amount *plus* the Series C Preference Amount *plus* the Series B Preference Amount will be allocated to the ANI Series Stock A Preferred Stock and each share of (A) ANI Series D Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series D Exchange Ratio, (B) Series C Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series C Exchange Ratio, (C) Series B Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series B Exchange Ratio and (D) Series A Preferred Stock will be automatically converted into the right to receive that number of shares of Company Common Stock equal to the Series A Exchange Ratio (each as determined pursuant to *Section 2.2*).

For purpose hereof: (x) the "**Series D Preference Amount**" means the amount the holders of the ANI Series D Preferred Stock are entitled to receive in respect of the liquidation preference of the ANI Series D Preferred Stock described in Article VII, Section 1(a) of the ANI's Certificate of Incorporation; (y) the "**Series C Preference Amount**" means the amount the holders of the ANI Series C Preferred Stock are entitled to receive in respect of the liquidation preference of the ANI Series C Preferred Stock described in Article VII, Section 1(b) of ANI's Certificate of Incorporation and (z) the "**Series B Preference Amount**" means the amount the holders of the ANI Series B Preferred Stock are entitled to receive in respect of the liquidation preference of the ANI Series B Preferred Stock described in Article VII, Section 1(c) of ANI's Certificate of Incorporation, the amount of which in each case will be as set forth in a certificate executed by the chief financial officer of ANI immediately prior to the Closing Date.

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In the event any shares of Company Common Stock are issued to holders of ANI Series C Preferred Stock, Series B Preferred Stock or Series A Preferred Stock in accordance with this *clause (f)* then it is acknowledged and agreed that all references to ANI Series D Preferred Stock in *Sections 2.1(d)*, 2.2 and 2.3 shall be deemed to also include ANI Series C Preferred Stock and/or ANI Series B Preferred Stock and/or ANI Series A Preferred Stock, as applicable.

2.2 Determination of Exchange Ratio.

(a) Definitions.

(i) "**Adjusted Outstanding Company Shares**" means a number equal to the sum of (A) the total number of shares of Company Common Stock outstanding immediately prior to the Effective Time and (B) the Company Warrant Amount immediately prior to the Effective Time.

(ii) "**ANI Percentage**" means fifty-three percent (53%); *provided, however*, that if the Company has more or less than \$18.0 million of Net Cash as of the Determination Date, then the ANI Percentage will be increased by 0.006% for each \$10,000 shortfall in Net Cash on the Determination Date or decreased by 0.006% for each \$10,000 excess in Net Cash on the Determination Date, *provided, further*, that in no event will the ANI Percentage be decreased to less than 50.1%.

(iii) "**Company Percentage**" means one hundred percent (100%), minus the ANI Percentage.

(iv) "**Company Warrant Amount**" means the product of .32 and the number of remaining shares of Company Common Stock that are issuable upon exercise of the August Warrants, as of immediately prior to the Effective Time.

(v) "**Determination Date**" will be either (A) the date that is fourteen (14) calendar days prior to the date of the Company Special Meeting set forth in the Joint Proxy Statement/Prospectus, (B) if the date of the Company Special Meeting is adjourned to a date with the consent of ANI, to the date that is fourteen (14) calendar days prior to the consented-to date of the Company Special Meeting or (C) if the date of the Company Special Meeting is adjourned to a date without the consent of ANI, to the date which is fourteen (14) calendar days prior to either the original date of the Company Special Meeting set forth in the Joint Proxy Statement/Prospectus, or the rescheduled date of the Company Special Meeting, as determined by ANI in its sole and absolute discretion.

(vi) "**Merger Shares**" means the total number of shares of Company Common Stock to be issued in the Merger pursuant to *Section 2.1(a)*, determined as follows:

$$(\text{ANI Percentage}) \times \frac{\text{Adjusted Outstanding Company Shares}}{\text{Company Percentage}}$$

(vii) "**Net Cash**" means, as of any particular time, (x) the Company's cash (including cash permitted to be included under *Section 5.22* and *Section 5.23* of the Agreement) and cash equivalents *minus* (y) the aggregate of the following obligations and liabilities of the Company, calculated without duplication (the "**Liabilities**"):

(A) All accounts payable, accrued compensation (including accrued paid time off, vacation time, bonuses and payments in respect of benefit plans) and other accrued expenses of the Company (but in each case, excluding any item taken into account pursuant to clauses (B)-(F) below), including amounts payable to any or all persons who were employees of or contractors to the Company or any of its subsidiaries at anytime up until immediately prior to the Effective Time (including former employees) as a result of

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(1) their termination, whether prior to or after the date hereof until thirty (30) days following the Closing (provided such amount will be calculated for purposes hereof assuming remaining employees as of the Determination Date are terminated at the Closing and which calculation will include an estimate of the maximum compensation and benefits payable to such person through the expected Closing Date, except for employees who have the right to receive prior notice of termination, in which case such amount shall be calculated as of the first date such termination can be effective assuming notice is given at the Closing, but shall include any compensation and benefits payable to such employee during such period from Closing to the effective date of termination) and/or (2) the Merger constituting a change of control under their employment agreements or any other documents as in effect during the period beginning on the date hereof and ending immediately prior to the Effective Time (including associated severance costs such as accrued bonuses, excise and other Taxes and payments associated with such amounts and required to be paid by statute or contract), and including health, dental, life, disability and outplacement benefits owed to employees, including the Company Executives (as defined in *Section 5.17*) that are paid, incurred or expected to be incurred, payable or subject to reimbursement by the Company; *provided, however,* that (x) only such costs in excess of \$100,000 will be deducted under this *clause (A)* in the calculation of Net Cash; and (y) in the case of estimated maximum COBRA costs and costs referred to in *Sections 5.17(b)(i)-(iv)*, only the aggregate amount in excess of \$100,000 (in addition to the \$100,000 amount set forth above) will be deducted under this *clause (A)* in the calculation of Net Cash;

(B) All indebtedness of the Company for borrowed money or in respect of capitalized leases or the purchase of assets of the Company (including all principal, accrued interest thereon (and if such indebtedness is not prepayable, all remaining interest to be paid or accrued through maturity thereof)), and any other amounts payable to the holders of such indebtedness as a result of or in connection with, the consummation of the transactions contemplated by this Agreement);

(C) All amounts remaining to be paid by the Company under the lease for its offices in Lincolnshire, Illinois through the expiration thereof (including any amounts payable on any surrender of the premises) less the amount of any deposit;

(D) All out-of-pocket closing or transactional costs in connection with the transactions contemplated by this Agreement, including amounts payable to (1) financial advisors (including investment banks), attorneys or accountants (including 50% of the cost of the Independent Accountant, if any) that are paid, incurred or expected to be incurred, payable or subject to reimbursement by the Company, (2) all amounts payable in connection with the preparation, filing and mailing of the Registration Statement and Joint Proxy Statement/Prospectus, the Charter Amendments and the solicitation of proxies and the holding of the Company Special Meeting and 50% of any filing fee required to be paid pursuant to *Section 5.24*, (3) all amounts payable in respect of the Company Tail Policies for Company Executives and (4) all amounts payable in connection with the drafting and execution of the agreement described in *Section 5.2(c)*;

(E) All remaining costs associated with the Company's LibiGel® program (including the completion and/or conclusion of any clinical trials, safety studies or other research studies) and the cost of keeping in effect any related product liability and/or similar insurance policies providing coverage for personal injury claims arising out of such trials for the remaining statute of limitations thereof, including those of the type described in *Section 4.4* of the Company Disclosure Schedule hereto;

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(F) Any cash received by the Company in respect of that Company Contract identified in *Section 5.22* of the Company Disclosure Schedule with the Amending Party which represents (1) an advance of or prepayment against or payment in lieu of any royalties otherwise payable to the Company under an existing license agreement with the other party to such contract or (2) a payment made in consideration of any change or amendment to an existing license agreement with such other party to such contract which is adverse to the Company ("**Ineligible Payments**"), and ANI agrees that the amounts payable by the Amending Party pursuant to the agreement of the Company with the Amending Party referred to in *Section 5.22* of the Company Disclosure Schedule, if executed in the form provided to ANI, will not contain any Ineligible Payments;

(G) A reserve to be mutually agreed upon in good faith by the Parties prior to November 15, 2012, to be sufficient to provide for any out-of-pocket costs associated with any then outstanding litigation of the Company, including in respect of defense costs, deductible payments and a provision for costs associated with an adverse determination not otherwise covered by the Company's existing Policies, which reserve amount is tentatively set as of the date hereof at \$50,000 (and which, if agreement between the Parties is not reached prior to November 15, 2012, will be determined as set forth in *Section 8.13*); and

(H) One-half ($1/2$) of any settlement payments of the type identified in *Section 2.2(a)(vii)(H)* of the Company Disclosure Schedule; it being understood and agreed that the aggregate amount of all costs associated with the defense of any matter described in such section of the Company Disclosure Schedule not covered by the Company's existing Policies will be included as a Liability under *clause (D)(1)* above.

(b) **Exchange Ratio.** The Exchange Ratio for purposes of the Merger Agreement (the "**Exchange Ratio**") will equal the applicable ratio set forth below and each Exchange Ratio will be calculated to the nearest $1/10,000$ of a share:

(i) The "**Series D Exchange Ratio**" will equal the quotient obtained by dividing (A) the total number of Merger Shares having an aggregate Share Value equal to or less than the Series D Preference Amount, by (B) the number of outstanding shares of ANI Series D Preferred Stock immediately prior to the Effective Time.

(ii) The "**Series C Exchange Ratio**" will equal the quotient obtained by dividing (A) the total number of Merger Shares not issued to the holders of ANI Series D Preferred Stock under *clause (i)* above having an aggregate Share Value equal to the Series C Preference Amount (or, if less, the remaining Merger Shares), by (B) the number of outstanding ANI Series C Preferred Stock immediately prior to the Effective Time.

(iii) The "**Series B Exchange Ratio**" will equal the quotient obtained by dividing (A) the total number of Merger Shares not issued to the holders of ANI Series D Preferred Stock under *clause (i)* above or ANI Series C Preferred Stock under *clause (ii)* above having an aggregate Share Value equal to or less than the Series B Preference Amount (or, if less, the remaining Merger Shares), by (B) the number of outstanding ANI Series B Preferred Stock immediately prior to the Effective Time.

(iv) The "**Series A Exchange Ratio**" will equal the quotient obtained by dividing (A) the total number of Merger Shares not issued to the holders of ANI Series D Preferred Stock under *clause (i)* above, ANI Series C Preferred Stock under *clause (ii)* above or ANI Series B Preferred Stock under *clause (iii)* above, by (B) the number of outstanding ANI Series A Preferred Stock immediately prior to the Effective Time.

(c) **Determination of Net Cash.**

(i) Within two (2) calendar days following the Determination Date, the Company will deliver to ANI a schedule (the "**Net Cash Schedule**") setting forth, in reasonable detail, the Company's calculation of Net Cash (as determined in accordance with the definition of Net Cash set forth above) (the "**Net Cash Calculation**") as of such Determination Date prepared by the Company's Chief Financial Officer, together with the work papers and back-up materials used in preparing the applicable Net Cash Schedule and as part of such documentation, the Company shall include letters that are duly executed by the following Persons to which such payment of Liabilities are to be made, in forms reasonably satisfactory to ANI (including a fixed capped amount to be paid by the Company): the Company's investment bankers, attorneys and accountants.

(ii) Within three (3) Business Days after the Company delivers the Net Cash Schedule to ANI (the "**Response Date**"), ANI will have the right to dispute any part of such Net Cash Schedule by delivering a written notice to that effect to the Company (a "**Dispute Notice**"). Any Dispute Notice will identify in reasonable detail the nature of any proposed revisions to the Net Cash Calculation and will be accompanied by reasonably detailed materials supporting the basis for such proposed revisions.

(iii) If on or prior to the Response Date, (i) ANI notifies the Company in writing that it has no objections to the Net Cash Calculation set forth in the Net Cash Schedule or (ii) ANI fails to deliver a Dispute Notice as set forth above, then the Net Cash Calculation as set forth in the Net Cash Schedule will be deemed to have been finally determined for purposes of this Agreement and to represent the Net Cash at the Determination Date for purposes of this Agreement, except in the case of intentional or willful misrepresentation.

(iv) If ANI delivers a Dispute Notice on or prior to the Response Date as provided above, then representatives of the Company and ANI will promptly meet and attempt in good faith to promptly resolve the disputed item(s) and negotiate an agreed-upon determination of Net Cash within two (2) calendar days after the Response Date, which agreed upon Net Cash amount will be deemed to have been finally determined for purposes of this Agreement and to represent the Net Cash at the Determination Date for purposes of this Agreement.

(v) In the event no agreement is reached within four (4) calendar days after the Response Date and the disagreements would result in at least a Two Million Dollar (\$2,000,000) adjustment to Net Cash or ANI reasonably believes the amount of Net Cash is less than the Minimum Net Cash amount, then the Parties agree to postpone the Company Special Meeting to a date mutually agreed upon so that such disagreement can be resolved in accordance with the terms of clause (vi) below.

(vi) If the Company and ANI are unable to resolve any disagreement between them concerning the Net Cash Calculation or any component thereof (the "**Dispute**") within three (3) calendar days, then the Dispute may be referred by the Company or ANI for determination to RSM McGladrey Inc. If RSM McGladrey Inc. is unwilling to serve in such capacity then ANI and the Company will refer the Dispute to the Chicago, Illinois office of a regionally or nationally recognized accounting firm that is mutually selected by the Company and ANI. If the Parties are unable to select a regionally or nationally recognized accounting firm within five (5) calendar days, then either the Company or ANI may thereafter request that the Chicago, Illinois office of the American Arbitration Association make such selection (as applicable, the "**Independent Accountant**"). Each of the Company and ANI will provide the Independent Accountant and the other Party with a statement of its position as to the amount for each Dispute within ten (10) calendar days from the date of the referral. The Independent Accountant will make a written determination as promptly as practicable, but in any event within fifteen (15) calendar days after the date on which the Dispute is referred to the Independent Accountant, by determining the

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actual Net Cash and the applicable Exchange Ratio. If at any time the Company and ANI resolve their dispute, then notwithstanding the preceding provisions of this clause (vi), the Independent Accountant's involvement promptly will be discontinued and the Net Cash Calculation will be revised, if necessary, to reflect such resolution and thereupon will be final and binding for all purposes under this Agreement, except in the case of intentional or willful misrepresentation or manifest error. The Parties will make readily available to the Independent Accountant all relevant books and records relating to the Net Cash Calculation and the calculation set forth in the Net Cash Schedule and all other items reasonably requested by the Independent Accountant in connection with resolving the Dispute. The costs and expenses of the Independent Accountant will be borne by the Company (however, only 50% of such amount will be included in the calculation of Net Cash).

(vii) Once the Net Cash at the Determination Date has been finally determined, the Company will issue a news release publicly announcing (i) the Company's Net Cash at the Determination Date and (ii) any adjustment to the Exchange Ratio based on the Company's Net Cash at the Determination Date.

2.3 Payment of Consideration.

(a) At least ten (10) days prior to the Effective Time, the Company will send to each holder of record of shares of ANI Series D Preferred Stock a letter of transmittal setting forth instructions on the process for effecting the exchange of the ANI Series D Preferred for Company Common Stock. Such letter of transmittal will, among other things, (i) specify that the delivery will be effected, and risk of loss and title will pass, only upon proper delivery of the Certificates to the Company, (ii) provide for a release of any claims such holder might have against the Company, ANI or otherwise in connection with the Merger and (iii) otherwise be in customary form and contain such provisions as the Company may reasonably specify. At the Effective Time, each holder of record of shares of ANI Series D Preferred Stock will deliver the Certificates to the Company, together with a properly completed letter of transmittal and all other documents reasonably required by the Company, and the Company will issue the Merger Consideration to such holders of ANI Series D Preferred Stock by delivery of certificates or book entry notations and, if applicable, cash for fractional shares as provided in *Section 2.3(d)*. Until so surrendered or transferred, as the case may be, each such Certificate will represent after the Effective Time for all purposes only the right to receive such applicable portion of the Merger Consideration. In addition, no dividends or other distributions declared or made with respect to Company Common Stock with a record date after the Effective Time will be paid or otherwise delivered to any holder of ANI Series D Preferred Stock until such holder surrenders or transfers the applicable Certificate(s).

(b) The transfer books of ANI will be closed immediately upon the Effective Time and there will be no further registration of transfers of ANI Shares outstanding immediately prior to the Effective Time thereafter on the records of ANI. If, after the Effective Time, Certificates are presented to the Company or its transfer agent for any reason, they will be canceled and exchanged for the applicable portion of the Merger Consideration to the extent provided for, and in accordance with the procedures set forth, in this *Article II*.

(c) Notwithstanding anything to the contrary in this Agreement, neither the Company nor any Party will be liable to any holder of ANI Series D Preferred Stock as of immediately prior to the Effective Time for any amounts delivered to a public official pursuant to any applicable abandoned property, escheat or similar law. Immediately prior to such time when the amounts otherwise would escheat to or become property of any Government Authority, any amounts remaining unclaimed by holders of ANI Series D Preferred Stock immediately prior to the Effective Time will become, to the extent permitted by Applicable Law, the property of the

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Company free and clear of any claims or interest of any Person previously entitled thereto. For purposes of this Agreement, "**Person**" means an individual, a corporation, a limited liability company, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

(d) No fractional shares of Company Common Stock will be issued in connection with the Merger, and no certificates or scrip for any such fractional shares will be issued. Any holder of ANI Series D Preferred Stock who otherwise would be entitled to receive a fraction of a share of Company Common Stock (after aggregating all fractional shares of Company Common Stock issuable to such holder) will, in lieu of such fraction of a share and upon satisfaction of the conditions set forth in *Section 2.3(a)*, be paid in cash the dollar amount (rounded to the nearest whole cent), without interest, determined by multiplying such fraction by the closing price of a share of Company Common Stock on The NASDAQ Global Market on the Closing Date.

2.4 Dissenting Shares. Notwithstanding any provision in this Agreement to the contrary, ANI Shares outstanding as of immediately prior to the Effective Time and held by a holder who has not voted in favor of the Merger or consented thereto in writing and who has properly demanded appraisal for such shares in accordance with Section 262 of the DGCL ("**Dissenting Shares**") will not be converted into the right to receive the applicable portion of Merger Consideration. Holders of such Dissenting Shares will instead be entitled to receive payment for the fair value of such Dissenting Shares as determined in accordance with Section 262 of the DGCL; *provided, however*, that if, after the Effective Time, such holder fails to perfect, withdraws or loses the right to appraisal, such Dissenting Shares will be treated as if they had been converted as of the Effective Time into the right to receive the applicable portion of the Merger Consideration. ANI will give the Company prompt notice of any demands received by ANI for appraisal of shares and withdrawals of any such demand, and any other communications delivered to ANI pursuant to or in connection with Section 262 of the DGCL, and the Company and ANI will jointly have the right to direct all negotiations and proceedings with respect to such demands (including settlement offers). Except with the prior written consent of the other Party, neither Party will not offer to settle or settle or (unless required pursuant to a valid and final Order) make any payment with respect to, any such demands.

2.5 Required Withholdings. The Company will be entitled to deduct and withhold from the Merger Consideration such amounts, if any, as may be required to be deducted or withheld therefrom under the Code or any other Applicable Law. To the extent such amounts are so deducted or withheld, such amounts will be treated for all purposes under this Agreement as having been delivered or otherwise paid to the Person to whom such amounts would otherwise have been delivered or otherwise paid pursuant to the Merger and this Agreement.

2.6 Lost Certificates. If any Certificate has been lost, stolen or destroyed, upon the making of an affidavit (in form and substance reasonably acceptable to the Company) of that fact by the Person claiming such Certificate to be lost, stolen or destroyed the Company will cause to be issued, in exchange for such lost, stolen or destroyed Certificate, the applicable portion of the Merger Consideration as contemplated by this *Article II*.

2.7 Adjustments. If, during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of capital stock of ANI or the Company occurs, as a result of any reclassification, recapitalization, stock split (including any reverse stock split), merger, combination, exchange or readjustment of shares, subdivision or other similar transaction, or any stock dividend thereon with a record date during such period, the Exchange Ratio will be appropriately adjusted to eliminate the effect of such event on the Exchange Ratio or any such other amounts payable pursuant to this Agreement.

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2.8 **Tax Consequences.** For U.S. federal income tax purposes, the Merger is intended to constitute a reorganization within the meaning of Section 368(a) of the Code. The parties to this Agreement adopt this Agreement as a "plan of reorganization" within the meaning of Section 1.368-2(g) of the United States Treasury Regulations.

ARTICLE III. Representations and Warranties of ANI

Except with respect to any subsection of this *Article III*, as set forth in the correspondingly identified subsection of the disclosure schedule delivered by ANI to the Company concurrently with this Agreement (the "**ANI Disclosure Schedule**") (it being understood by the Parties that the information disclosed in one subsection of the ANI Disclosure Schedule will be deemed to be included in each other subsection of the ANI Disclosure Schedule in which the relevance of such information thereto would be readily apparent on the face thereof), ANI represents and warrants to the Company as follows:

3.1 **Organization, Standing and Power.** ANI is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted, and is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, other than in such other jurisdictions where the failure so to qualify and be in such standing would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on ANI. The Certificate of Incorporation and By-laws of ANI, copies of which were previously provided to the Company, are true, complete and correct copies of such documents as in effect on the date of this Agreement. The stock records, minute books and other records of ANI are accurate, up to date and complete in all materials respects.

As used in this Agreement:

(a) the word "**Subsidiary**" when used with respect to any Party, means any corporation or other organization, whether incorporated or unincorporated, (x) of which such Party or any other Subsidiary of such Party is a general partner (excluding partnerships, the general partnership interests of which held by such Party or any Subsidiary of such Party do not have a majority of the voting interests in such partnership), or (y) at least a majority of the securities or other interests of which, that have by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly or indirectly owned or controlled by such Party or by any one or more of its Subsidiaries, or by such Party and one or more of its Subsidiaries;

(b) any reference to any event, change or effect being "**material**" with respect to any entity means an event, change or effect which is material in relation to the financial condition, properties, assets, liabilities, businesses or results of operations of such entity and its Subsidiaries taken as a whole; and

(c) the term "**Material Adverse Effect**" means, with respect to any Person, any occurrence, condition, change, event or development, or series of any of the foregoing that, individually or in the aggregate, is or is reasonably likely to (i) be materially adverse to the business, properties, assets (including intangible assets), capitalization, liabilities, financial condition or results of operations of such entity taken as a whole with its Subsidiaries or (ii) materially impair, prevent or delay the ability of such Person to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder; *provided* that, for purposes of paragraph (b) above and clause (i) of this paragraph (c), the following will not be deemed "material" or to have a "Material Adverse Effect": any change or event caused by or resulting from (1) changes in prevailing

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economic or financial market conditions in the United States or any other jurisdiction in which such entity has substantial business operations (except to the extent that those changes have a materially disproportionate effect on such Person and its Subsidiaries relative to the other Party and its Subsidiaries), (2) changes, after the date hereof, in GAAP or requirements applicable to such Person and its Subsidiaries (except to the extent those changes have a materially disproportionate effect on such Person and its Subsidiaries relative to the other Party and its Subsidiaries), (3) changes, after the date hereof, in laws, rules or regulations of general applicability or interpretations thereof by any Government Authority (except to the extent those changes have a materially disproportionate effect on such Person and its Subsidiaries relative to the other Party and its Subsidiaries), (4) the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby or thereby or the announcement or pendency thereof, or (5) any outbreak of major hostilities in which the United States is involved or any act of terrorism within the United States or directed against its facilities or citizens wherever located; and *provided, further*, that in no event will a change in the trading prices of a Party's capital stock, by itself, be considered material or constitute a Material Adverse Effect.

3.2 Capital Structure.

(a) The authorized capital stock of ANI consists of 3,700,000 shares of ANI common stock, par value \$.10 per share ("**ANI Common Stock**"), of which 11,294 shares are issued and outstanding on the date hereof, 108,494 shares of ANI Series A Preferred Stock, par value \$.10 per share, of which 102,774 shares are issued and outstanding on the date hereof, 118,915 shares of ANI Series B Preferred Stock, par value \$.10 per share, of which 78,491 shares are issued and outstanding on the date hereof, 37,956 shares of ANI Series C Preferred Stock, par value \$.10 per share, of which 34,810 shares are issued and outstanding on the date hereof, and 3,400,000 shares of ANI Series D Preferred Stock (together with all other classes of preferred stock set forth above, the "**ANI Preferred Stock**"), of which 2,375,312 shares are issued and outstanding on the date hereof. As of the date hereof there are issued and unexercised warrants to purchase 17,526 shares of ANI Common Stock with a weighted average exercise price of \$0.10 per share (the "**ANI Warrants**"). As of the date hereof, no shares of ANI Common Stock were held by ANI's Subsidiaries. As of the date hereof, no shares of ANI Common Stock or ANI Preferred Stock are held by ANI in its treasury. All outstanding shares of ANI Common Stock and ANI Preferred Stock have been duly authorized and validly issued and are fully paid and, except as set forth in the DGCL, non-assessable and are not subject to preemptive rights.

(b) Other than the ANI Warrants, no outstanding warrants to purchase any ANI Shares are issued or outstanding.

(c) No bonds, debentures, notes or other indebtedness having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which stockholders may vote ("**Voting Debt**") of ANI are issued or outstanding.

(d) Except for (i) this Agreement, (ii) the ANI Warrants, (iii) certain transaction bonus agreements described in *Section 3.8* of the ANI Disclosure Schedule and (iv) agreements entered into and securities and other instruments issued after the date of this Agreement as permitted by *Section 5.1*, there are no options, warrants, calls, rights, commitments or agreements of any character to which ANI or any Subsidiary of ANI is a party or by which it or any such Subsidiary is bound obligating ANI or any Subsidiary of ANI to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or any Voting Debt or stock appreciation rights of ANI or of any Subsidiary of ANI or obligating ANI or any Subsidiary of ANI to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. Except as set forth in *Section 3.2(c)* of the ANI Disclosure Schedule, there are no outstanding contractual obligations of

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ANI or any of its Subsidiaries (x) to repurchase, redeem or otherwise acquire any shares of capital stock of ANI or any of its Subsidiaries, or (y) pursuant to which ANI or any of its Subsidiaries is or could be required to register shares of ANI Common Stock or other securities under the Securities Act of 1933, as amended (the "**Securities Act**"), except any such contractual obligations entered into after the date hereof as permitted by *Section 5.1*. Except as set forth in *Section 3.2(c)* of the ANI Disclosure Schedule, there are no agreements, trust or proxies that relate to the voting or control of any issued and outstanding capital stock of ANI or any Subsidiary of ANI.

(e) Except as set forth in *Section 3.2(e)* of the ANI Disclosure Schedule, since January 1, 2012, except as permitted by *Section 5.1* after the date hereof, ANI has not (i) issued or permitted to be issued any shares of capital stock, stock appreciation rights or securities exercisable or exchangeable for or convertible into shares of capital stock of ANI; (ii) repurchased, redeemed or otherwise acquired, directly or indirectly, any shares of capital stock of ANI; or (iii) declared, set aside, made or paid to the stockholders of ANI dividends or other distributions on the outstanding shares of capital stock of ANI.

(f) Pursuant to the terms of the Certificate of Incorporation of ANI: (i) the ANI Series D Preferred Stock is the only class or series of ANI Shares entitled to receive any consideration in connection with the Merger unless the Share Value exceeds the Series D Preference Amount; (ii) the ANI Series D Preferred Stock and the ANI Series C Preferred Stock are the only classes or series of ANI Shares entitled to receive any consideration in connection with the Merger unless the Share Value exceeds the sum of the Series D Preference Amount and the Series C Preference Amount, (iii) the ANI Series D Preferred Stock, ANI Series C Preferred Stock and ANI Series B Preferred Stock are the only classes or series of ANI Shares entitled to receive any consideration in connection with the Merger unless the Share Value exceeds the sum of the Series D Preference Amount, the Series C Preference Amount and the Series B Preference Amount, (iv) the ANI Series D Preferred Stock, ANI Series C Preferred Stock, ANI Series B Preferred Stock and ANI Series A Preferred Stock are the only classes or series of ANI Shares entitled to receive any consideration in connection with the Merger if the Share Value exceeds the sum of the Series D Preference Amount, the Series C Preference Amount and the Series B Preference Amount and (v) all other classes and series of ANI Shares, including the ANI Common Stock are to be cancelled at the Effective Time and no payment must be made with respect to any such other ANI Shares. Any ANI Warrants that remain outstanding after the Effective Time, will not, pursuant to their terms, entitle the holder thereof to receive upon exercise any equity or other interest in the Surviving Corporation or any other consideration.

(g) Each of the stockholders of ANI listed on *Schedule I* hereto who are executing Voting Agreements concurrently with the execution and delivery of this Agreement is an executive officer, director, affiliate, founder or holder of 5% or more of the voting equity securities of ANI and all of such stockholders of ANI that are executing Voting Agreements collectively own 90% of the voting equity of ANI.

3.3 Authority; Non-Contravention; Consents and Approvals.

(a) ANI has all requisite corporate power and authority to enter into this Agreement, subject in the case of the consummation of the Merger to the adoption of this Agreement by the holders of a majority of the outstanding shares of ANI Common Stock, calculated on an as-converted basis, and 65% of the issued and outstanding shares of ANI Series D Preferred Stock (the "**ANI Stockholder Approval**"), to consummate the transactions contemplated by this Agreement, including the Merger. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of ANI, subject in the case of the consummation of the Merger to obtaining the ANI Stockholder Approval, and no other corporate proceedings on the part of ANI (other than

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obtaining the ANI Stockholder Approval and filing the Certificate of Merger with the Delaware Secretary) are necessary to authorize this Agreement or to consummate the transactions contemplated hereby, including the Merger. This Agreement has been duly executed and delivered by ANI and, assuming due authorization, execution and delivery by the Company, constitutes a valid and binding obligation of ANI, enforceable against ANI in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles.

(b) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will, (i) conflict with, or result in any violation of, or constitute a default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation, modification or acceleration of any obligation or the loss of a material benefit under, or the creation of a lien, pledge, security interest, charge or other encumbrance on any assets (any such conflict, violation, default, right of termination, cancellation, modification or acceleration, loss or creation, a "**Violation**") pursuant to, any provision of the Certificate of Incorporation or By-laws of ANI or any Subsidiary of ANI, or (ii) subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations and filings set forth in *Section 3.3(b)* of the ANI Disclosure Schedule, result in any Violation of any loan or credit agreement, note, mortgage, indenture, lease, ANI Benefit Plan (as defined in *Section 3.9*) or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to ANI or any Subsidiary of ANI or their respective properties or assets, which Violation, in the case of clause (ii), individually or in the aggregate, would reasonably be expected to be material to ANI.

(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign (a "**Government Authority**") is required by or with respect to ANI or any Subsidiary of ANI in connection with the execution and delivery of this Agreement by ANI or the consummation by ANI of the transactions contemplated hereby, except for (i) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, or (ii) actions required by or notices or filings required by applicable U.S. Food and Drug Administration (the "**FDA**"), Medicare/Medicaid, federal and state insurance and other federal and state Government Authorities with jurisdiction over or otherwise relating to the ANI Regulatory Filings, as disclosed in *Section 3.3(c)* of the ANI Disclosure Schedule.

3.4 **Financial Statements; Undisclosed Liabilities.**

(a) ANI has previously delivered to the Company true, correct and complete copies of the following financial statements and notes (collectively, the "**ANI Financial Statements**"): (i) the audited balance sheets of ANI as of December 31, 2010 and 2011 (the December 31, 2011 balance sheet being referred to herein as the "**ANI Audited Balance Sheet**") and the related audited statements of operations, statements of stockholders' equity and statements of cash flows of ANI for the two years ended December 31, 2011, together with the notes thereto and the unqualified reports and opinions of Stout, Causey & Horning, P.A., relating thereto; and (ii) the unaudited balance sheet of ANI as of August 31, 2012 (the "**ANI Unaudited Interim Balance Sheet**") and the related unaudited statement of operations, statement of stockholders' equity and statement of cash flows of ANI for the eight (8) months then ended. The ANI Financial Statements are accurate and complete in all material respects and fairly present the financial position of ANI as of the respective dates thereof and the results of operations, changes in stockholders' equity and cash flows of ANI for the periods covered thereby. Except as may be indicated in the notes to the ANI Financial Statements, the ANI Financial Statements have been prepared in accordance with generally accepted accounting principles ("**GAAP**") applied on a consistent basis throughout the periods covered (except that the financial statements referred to in *Section 3.4(a)(ii)* do not

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contain footnotes and are subject to normal and recurring year-end audit adjustments, which will not, individually or in the aggregate, be material).

(b) No financial statements of any Person other than ANI and the ANI Subsidiaries actually included in ANI Financial Statements are required by GAAP to be included in ANI Financial Statements.

(c) Except as required by GAAP, ANI has not, between the last day of its most recently ended fiscal year and the date of this Agreement, made or adopted any material change in its accounting methods, practices or policies in effect on such last day of its most recently ended fiscal year.

(d) ANI's external auditors have not identified to ANI any material weaknesses in ANI's internal controls impacting on the reliability of ANI Financial Statements.

(e) ANI has not had any material dispute with any of its auditors regarding accounting matters or policies during any of its past three (3) full fiscal years or during the current fiscal year and it has no reason to believe that there will be an adjustment to, or any restatement of, the ANI Financial Statements. No current or former independent auditor for ANI has resigned or been dismissed from such capacity as a result of or in connection with any disagreement with ANI on a matter of accounting practices. The ANI Financial Statements were prepared from, and are consistent with, the accounting records of ANI and its Subsidiaries. ANI has also delivered to the Company copies of all letters from ANI's auditors to the ANI Board or audit committee thereof since January 1, 2010, together with copies of all responses thereto.

(f) ANI keeps books, records and accounts that, in reasonable detail, accurately and fairly reflect the transactions and acquisitions and dispositions of assets of ANI. ANI has designed and maintains a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

(g) Except for (i) those liabilities that are fully reflected or reserved for in the ANI Financial Statements, (ii) liabilities incurred since the date of the ANI Unaudited Interim Balance Sheet in the ordinary course of business consistent with past practice, (iii) liabilities (other than as a result of a breach of contract, breach of warranty, product liability, tort or intellectual property infringement or violation of Applicable Law or an Action) which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on ANI, (iv) liabilities incurred pursuant to the transactions contemplated by this Agreement, and (v) liabilities or obligations discharged or paid in full prior to the date of this Agreement in the ordinary course of business consistent with past practice, ANI and its Subsidiaries do not have, and since the date of the ANI Unaudited Interim Balance Sheet ANI and its Subsidiaries do not have outstanding and have not incurred (except as permitted by *Section 5.1*), any liabilities or obligations of any nature whatsoever (whether accrued, absolute, matured, determined, contingent or otherwise and whether or not required to be reflected in the ANI Financial Statements in accordance with GAAP).

3.5 Compliance with Applicable Laws. Neither ANI nor any ANI Subsidiary has violated or failed to comply with any Applicable Law material to the operation of ANI's business. For purposes of this Agreement, "**Applicable Law**" means, with respect to any Person, any U.S. federal, state or local or any foreign law (in each case, statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Government Authority that is binding upon or applicable to that Person. The businesses of ANI and its Subsidiaries are not being and have not

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been conducted in violation of any law, ordinance or regulation of any Government Authority in any material respect.

3.6 Legal Proceedings. Except as set forth in *Section 3.6* of the ANI Disclosure Schedule, there is no claim, suit, action, litigation, arbitration, investigation or other demand or proceeding (whether judicial, arbitral, administrative or other) (each, an "**Action**") pending or, to the knowledge of ANI, threatened, against or affecting ANI or any Subsidiary of ANI as to which there is a significant possibility of an adverse outcome which would, individually or in the aggregate, be material to ANI, nor is there any judgment, decree, injunction, rule, award, settlement, stipulation or order of or subject to any Government Authority or arbitrator (an "**Order**") outstanding against ANI or any Subsidiary of ANI having or which would reasonably be expected, individually or in the aggregate, to be material to ANI. To the knowledge of ANI, no investigation by any Government Authority with respect to ANI or any of its Subsidiaries is pending or threatened.

3.7 Taxes.

(a) ANI and its Subsidiaries have timely filed all material Tax Returns required to be filed by them and all such Tax Returns are correct and complete in all material respects. ANI and its Subsidiaries have timely paid all material amounts of Taxes due and payable (whether or not shown on such Tax Returns) and the ANI Financial Statements reflect an adequate reserve, in accordance with GAAP, for all Taxes payable by ANI and its Subsidiaries accrued through the date of such financial statements.

(b) There is no Tax deficiency outstanding, proposed or assessed against ANI or any of its Subsidiaries. No audit or other examination of any Tax Return of ANI or any of its Subsidiaries by any Government Authority is presently in progress, nor has ANI or any of its Subsidiaries been notified in writing or, to the knowledge of ANI, otherwise been notified of any request for such an audit or other examination. There are no Liens for Taxes upon ANI or any of its Subsidiaries, or any assets of ANI or any of its Subsidiaries, except for Liens for Taxes not yet due and payable.

(c) Neither ANI nor any of its Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" within the meaning of Section 355(a)(1)(A) of the Code in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (i) in the two (2) years prior to the date of this Agreement or (ii) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement.

(d) No claim in writing has been made by a Government Authority in a jurisdiction where ANI or any of its Subsidiaries do not file Tax Returns that ANI or any of its Subsidiaries is or may be subject to Tax in that jurisdiction.

(e) Neither ANI nor any of its Subsidiaries is a party to any Tax sharing, allocation, indemnity or similar agreement or arrangement (whether or not written) pursuant to which it could have any obligation to make any payments after the Closing. Neither ANI nor any of its Subsidiaries have ever been a member of any consolidated, combined, affiliated or unitary group of corporations for any Tax purposes (other than a consolidated group of which ANI was the common parent), nor do any of them have any liability for Taxes of any other Person.

(f) ANI and its Subsidiaries have disclosed on their US federal income Tax Returns all positions taken therein that could give rise to substantial understatement of US federal income Tax within the meaning of Section 6662 of the Code. Neither ANI nor any of its Subsidiaries has entered into any transaction identified as a "reportable transaction" for purposes of Treasury Regulations Section 1.6011-4(b).

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(g) There is no taxable income of ANI or any of its Subsidiaries that will be required under any Applicable Law to be reported in a Taxable period beginning after the Closing Date which Taxable income was realized (or reflects economic income) arising prior to the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Section 7121 of the Code executed on or prior to the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; (iv) prepaid amount or deferred revenue received on or prior to the Closing Date or (v) election under Section 108(i) of the Code.

(h) Neither ANI nor any of its Subsidiaries has taken any action or know of any fact, agreement, plan or other circumstance that could reasonably be expected to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(i) As of December 31, 2011, ANI and its Subsidiaries had net operating loss carryovers of at least \$33,000,000 for federal income Tax purposes.

(j) For the purpose of this Agreement, the term "**Tax**" (including, with correlative meaning, the terms "**Taxes**" and "**Taxable**") means (i) all Federal, state, local and foreign income, alternative or add-on minimum, estimated, profits, windfall profits, franchise, business occupation, gross receipts, payroll, sales, value added, employment, unemployment, wage, workers compensation, social insurance, social security, disability, use, property, ad valorem, severance, environmental, transfer, stamp, occupation, withholding, excise, occupancy, lease, service, service use, license, capital stock, paid in capital, recording, registration, business license, customs duties, and other taxes, imposts, fees, duties or assessments of any nature whatsoever, together with all interest, penalties and additions imposed with respect to such amounts, (ii) liability for the payment of any amounts of the type described in clause (i) as a result of being or having been a member of an affiliated, consolidated, combined or unitary group, and (iii) liability for the payment of any amounts as a result of being party to any tax sharing agreement or as a result of any express or implied obligation to indemnify any other person with respect to the payment of any amounts of the type described in clause (i) or (ii). For purposes of this Agreement, the term "**Tax Returns**" means all federal, state, local and foreign returns, estimates, information statements, declarations, claims for refund, and reports with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

3.8 Certain Agreements.

(a) Except as disclosed in *Section 3.8* of the ANI Disclosure Schedule, and except for this Agreement, neither ANI nor any of its Subsidiaries is bound by any contract, arrangement, commitment or understanding (a "**Contract**");

(i) that constitutes a partnership, joint venture, technology sharing or similar agreement between ANI or any of its Subsidiaries and any other Person;

(ii) with respect to the service of any directors, officers, employees, or independent contractors or consultants that are natural persons, involving the payment of \$100,000 or more in any 12 month period, other than those that are terminable by ANI or any of its Subsidiaries on no more than 30 days' notice without penalty;

(iii) which limits the ability of ANI or any of its Subsidiaries to compete or enter into in any line of business, in any geographic area or with any person, or which requires referrals of business to a third party and, in each case, which limitation or requirement would reasonably be expected to be material to ANI and its Subsidiaries taken as a whole;

(iv) with or to a labor union, works council or guild (including any collective bargaining agreement or similar agreement);

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- (v) relating to the use or right to use Intellectual Property, including any license or royalty agreements and an ANI IP Contract;
- (vi) that provides for indemnification by ANI to any Person, other than an agreement entered into in the ordinary course of business and that is not material to ANI;
- (vii) between ANI or any ANI Subsidiary and any current or former director or officer of ANI or an ANI Subsidiary, or any affiliate of any such Person (other than an ANI Benefit Plan);
- (viii) with respect to (A) indebtedness for borrowed money (including the issuance of any debt security) to any Person other than ANI or any of its Subsidiaries, (B) any obligations evidenced by notes, bonds, mortgages, debentures or similar agreements to any Person other than ANI or any of its Subsidiaries (any obligation described in this clause (B) or the foregoing clause (A) being referred to herein as "**Indebtedness**"), (C) any capital lease obligations to any Person other than ANI or any of its Subsidiaries, (D) any obligations to any Person other than ANI or any of its Subsidiaries in respect of letters of credit and bankers' acceptances, (E) any indebtedness to any Person other than ANI or any of its Subsidiaries under interest rate swap, hedging or similar agreements, (F) any obligations to pay to any Person other than ANI or any of its Subsidiaries the deferred purchase price of property or services, (G) indebtedness secured by any Lien on any property owned by ANI or any of its Subsidiaries even though the obligor has not assumed or otherwise become liable for the payment thereof, or (H) any guaranty of any such obligations described in clauses (A) through (G) of any Person other than ANI or any of its Subsidiaries, in each case, having an outstanding amount in excess of \$100,000 individually or \$250,000 in the aggregate;
- (ix) that is material to ANI or that contains any so called "most favored nation" provision or similar provisions requiring ANI to offer to a Person any terms or conditions that are at least as favorable as those offered to one or more other Persons;
- (x) pursuant to which any agent, sales representative, distributor or other third party markets or sells any ANI Product;
- (xi) pursuant to which ANI or any Subsidiary is a party granting rights of first refusal, rights of first offer or similar rights to acquire any business or assets of the ANI or any Subsidiary;
- (xii) relating to the purchase or sale of assets outside the ordinary course of business of ANI;
- (xiii) relating to the issuance of any securities of ANI or any Subsidiary;
- (xiv) pursuant to which any material asset of ANI or any of its Subsidiaries is leased;
- (xv) relates to the purchase of (A) any equipment entered into since December 31, 2011 and (B) any materials, supplies, or inventory since December 31, 2011, other than any agreement which, together with any other related agreement, involves the expenditure by the Company of less than Fifty Thousand Dollars (\$50,000);
- (xvi) that represents a purchase order with any supplier for the purchase of inventory items in an amount in excess of Fifty Thousand Dollars (\$50,000) of materials;
- (xvii) pursuant to which ANI or any Subsidiary is a party and having a remaining term of more than one (1) year after the Closing Date or involving a remaining amount payable thereunder (either to or from the Company) as of the Closing Date, of at least One Hundred Thousand Dollars (\$100,000),

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(xviii) which involves the payment of \$200,000 or more in any 12 month period after the date hereof; or

(xix) which would prevent, delay or impede the consummation, or otherwise reduce the contemplated benefits, of any of the transactions contemplated by this Agreement.

ANI has previously made available to the Company or its representatives complete and accurate copies of each Contract of the type described in this *Section 3.8(a)* (collectively referred to herein as "**ANI Contracts**").

(b) All of the ANI Contracts were entered into at arms' length in the ordinary course of business and are valid and in full force and effect, except to the extent they have previously expired in accordance with their terms. Neither ANI nor any of its Subsidiaries has given or received a notice of cancellation or termination under any ANI Contract, or has, or is alleged to have, and to the knowledge of ANI, none of the other parties thereto have, violated any provision of, or committed or failed to perform any act, and no event or condition exists, which with or without notice, lapse of time or both would constitute a default under the provisions of, any ANI Contract.

3.9 Benefit Plans.

(a) *Section 3.9* of the ANI Disclosure Schedule sets forth a true and complete list of each ANI Benefit Plan. An "**ANI Benefit Plan**" is any "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and whether or not subject to ERISA, any material employment, termination or severance agreement, and any material bonus, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, equity-based, vacation, severance, retention, change in control, profit sharing, retirement, welfare, disability, death benefit, hospitalization or insurance plan, and any other material plan, agreement, or program providing compensation or benefits to any current or former employee, director or independent contractor of ANI or any Subsidiary or ERISA Affiliate of ANI or maintained, contributed to, or required to be contributed to by ANI, any Subsidiary or other ERISA Affiliate or that ANI, any Subsidiary or other ERISA Affiliate has committed to establish, adopt or contribute to, or under which ANI, any Subsidiary or other ERISA Affiliate otherwise has or may have any liability. An "ERISA Affiliate" with respect to any Party means any entity required to be aggregated with such Party under Section 414 of the Code, or any trade or business, whether or not incorporated that together with such Party would be deemed a "single employer" within the meaning of Section 4001(b) of ERISA (an "**ERISA Affiliate**")

(b) No ANI Benefit Plan is a multiemployer plan within the meaning of ERISA Section 3(37)).

(c) No ANI Benefit Plan is a "defined benefit pension plan" within the meaning of Code Section 414(j) or subject to Title IV of ERISA; no ANI Benefit Plan is subject to the minimum funding standards of Code Section 412 and/or ERISA Section 302; and neither ANI nor any Subsidiary has any liability to the Pension Benefit Guaranty Corporation ("**PBGC**") or any other person, arising directly or indirectly under Title IV of ERISA.

(d) Each ANI Benefit Plan has been maintained in material compliance with its terms and with all applicable laws, including, but not limited to ERISA and the Code and with respect to the ANI Benefit Plans, individually and in the aggregate, no event has occurred and, to the knowledge of ANI, there exists no condition or set of circumstances in connection with which ANI or any of its Subsidiaries or other ERISA Affiliates could be subject to any liability under ERISA, the Code or any other Applicable Law.

(e) There are no actions, suits or claims pending (other than routine claims for benefits) or, to the knowledge of ANI, threatened against, or with respect to, any ANI Benefit Plan.

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- (f) All required contributions to ANI Benefit Plans due on or before the Closing Date have been, or will have been, made or properly accrued on or before the Closing Date.
- (g) Except as set forth in *Section 3.9(g)* of the ANI Disclosure Schedule, the execution and delivery by ANI of this Agreement does not, and the consummation of the Merger and compliance with the terms hereof (whether alone or in combination with any other event) will not, (A) entitle any current or former employee or director or independent contractor of ANI or any Subsidiary to severance pay, (B) except as expressly required by this Agreement, accelerate the time of payment or vesting or trigger any payment or funding (through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or trigger any other material obligation pursuant to, any ANI Benefit Plan, (C) result in any breach or violation of, or a default under, any ANI Benefit Plan, or (D) cause any amounts payable under any ANI Benefit Plan (whether in cash, in property or in the form of benefits) to fail to be deductible for federal income tax purposes by virtue of Sections 162(m) or 280G of the Code.
- (h) None of ANI, any Subsidiary or other ERISA Affiliate, or ANI Benefit Plan has engaged in a transaction in connection with which ANI, any Subsidiary or other ERISA Affiliate, ANI Benefit Plan (or any such trust, or any trustee or administrator thereof), or any party dealing with any ANI Benefit Plan or any such trust could be subject to either a civil penalty assessed pursuant to Sections 409 or 502(i) of ERISA or a Tax imposed pursuant to Sections 4975 or 4976 of the Code.
- (i) Each ANI Benefit Plan and related trust intended to qualify under Sections 401 and 501(a) of the Code is subject to a current favorable determination or opinion letter from the Internal Revenue Service ("**IRS**") and, to ANI's knowledge, nothing has occurred that is reasonably likely to result in the revocation of such letter. ANI and its Subsidiaries have not sponsored, maintained or contributed to or had any liability with respect to any qualified pension plan which, during the preceding two (2) years, has been terminated, including by way of merger with or into an ANI Benefit Plan or another plan.
- (j) Except as set forth in *Section 3.9(j)* of the ANI Disclosure Schedule, ANI and its Subsidiaries do not contribute to, have or could have any liability with respect to retiree medical coverage or other medical, health, life or other welfare benefits for present or future terminated employees or their spouses or dependents other than as required by Part 6 of Subtitle B of Title I of ERISA ("**COBRA**") or any comparable state Applicable Law.
- (k) No employer other than ANI, a Subsidiary or other ERISA Affiliate is permitted to participate in any ANI Benefit Plan and no leased employees (as defined in Code Section 414(n)) or independent contractors are eligible for, or participate in, any ANI Benefit Plan.
- (l) Except as set forth on *Section 3.9* of the ANI Disclosure Schedule, no ANI Benefit Plan is a "nonqualified deferred compensation plan" subject to Section 409A of the Code and the regulations and other guidance promulgated thereunder (unless such ANI Benefit Plan complies with an exemption or exception to Code Section 409A). None of ANI, its Subsidiaries or its ERISA Affiliates is a party to any agreement, or otherwise obligated under any ANI Benefit Plan, to provide for a gross up of Taxes imposed by Section 409A of the Code. Each nonqualified deferred compensation plan (as defined in Section 409A(d)(1) of the Code) maintained or sponsored by ANI its Subsidiaries or its ERISA Affiliates has since (i) January 1, 2005, been maintained and operated in good faith compliance with Section 409A of the Code and Notice 2005-1, (ii) October 3, 2004, not been "materially modified" (within the meaning of Notice 2005 1) with respect to any amounts that are "grandfathered" from the application of Section 409A of the Code, and (iii) January 1, 2010, been in documentary and operational compliance with final regulations under Section 409A of the Code.

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(m) No ANI Benefit Plan is not now, or in the past seven years has been, "top-heavy" pursuant to Code Section 416.

(n) ANI has delivered or made available to the Company true and complete copies of:

(i) all ANI Benefit Plan documents and related trust agreements or other agreements or contracts evidencing any funding vehicle with respect thereto;

(ii) the three most recent annual reports on Form 5500, including all schedules, attachments and/or audits thereto, with respect to any ANI Benefit Plan for which such a report (and/or audit) is required;

(iii) the summary plan description, including any summary of material modifications thereto or other modifications communicated to participants, currently in effect with respect to each ANI Benefit Plan;

(iv) the most recent determination letter or opinion letter issued by the IRS with respect to each ANI Benefit Plan intended to qualify under section 401(a) of the Code and with respect to any determination letter the full and complete application therefore submitted to the IRS; and

(v) material correspondence in the past seven years with regulatory authorities (such as a copy of all documents relating to any audit or investigation by any regulatory authority or any a voluntary correction submission with the Department of Labor or the IRS) with respect to any ANI Benefit Plan.

3.10 Subsidiaries. *Section 3.10* of the ANI Disclosure Schedule sets forth a true and complete list of all the Subsidiaries of ANI. Each Subsidiary of ANI is a corporation or other entity duly organized, validly existing and, in the case of corporations, in good standing under the laws of its jurisdiction of formation, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted, and is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary and where the failure so to qualify would have a material effect on ANI. All of the shares of capital stock of each of the Subsidiaries held by ANI or by another ANI Subsidiary are fully paid and nonassessable and are owned by ANI or a Subsidiary of ANI free and clear of any material Lien, except for ANI Permitted Liens. Except for the Subsidiaries set forth in *Section 3.10* of the ANI Disclosure Schedule, ANI neither directly nor indirectly, (a) owns or otherwise controls, (b) has agreed to purchase or otherwise acquire or (c) holds any interest convertible into or exchangeable for, any capital stock or other equity interest of any other corporation, partnership, joint venture or other business association or entity.

3.11 Absence of Certain Changes or Events. (a) Since December 31, 2011, except as permitted by *Section 5.1* in the case of actions taken after the date hereof, there has not been any change, circumstance or event (including any event involving a prospective change) which, individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect on ANI, and (b) since December 31, 2011, except as contemplated by this Agreement ANI and its Subsidiaries have conducted their respective businesses in the ordinary course consistent with their past practices.

3.12 Board Approval. The board of directors of ANI (the "**ANI Board**"), by resolutions duly adopted at a meeting duly called and held has: (a) approved and adopted, and declared the advisability of, this Agreement and the transactions contemplated hereby, including the Merger; (b) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to and in the best interests of ANI and ANI's stockholders; and (c) subject to *Section 5.3(d)*, resolved to make and maintain the ANI Board Recommendation.

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3.13 **Takeover Statutes.** ANI has taken all action necessary to exempt or exclude this Agreement and the transactions contemplated hereby, including the Merger, from: (i) the restrictions on business combinations set forth in Section 203 of the DGCL; and (ii) any other similar antitakeover law, statute or regulation (each, a "**Takeover Statute**"). Accordingly, no Takeover Statute applies to this Agreement or the transactions contemplated hereby, including the Merger, with respect to ANI. ANI does not have any stockholder rights plan, "poison pill" or similar plan or arrangement in effect.

3.14 **Properties.** Except as set forth in *Section 3.14* of the ANI Disclosure Schedule, ANI or one of its Subsidiaries (a) has good and valid title to all of its properties and assets, including those reflected in the ANI Financial Statements as being owned by ANI or one of its Subsidiaries or acquired after the date thereof that are material to ANI's business (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business and as permitted under *Section 5.1*), free and clear of all claims, liens (statutory or otherwise), charges, security interests, encumbrances or other adverse claims of any nature whatsoever, including mortgages, deeds of trust, pledges, options, conditional sales contracts, assessments, levies, easements, covenants, reservations, restrictions, rights-of-way or encumbrances of any nature whatsoever (each, a "**Lien**"), except (i) statutory liens securing payments not yet due or liens which are being properly contested by ANI or one of its Subsidiaries in good faith and by proper legal proceedings and for which adequate reserves related thereto are maintained on the ANI Financial Statements, (ii) such imperfections or irregularities of title, claims, liens, charges, security interests, easements, covenants and other restrictions or encumbrances as do not materially affect the use or value of the properties or assets subject thereto or affected thereby or otherwise adversely impair business operations at such properties, (iii) mortgages, or deeds of trust, security interests or other encumbrances on title related to indebtedness reflected in the ANI Financial Statements and which have been or will be satisfied and released at or prior to the Closing Date, and (iv) rights granted to any non-exclusive licensee of any ANI Intellectual Property in the ordinary course of business consistent with past practices (such liens, imperfections and irregularities in clauses (i), (ii), (iii) and (iv), "**ANI Permitted Liens**"), and (b) has a valid leasehold interest as a lessee of all leasehold estates reflected in the ANI Financial Statements or acquired after the date thereof which are material to its business on a consolidated basis (except for leases that have expired by their terms since the date thereof) and is in possession of the properties purported to be leased thereunder, and each such lease is valid without default thereunder by the lessee or, to ANI's knowledge, the lessor.

3.15 **Intellectual Property.**

(a) For purposes of this Agreement:

(i) "**Intellectual Property**" means and includes all algorithms, biological materials, cell lines, clinical data, chemical compositions or structures, databases and data collections, diagrams, formulae, inventions (whether or not patentable), know-how, logos, marks, methods, processes, proprietary information, protocols, schematics, specifications, software, techniques, URLs, web sites, works of authorship, and other forms of technology (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing such as instruction manuals, laboratory notebooks, prototypes, samples, studies, and summaries).

(ii) "**Intellectual Property Rights**" means and includes all rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: (i) rights associated with works of authorship, including exclusive exploitation rights, copyrights and moral rights; (ii) trademark and trade name rights and similar rights; (iii) trade secret rights; (iv) Patents rights; (v) other proprietary rights in Intellectual Property of every kind and nature; and (vi) all registrations, renewals, extensions, combinations, divisions, or reissues of, and applications for, any of the rights referred to in the foregoing clauses (i) through (v).

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(iii) "**Patents**" means patents and patent applications (including provisional, continuation, divisional, continuation-in-part, reexamination, and reissue patent applications and any patents issuing therefrom and all corresponding foreign equivalents thereof) and utility models, industrial designs, and other government-issued rights protecting inventions and industrial designs, however denominated, registered with any Government Authority and all applications for any of the foregoing.

(iv) "**ANI Owned IP**" means all Intellectual Property Rights and Intellectual Property owned (solely or jointly) by ANI or any of the ANI Subsidiaries.

(v) "**ANI Licensed IP**" means all Intellectual Property Rights and Intellectual Property licensed to ANI or any of the ANI Subsidiaries.

(vi) "**Registered IP**" means all Intellectual Property Rights that are registered, filed, or issued under the authority of any Government Authority, including all Patents, registered copyrights and registered trademarks and all applications for any of the foregoing.

(b) *Section 3.15(b)* of the ANI Disclosure Schedule accurately identifies and describes each proprietary product or service currently developed, manufactured, marketed, performed or sold by or on behalf of ANI or any of the ANI Subsidiaries, including products or services currently designated as development candidates with a unique internal name by ANI or any of ANI Subsidiaries.

(c) *Section 3.15(c)* of the ANI Disclosure Schedule accurately identifies: (i) each item of ANI Owned IP in which ANI or any of ANI Subsidiaries has or purports to have an ownership interest of any nature (whether exclusively, jointly with another Person, or otherwise); (ii) in the case of Registered IP, the jurisdiction in which such item of Registered IP has been registered or filed and the applicable registration or serial number; and (iii) in the case of Registered IP, any other Person that has an ownership interest in such item of Registered IP and the nature of such ownership interest; and (iv) each ANI Owned IP that is a granted patent that in any way covers any product or service identified in *Section 3.15(b)* of the ANI Disclosure Schedule. ANI has provided to the Company reasonable access to accurate and complete copies of all applications and correspondence to and from the Government Authority related to each such item of ANI Owned IP. For the avoidance of doubt, for published applications and patents, ANI furnishing to the Company the relevant application, serial or patent number of the Registered IP will be considered reasonable access.

(d) *Section 3.15(d)* of the ANI Disclosure Schedule accurately identifies: (i) all Intellectual Property Rights or Intellectual Property licensed to ANI or any of ANI Subsidiaries (other than any non-customized software that (x) is so licensed solely in executable or object code form pursuant to a non-exclusive, internal use software license, (y) is not incorporated into, or used directly in the development, manufacturing or distribution of, any of ANI's or ANI Subsidiaries' products or services and (z) is generally available on standard terms for less than \$15,000); (ii) the corresponding Contract(s) pursuant to which such Intellectual Property Rights or Intellectual Property is licensed to ANI or the ANI Subsidiaries; and (iii) whether the license or licenses granted to ANI or the ANI Subsidiaries are exclusive or non-exclusive.

(e) No Person has been granted by ANI or any of ANI Subsidiaries any license under, or otherwise has received or acquired any right (whether or not currently exercisable) or interest in, any ANI Owned IP. Neither ANI nor any of ANI Subsidiaries are bound by, and no ANI Owned IP is subject to, any Contract containing any covenant or other provision that in any way limits or restricts the ability of ANI or any of ANI Subsidiaries to use, exploit, assert or enforce any ANI Owned IP anywhere in the world, except field and geographical restrictions in applicable licenses to ANI Owned IP granted to ANI.

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(f) ANI has provided to the Company an accurate and complete copy of each standard form of any Contract to which ANI or any of the ANI Subsidiaries is a party or by which ANI or any of the ANI Subsidiaries is bound, if any, that contains any assignment or license of, covenant not to assert or enforce or granting of any other rights in, any Intellectual Property Right, including any ANI Owned IP or other Intellectual Property developed by, with, or for ANI or any of the ANI Subsidiaries (an "**ANI IP Contract**") that has been used by ANI or any of the ANI Subsidiaries at any time since January 1, 2010, including each standard form of: (i) employee agreement containing any intellectual property assignment or license of Intellectual Property or Intellectual Property Rights or any confidentiality provision; (ii) consulting or independent contractor agreement containing any intellectual property assignment or license of Intellectual Property or Intellectual Property Rights or any confidentiality provision; and (iii) confidentiality or nondisclosure agreement. *Section 3.15(f)* of the ANI Disclosure Schedule accurately identifies each ANI IP Contract that deviates in any material respect from the corresponding standard form agreement provided to the Company, if any.

(g) Except as set forth in *Section 3.15(g)* of the ANI Disclosure Schedule:

(i) the conduct of the business of ANI and the ANI Subsidiaries as currently conducted does not infringe upon, misappropriate or otherwise violate the Intellectual Property Rights of any third party in any material respect, and no claim has been asserted to ANI in writing that the conduct of the business of ANI and the ANI Subsidiaries as currently conducted infringes upon or misappropriates or otherwise violates the Intellectual Property rights of any third party in any material respect;

(ii) with respect to each item of ANI Owned IP, ANI or any ANI Subsidiary is the owner of the entire right, title and interest in and to such ANI Owned IP and neither ANI nor any ANI Subsidiary has granted to any third party exclusive rights to any ANI Owned IP under terms that would prevent ANI or an ANI Subsidiary from using such ANI Owned IP in the operation of its respective business as currently conducted;

(iii) with respect to each item of ANI Licensed IP, ANI or an ANI Subsidiary has the right to use such ANI Licensed IP in the operation of its respective business as currently conducted in accordance with the terms of the license agreement governing such ANI Licensed IP;

(iv) none of the ANI Owned IP has been adjudged invalid or unenforceable in whole or in part and the ANI Registered IP is valid, subsisting and enforceable (except for prospective challenges that may be received in the ordinary course of patent prosecution and maintenance);

(v) no person is engaging in any activity that infringes upon, misappropriates or otherwise violates the ANI Owned IP in any material respect;

(vi) each license of the ANI Licensed IP is binding on ANI and any of the ANI Subsidiaries party thereto and each of the other parties thereto, and is in full force and effect and no party to any license of the ANI Licensed IP (other than ANI or any ANI Subsidiary) is in material breach thereof or default thereunder; and

(vii) neither the execution of this Agreement nor the consummation of any transaction contemplated hereby will terminate, suspend or modify any of the ANI's rights with respect to any ANI Owned IP or material ANI Licensed IP.

(h) Except as set forth in *Section 3.15(h)* of the ANI Disclosure Schedules, each Person who is or was an employee or contractor of ANI or any of ANI Subsidiaries and who is or was involved in the creation or development of any ANI Owned IP has signed an agreement containing an

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assignment of Intellectual Property Rights to ANI or one of ANI Subsidiaries. No current or former stockholder, officer, director, employee, consultant or contractor of ANI or any of ANI Subsidiaries has any claim, right (whether or not currently exercisable) or interest to or in any ANI Owned IP. To ANI's knowledge, no employee of ANI or any of ANI Subsidiaries is: (x) bound by or otherwise subject to any Contract restricting him or her from performing his or her duties for ANI or ANI Subsidiaries; or (y) in breach of any Contract with any former employer or other Person concerning Intellectual Property Rights or confidentiality obligations. Since January 1, 2010, neither ANI nor any of the ANI Subsidiaries have assigned or otherwise transferred ownership of, or agreed to assign or otherwise transfer ownership of, any Intellectual Property Right to any other Person.

(i) ANI and the ANI Subsidiaries have taken all commercially reasonable steps to maintain the confidentiality of and otherwise protect and enforce their rights in all material proprietary information that ANI or any of the ANI Subsidiaries holds, or purports to hold, as a trade secret.

(j) Neither ANI nor any of the ANI Subsidiaries are, and neither ANI nor any of the ANI Subsidiaries ever were, a contributor to any industry standards body or similar organization that could require or obligate ANI or any of ANI Subsidiaries to grant or offer to any other Person any license or right to any ANI Owned IP.

3.16 Regulatory Matters.

(a) Each of the products currently marketed by ANI or any of its Subsidiaries and each of the products under development by ANI or any of its Subsidiaries is identified in *Section 3.16(a)* of the ANI Disclosure Schedule (the "**ANI Products**"). Except as set forth in *Section 3.16(a)* of the ANI Disclosure Schedule, ANI and the ANI Subsidiaries hold all material licenses, permits, franchises, variances, registrations, exemptions, orders and other governmental authorizations, consents, approvals and clearances, and have submitted all material notices to, all Government Authorities, including all required authorizations under the Federal Food, Drug and Cosmetic Act of 1938, as amended (the "**FDCA**"), the Public Health Service Act of 1944, as amended (the "**PHSA**") and the regulations of the FDA promulgated thereunder, and any other Government Authority that regulates the quality, identity, strength, purity, safety, efficacy or manufacturing of the ANI Products (any such Government Authority, an "**ANI Regulatory Agency**") required for the lawful operation of the businesses of ANI and the ANI Subsidiaries (the "**ANI Permits**"), except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on ANI. Except as set forth in *Section 3.16(a)* of the ANI Disclosure Schedule all such ANI Permits are valid and in full force and effect. Except as set forth in *Section 3.16(a)* of the ANI Disclosure Schedule, none of such ANI Permits will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated by this Agreement. ANI and the ANI Subsidiaries are the sole and exclusive owner of the ANI Permits and the associated filings and applications with the FDA, including any biologics license application, new drug application, abbreviated new drug application, drug master files, biologics master files, master files for devices, 510(k) submission, premarket approval, investigational new drug or investigational device exemption application, comparable regulatory application or filing made or held by or issued to ANI and the ANI Subsidiaries (collectively, the "**ANI Regulatory Filings**") and hold all right, title and interest in and to all ANI Regulatory Filings free and clear of any Lien. ANI and the ANI Subsidiaries have not granted any third party any right or license to use, access or reference any of the ANI Regulatory Filings, including any of the know-how contained in any of the ANI Regulatory Filings or rights (including any regulatory exclusivities) associated with each such ANI Regulatory Filing.

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(b) Except as set forth in *Section 3.16(b)* of the ANI Disclosure Schedule, since January 1, 2010, there has not occurred any breach or violation of, default (with or without notice or lapse of time or both) under or event giving rise to any right of termination, amendment or cancellation of (with or without notice or lapse of time or both), any ANI Permit. Except as set forth in *Section 3.16(b)* of the ANI Disclosure Schedule, ANI and the ANI Subsidiaries are in compliance in all material respects with the terms of all ANI Permits, and no event has occurred and no facts or circumstances exist that, to the knowledge of ANI, would reasonably be expected to result in the revocation, cancellation, non-renewal or adverse modification of any material ANI Permit.

(c) Except as set forth in *Section 3.16(c)* of the ANI Disclosure Schedule, since January 1, 2010, all material applications, submissions, information and data used by ANI or the ANI Subsidiaries as the basis for, or submitted by or, to the knowledge of ANI, on behalf of ANI or the ANI Subsidiaries in connection with, any and all requests for ANI Permits when submitted to the FDA or other ANI Regulatory Agency, were, to ANI's knowledge, accurate and complete in all material respects as of the date of submission, and any updates, changes, corrections or modifications to such applications, submissions, information and data required under Applicable Law have been submitted to the FDA or other ANI Regulatory Agency.

(d) Since January 1, 2010, neither ANI nor any of the ANI Subsidiaries has committed any act, made any statement or failed to make any statement that would reasonably be expected to provide a basis for the FDA or any other ANI Regulatory Agency to invoke its policy with respect to "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" or similar policies under Applicable Law. Except as set forth in *Section 3.16(d)* of the ANI Disclosure Schedule, neither ANI nor any of its ANI Subsidiaries nor, to the knowledge of ANI, any agent, subcontractor, director, officer, employee or other Person associated with or acting on behalf of ANI has been convicted of any crime or engaged in any conduct which has resulted or could result in debarment or disqualification by the FDA or any other Government Authority, and there are no proceedings pending or threatened that reasonably might be expected to result in criminal or civil liability or debarment or disqualification by the FDA or any other Government Authority.

(e) Neither ANI nor any of the ANI Subsidiaries nor, to the knowledge of ANI, any director, officer, agent, employee or other Person associated with or acting on behalf of ANI or any of the ANI Subsidiaries has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**"), or any similar Applicable Law; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. There are no pending or, to the knowledge of ANI, threatened filings against ANI or any ANI Subsidiary of an action relating to the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)).

(f) Since January 1, 2010, there has not been any voluntarily or involuntarily initiated, conducted, or issued recall, field notification, field correction, market withdrawal or replacement, safety alert, warning, "dear doctor" letter, market correction, or investigator notice relating to an alleged material lack of safety or efficacy of any ANI Product.

(g) Except as set forth in *Section 3.16(g)* of the ANI Disclosure Schedule, ANI and its Subsidiaries are in compliance in all material respects with all Applicable Laws and any other letters, notices or guidance issued by the FDA or any Government Authority which regulate the clinical investigation, manufacture, sale, promotion, sampling and distribution of pharmaceutical products or biological, or device products in any jurisdiction. ANI has at all times and is currently distributing, marketing, promoting, labeling and selling its products in accordance with the FDCA and Prescription Drug Marketing Act of 1987. There are no pending or, to the knowledge of ANI,

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threatened regulatory Actions (other than non-material routine or periodic inspections or reviews) against ANI or its Subsidiaries. Since January 1, 2010 there have been no written notices, reports, FDA Form 483 observations that have not been disclosed by ANI, warning letters, or untitled letters alleging or asserting noncompliance in any material respect with any Applicable Law relating to ANI or any ANI Subsidiary or any ANI Product or any subpoenas or investigative demands or other written inquiries that would reasonably be interpreted as raising a compliance concern sent or delivered by any Government Authority with regard to any ANI Product.

(h) The manufacture of the ANI Products is being conducted in compliance in all material respects with current "good manufacturing practices," as defined by the FDA. ANI has been in material compliance with FDA's registration and listing requirements to the extent required by FDA.

(i) ANI and its Subsidiaries are and have been in compliance in all material respects with all Applicable Laws requiring the maintenance or submission of reports or records under requirements administered by the FDA or any other Government Authority, including Adverse Experiences, Serious Adverse Events, and Serious Injuries. Except as set forth in *Section 3.16(i)* of the ANI Disclosure Schedule, there have been no Serious Adverse Events or Serious Injuries associated with the use (including in clinical trials) of any ANI Products that have not been reported to the FDA in accordance with Applicable Law.

(j) To the knowledge of ANI, all studies, tests, and preclinical and clinical research being conducted by ANI and ANI Subsidiaries, and to the knowledge of ANI, on behalf of ANI and ANI Subsidiaries, are being, and at all times have been, conducted in compliance in all material respects with all Applicable Laws, including, as applicable, good laboratory practice regulations set forth in 21 C.F.R. Part 58, good clinical practices, as defined or recognized by the FDA, including the ICH Tripartite Guideline for Good Clinical Practice, other applicable provisions of the FDCA and its applicable implementing regulations at 21 C.F.R. Parts 50, 54, 56, 58, 312 and 812, and comparable laws of any other Government Authority. No clinical trial conducted by ANI or any ANI Subsidiary or, to the knowledge of ANI, on behalf of ANI or any ANI Subsidiary has been terminated or suspended prior to completion for safety or non-compliance reasons, and neither the FDA nor any other Government Authority, clinical investigator or institutional review board that has or had jurisdiction over or participated in any such clinical trial has initiated, or, to the knowledge of ANI, threatened to initiate, any action to place a clinical hold order on, or otherwise terminate, materially delay or suspend, any such ongoing clinical trial, or to disqualify, restrict or debar any clinical investigator or other Person or entity involved in any such clinical trial.

(k) Neither ANI nor any ANI Subsidiary nor any officer, director, managing employee (as those terms are defined in 42 C.F.R. § 1001.1001) of ANI or any ANI Subsidiary, nor, to the knowledge of ANI, any agent (as such term is defined in 42 C.F.R. § 1001.1001(a)(1)(ii) of ANI or any ANI Subsidiary is a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement, monitoring agreement, consent decree, settlement order, deferred prosecution agreement or other formal or informal agreement with any Government Authority concerning compliance with the laws governing any "**Federal Health Care Program**" (which means Medicare (Title XVIII of the Social Security Act), Medicaid (Title XIX of the Social Security Act) and any other state or federal health care program). ANI meets all the requirements of participation and payment of Medicare, Medicaid, and any other governmental health care programs and third party payment programs to the extent in which it participates (collectively, "**Programs**"). There is no action pending, received or, to ANI's knowledge, threatened against ANI which relates in any way to a violation of any health care laws or which could result in the imposition penalties against or the exclusion of ANI from participation in any Programs. Neither ANI nor any ANI Subsidiary nor officer, director, managing employee have engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Program. To ANI's knowledge, there is no pending,

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proposed or final Medicare national or local coverage determination that, if finalized, would restrict coverage for ANI's Products. ANI has not established any reimbursement support program, such that payment for ANI product is contingent upon a purchaser's receipt of payment from a third party payer. ANI does not furnish any coverage, coding or billing advice to any health care professionals regarding off-label indications of ANI products.

(l) Neither ANI nor any ANI Subsidiary nor any officer, director, managing employee (as those terms are defined in 42 C.F.R. § 1001.1001) of ANI or any ANI Subsidiary, nor, to the knowledge of ANI, any agent (as such term is defined in 42 C.F.R. § 1001.1001(a)(1)(ii)) of ANI or any ANI Subsidiary: (i) has been debarred, excluded or suspended under 21 U.S.C. § 335a, or any similar law, from participation in any Federal Health Care Program; (ii) has had a civil monetary penalty assessed against it, him or her under Section 1128A of the Social Security Act of 1935, codified at Title 42, Chapter 7, of the United States Code (the "**Social Security Act**"); (iii) is currently listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs; (iv) to the knowledge of ANI, is the target or subject of any current investigation by a Government Authority relating to any Federal Health Care Program related offense; (v) is currently charged with or convicted of any criminal offense relating to the delivery of an item or service under any Federal Health Care Program; or (vi) is the subject of any pending or threatened investigation by the FDA pursuant to its "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" Final Policy set forth in 56 Fed. Reg. 46191 (September 10, 1991) and any amendments thereto.

(m) There are no pending or, to the knowledge of ANI, threatened filings against ANI or any ANI Subsidiary of an action relating to ANI or any ANI Subsidiary under any federal or state whistleblower statute, including under the False Claims Act of 1863 (31 U.S.C. § 3729 et seq.), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)) or the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)).

(n) To the knowledge of ANI, neither ANI nor any ANI Subsidiary is under investigation by any Government Authority for a violation of the Health Insurance Portability and Accountability Act of 1995, as amended by the Health Information Technology for Economic and Clinical Health Act ("**HIPAA**"), or the regulations contained in 45 C.F.R. Parts 160 and 164, including receiving any notices from the United States Department of the Health and Human Services Office of Civil Rights relating to any such violations, or any comparable state or local laws. Neither ANI nor any ANI Subsidiaries are "covered entities" as that term is defined in HIPAA. ANI and the ANI Subsidiaries have been in compliance in all material respects with federal and state data breach laws.

(o) ANI and its Subsidiaries are and have been in compliance in all material respects with all Applicable Laws requiring state registration, reporting of applicable sales and marketing expenditures and transactions to health care professionals, and compliance program requirements, which may include (depending on the state) but is not limited to adoption of the OIG Office of Inspector General's Compliance Program Guidance for Pharmaceutical Manufacturers, the AdvaMed Code, and/or the PhRMA Code. See Cal. Health & Safety Code §§ 119400 - 119402; Connecticut, Subst. Senate Bill No. 270, File No. 468, Cal. No. 333; D.C., D.C. Code Ann. §§ 48-833.01-48-833.09; Maine, Maine Rev. Stat. Ann. tit. 22, § 2698-A; Massachusetts, Mass. Chapter 111N of the Massachusetts General Acts; Minnesota, Minn.Stat. § 151.47 (general); Minn.Stat. § 151.461 (gifts); Nevada, Nev. Rev. Stat. § 639.570; Vermont, 18 V.S.A. Sec. 4631a; 18 V.S.A. Sec. 4632.; West Virginia, W. Va. Code § 5A-3C-13, W. Va. Code § 16-29H-8.

3.17 **Environmental Matters.** Except as set forth in *Section 3.17* of the ANI Disclosure Schedule, (a) ANI and its Subsidiaries hold, and are currently, and at all prior times have been, in continuous compliance with all permits required by Environmental Laws for ANI to conduct its operations ("**Environmental Permits**"), and are currently, and at all prior times have been, otherwise in

continuous compliance with all Applicable Laws relating to: (i) protection, preservation or cleanup of the environment or natural resources; (ii) any Release or threatened Release, including control, investigation, study, assessment, testing, monitoring, containment, removal, remediation, cleanup or abatement of such Release or threatened Release; (iii) the management, manufacture, generation, formulation, processing, labeling, distribution, introduction into commerce, registration, use, treatment, handling, storage, disposal, transportation, re-use, recycling or reclamation of any Hazardous Material, or (iv) health and safety ("**Environmental Laws**") and, to the knowledge of ANI, there is no condition that would reasonably be expected to prevent or interfere with compliance with all applicable Environmental Laws and all applicable Environmental Permits in the future, (b) ANI and its Subsidiaries have not received any written notice, claim, demand, action, suit, complaint, proceeding or other communication by any person alleging any violation of, or any actual or potential liability under, any Environmental Laws (an "**Environmental Claim**"), and ANI has no knowledge of any pending or threatened Environmental Claim, (c) no hazardous, dangerous or toxic substance, including petroleum (including crude oil or any fraction thereof), asbestos and asbestos-containing materials, polychlorinated biphenyls, radon, fungus, mold, urea-formaldehyde insulation or any other material that is regulated or as to which liability or standards of conduct are imposed pursuant to any Environmental Laws or that could result in liability under any Environmental Laws ("**Hazardous Materials**") has been generated, transported, treated, stored, installed, disposed of, arranged to be disposed of, released or threatened to be released at, on, from or under any of the properties or facilities currently or formerly owned, leased or otherwise used by ANI or its Subsidiaries, in violation of, or in a manner or to a location that could give rise to liability to ANI or its Subsidiaries under Environmental Laws, and (d) ANI and its Subsidiaries have not assumed, contractually or by operation of law, any liabilities or obligations under or relating to any Environmental Laws. For purposes hereof, "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, generating, disposing or dumping of any Hazardous Material at, in, on, into or onto the environment, including the migration of any Hazardous Material through or in the environment.

3.18 Labor and Employment Matters. Except as set forth in *Section 3.18* of the ANI Disclosure Schedule, (a) there is no labor strike, dispute, slowdown, stoppage or lockout actually pending or, to the knowledge of ANI, threatened against ANI or any of its Subsidiaries, (b) no union, works council or other labor organization represents, or claims to represent, any group of employees with respect to their employment by ANI or any of its Subsidiaries and no union organizing campaign with respect to the employees of ANI or its Subsidiaries is threatened or underway, (c) there is no unfair labor practice charge or complaint against ANI or its Subsidiaries pending or, to the knowledge of ANI, threatened before the National Labor Relations Board or any similar state or foreign agency, (d) there is no grievance pending relating to any collective bargaining agreement or other grievance procedure, (e) no charges with respect to or relating to ANI or its Subsidiaries are pending before the Equal Employment Opportunity Commission or any other state or foreign agency responsible for the prevention of unlawful employment practices; and (f) no employee of ANI or its Subsidiaries is in violation of (and to the knowledge of ANI no written allegation has been made that any employee is in violation of) any term of any restrictive covenant, common law nondisclosure obligation, fiduciary duty, or other obligation to a former employer of any such employee relating (i) to the right of any such employee to be employed by ANI or its Subsidiaries or (ii) to the knowledge or use of trade secrets or proprietary information. Neither ANI nor any of its Subsidiaries is a party to a current conciliation agreement, consent decree, or other agreement or order with any Government Authority with respect to labor or employment practices.

3.19 Insurance.

(a) *Section 3.19(a)* of the ANI Disclosure Schedule sets forth, as of the date hereof, an accurate and complete list of the policies of insurance currently maintained by or for the benefit of the ANI or any of its Subsidiaries (including any policies of insurance maintained for purposes of

providing benefits such as workers' compensation and employers' liability coverage) (collectively, the "**ANI Policies**"). All such ANI Policies are in full force and effect and the limits of liability thereunder have not been exhausted by the payment of claims. There has not been any interruption in insurance coverage for the types of risks covered under such Policies since January 1, 2010. ANI and its Subsidiaries and, to the knowledge of the ANI, their counterparties are not in default under the Policies, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default under any Policy by the ANI or any of its Subsidiaries or, to the knowledge of the ANI, any other Person. No written notice of cancellation or termination has been received with respect to any such Policy (except Policies replaced in the ordinary course). To the knowledge of the ANI, no insurer on any such Policy has been declared insolvent or placed in receivership or liquidation.

(b) *Section 3.19(b)* of the ANI Disclosure Schedule sets forth a list of all pending claims (including with respect to insurance obtained but not currently maintained) and the claims history for the ANI and its Subsidiaries since January 1, 2010 (including with respect to insurance obtained but not currently maintained), in each case with respect to each claim (or series of related claims) involving amounts in excess of \$25,000. Neither the ANI nor any of its Subsidiaries has been refused any insurance coverage with respect to any aspect of its operations nor has its coverage been limited by any insurance carrier to which it has applied for insurance or with which it has carried insurance since January 1, 2010. There is no claim by the ANI or any of its Subsidiaries pending under any such Policies in excess of \$50,000 as to which coverage has been questioned, denied or disputed by the underwriters of such Policies.

3.20 Registration Statement; Joint Proxy Statement/Prospectus. The information regarding ANI and the ANI Subsidiaries supplied by ANI for inclusion in the Registration Statement (and any amendment or supplement thereto), at the time the Registration Statement (and any amendment or supplement thereto) is filed, at the time the Registration Statement (and any amendment or supplement thereto) is declared effective by the Securities and Exchange Commission (the "**SEC**") and at the Effective Time, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The information regarding ANI and the ANI Subsidiaries supplied by ANI for inclusion in the joint proxy statement/prospectus to be sent to (a) the Company's stockholders in connection with the solicitation of proxies in favor of (i) the approval of the Company Charter Amendments and (ii) the approval of the issuance of shares of Company Common Stock pursuant to this Agreement (and any amendment or supplement thereto) and (b) ANI's stockholders in connection with the solicitation of proxies in favor of the adoption of this Agreement and the approval of the transactions contemplated by this Agreement, including the Merger (the "**Joint Proxy Statement/Prospectus**"), in each case, at the date the Joint Proxy Statement/Prospectus (and any amendment or supplement thereto) is first mailed to the Company and ANI stockholders and at the time of the Company Special Meeting and the ANI Special Meeting (or any adjournment or postponement thereof), will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The representations and warranties contained in this *Section 3.20* will not apply to statements or omissions included in the Joint Proxy Statement/Prospectus (and, in each case, any amendment or supplement thereto) based upon information regarding the Company or any the Company Subsidiary supplied by the Company for use therein. Subject to *Section 5.3(d)*, the Joint Proxy Statement/Prospectus will include the ANI Board Recommendation.

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3.21 Affiliate Transactions. Except as set forth in *Section 3.21* of the ANI Disclosure Schedule, during the past three (3) years neither ANI nor any of the ANI Subsidiaries has, directly or indirectly, purchased, leased or otherwise acquired any property or obtained any services from, or sold, leased or otherwise disposed of any property or furnished any services to, or otherwise dealt with, in the ordinary course of business or otherwise, any director, officer, Affiliate or associate of any of ANI or any of the ANI Subsidiaries or any shareholder or member of any Affiliate or associate of any ANI or any of the ANI Subsidiaries (except with respect to compensation in the ordinary course of business for services rendered as a director, officer or employee of ANI or any of the ANI Subsidiaries). Except as set forth in *Section 3.21* of the ANI Disclosure Schedule, none of ANI or any of the ANI Subsidiaries owes any amount to, or has any agreement or contract with or commitment to, any of its shareholders, directors, officers, employees or consultants or any Affiliate or associate thereof (other than compensation for current services not yet due and payable and reimbursement of expenses arising in the ordinary course of business), and none of such Persons owes any amount to ANI or any of the ANI Subsidiaries. For purposes of this Agreement, "**Affiliate**" means (i) with respect to any person, any member of the immediate family of such person or any entity controlled, directly or indirectly, by such person and/or members of the immediate family of such person, and (ii) with respect to any entity, (a) any Person that, directly or indirectly, controls, is controlled by or is under common control with, such entity or (b) any director, officer, manager, stockholder, member, partner or other owner of such entity.

3.22 Brokers or Finders. No agent, broker, investment banker or financial advisor has been retained by or is authorized to act on behalf of ANI or any of its Subsidiaries and is or might be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement.

3.23 Disclosure. No representation or warranty or other statement made by the Company in this Agreement, the ANI Disclosure Schedule, the certificates delivered pursuant to *Section 6.3(d)(i)* or otherwise in connection with the transactions contemplated herein contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

ARTICLE IV.

Representations and Warranties of the Company

Except with respect to any subsection of this *Article IV*, as set forth in the correspondingly identified subsection of the disclosure schedule delivered by the Company to ANI concurrently with this Agreement (the "**Company Disclosure Schedule**") (it being understood by the Parties that the information disclosed in one subsection of the Company Disclosure Schedule will be deemed to be included in each other subsection of the Company Disclosure Schedule in which the relevance of such information thereto would be readily apparent on the face thereof), the Company represents and warrants to ANI as follows:

4.1 Organization, Standing and Power. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted, and is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, other than in such other jurisdictions where the failure so to qualify and be in such standing would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company. The Certificate of Incorporation and By-laws of the Company, copies of which were previously provided to ANI, are true, complete and correct copies of such documents as in effect on the date of this Agreement. Except as set forth in *Section 4.1* of the Company Disclosure Schedule, the Company neither directly nor indirectly, (a) owns or otherwise controls, (b) has agreed to purchase or otherwise acquire or (c) holds any interest convertible into or exchangeable for, any capital stock or

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other equity interest of any other corporation, partnership, joint venture or other business association or entity. Except as set forth in *Section 4.1* of the Company Disclosure Schedule, the Company has not at any time during the preceding five years owned, of record or beneficially, more than five percent of the outstanding equity securities having ordinary voting rights or power of any corporation or partnership or other legal entity. The Company does not have any Subsidiaries. The stock records, minute books and other records of the Company are accurate, up to date and complete in all materials respects.

4.2 Capital Structure.

(a) The authorized capital stock of the Company consists of 200,000,000 shares of Company Common Stock, 4,687,684 shares of the Company Class C Special Stock, \$0.0001 par value (the "**Company Class C Special Stock**") and 10,000,000 shares of preferred stock, par value \$0.0001 per share (the "**Company Preferred Stock**"). As of the close of business October 2, 2012, (i) 24,422,240 shares of Company Common Stock were issued and outstanding, (ii) 65,211 shares of the Company Class C Special Stock were issued and outstanding, (iii) 1,164,470 shares of Company Common Stock were reserved for issuance upon the exercise of stock options outstanding on such date, with a weighted average exercise price of \$14.33 per share, (iv) 4,738,093 shares of Company Common Stock were reserved for issuance upon the exercise of warrants outstanding on such date, with a weighted average exercise price of \$12.22 per share, of which warrants to purchase an aggregate of 1,039,254 shares of Company Common Stock were issued in or around August 2012 (the "**August Warrants**") and (v) 370,871 shares of Company Common Stock were issuable upon the conversion of an aggregate of \$8,277,850 in outstanding principal amount of 3.125% convertible senior notes due May 1, 2013 (the "**Company Convertible Notes**"). No shares of Company Preferred Stock are issued and outstanding or reserved for issuance and as of the date hereof, no shares of Company Common Stock, the Company Class C Special Stock or Company Preferred Stock are held by the Company in its treasury. All outstanding shares of Company Common Stock and the Company Class C Special Stock have been duly authorized and validly issued and are fully paid and non-assessable and not subject to preemptive rights. The shares of Company Common Stock to be issued pursuant to or as specifically contemplated by this Agreement will have been duly authorized as of the Effective Time and, if and when issued in accordance with the terms hereof or thereof, will be validly issued, fully paid and non-assessable and will not be subject to preemptive rights.

(b) No outstanding options or warrants to purchase shares of the Company Class C Special Stock or Company Preferred Stock are issued or outstanding.

(c) Except for the August Warrants, no outstanding options or warrants to purchase shares of the Company Common Stock have an exercise price of less than \$2.00 per share, equitably adjusted to reflect the Reverse Stock Split.

(d) No Voting Debt of the Company is issued or outstanding, except for the Company Convertible Notes.

(e) The consummation of the Merger will not constitute a Fundamental Change (as defined in the indenture dated as of June 24, 2009 between Cell Genesys, Inc., a Delaware corporation, and U.S. Bank National Association, as Trustee, as supplemented by the supplemental indenture dated as of October 14, 2009 between the Company and U.S. Bank National Association, as Trustee (as supplemented, the "**Indenture**"). The Company Board has approved the appointment and election of the individuals to comprise the Company Board upon the Effective Time of the Merger in accordance with the requirements applicable under the definition of "Continuing Director" (as such term is defined in the Indenture).

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(f) Except for (i) this Agreement, (ii) the options, warrants, calls, rights, commitments or agreements described in paragraph (a) above, and (iii) agreements entered into and securities and other instruments issued after the date of this Agreement as permitted by *Section 5.2*, and except as set forth in *Section 4.2* of the Company Disclosure Schedule, there are no options, warrants, calls, rights, commitments or agreements of any character to which the Company is a party or by which it is bound obligating the Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or any Voting Debt or stock appreciation rights of the Company or obligating the Company to grant, extend or enter into any such option, warrant, call, right, commitment or agreement. Except as set forth in *Section 4.2(f)* of the Company Disclosure Schedule or in accordance with the terms of this Agreement, there are no outstanding contractual obligations of the Company (x) to repurchase, redeem or otherwise acquire any shares of capital stock of the Company or (y) pursuant to which the Company is or could be required to register shares of Company Common Stock or other securities under the Securities Act, except any such contractual obligations entered into after the date hereof as permitted by *Section 5.2*. Except as set forth in *Section 4.2(f)* of the Company Disclosure Schedule and as set forth in the Voting Agreements, there are no agreements, trusts or proxies that relate to the voting or control of any issued and outstanding capital stock of the Company or of any shares of capital stock of the Company that are issuable upon conversion or exercise of issued and outstanding securities of the Company.

(g) Since January 1, 2012, except as permitted by *Section 5.2* after the date hereof, the Company has not (i) issued or permitted to be issued any shares of capital stock, stock appreciation rights or securities exercisable or exchangeable for or convertible into shares of capital stock of the Company; (ii) repurchased, redeemed or otherwise acquired, directly or indirectly, any shares of capital stock of the Company; or (iii) declared, set aside, made or paid to the stockholders of the Company dividends or other distributions on the outstanding shares of capital stock of the Company.

4.3 Authority; Non-Contravention; Consent.

(a) The Company has all requisite corporate power and authority to execute and deliver this Agreement, and assuming Company Stockholder Approval, to consummate the transactions contemplated by this Agreement, including the Merger. "**Company Stockholder Approval**" means: (i) the adoption of this Agreement and the transactions contemplated thereby, including the Merger and the issuance of Company Common Stock in the Merger by the holders of a majority of the outstanding shares of Company Common Stock and the Company Class C Special Stock, voting together as a single class, entitled to vote thereon at the Company Special Meeting (or at any adjournment or postponement thereof) and (ii) the approval of the Company Charter Amendments to change the corporate name of the Company and effect the Reverse Stock Split by the holders of a majority of the outstanding shares of Company Common Stock and Company Class C Special Stock, voting together as a single class, entitled to vote thereon at the Company Special Meeting (or at any adjournment or postponement thereof).

(b) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will, (i) result in any Violation pursuant to any provision of the Certificate of Incorporation or By-laws of the Company, or (ii) subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations and filings set forth in *Section 4.3(b)* of the Company Disclosure Schedule, result in any Violation of any loan or credit agreement, note, mortgage, indenture, lease, Company Benefit Plan (as defined in *Section 4.9(a)*) or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Company or its properties or assets which Violation, in the case of clause (ii), individually or in the aggregate, would reasonably be expected to be material to the Company.

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(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any Government Authority is required by or with respect to the Company in connection with the execution and delivery of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby, except for (i) the filing with the SEC of the Registration Statement and such other reports under the Securities Act and the Exchange Act as may be required in connection with this Agreement and the transactions contemplated hereby and the obtaining from the SEC of such orders as may be required in connection therewith, (ii) such filings and approvals as are required to be made or obtained under the securities or blue sky laws of various states in connection with the transactions contemplated by this Agreement, (iii) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, (iv) the approval of the listing of Company Common Stock to be issued in the Merger on The NASDAQ Stock Market, Inc. ("NASDAQ"), (v) the healthcare approvals set forth in *Section 4.3(c)* of the Company Disclosure Schedule and (vi) actions required by or notices or filings required by Government Authorities with jurisdiction over or otherwise relating to the Company Regulatory Filings, as disclosed in *Section 3.3(c)* of the Company Disclosure Schedule.

4.4 SEC Documents; Undisclosed Liabilities.

(a) The Company has timely filed, or furnished, as applicable, all required reports, schedules, forms, registration statements and other documents with the SEC since January 1, 2010 (the "**Company SEC Documents**"). As of their respective dates of filing with the SEC (or, if amended or superseded by a filing prior to the date hereof, as of the date of such filing), the Company SEC Documents complied in all material respects, with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such Company SEC Documents, and none of the Company SEC Documents when filed contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the Company SEC Documents (including any related notes thereto), including the Company Financial Statements, complied as to form, as of their respective dates of filing with the SEC, in all material respects with all applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto (except, in the case of the unaudited statements, as permitted by Form 10-Q of the SEC), have been prepared in accordance with GAAP applied on a consistent basis throughout the periods involved, and fairly present the financial position of Company as of the respective dates thereof and the results of its operations, changes in stockholders' equity and cash flows for the respective periods indicated, except that the unaudited consolidated financial statements included in the Company Financial Statements do not contain footnotes and are subject to normal recurring year-end adjustments, which will not, individually or in the aggregate, be material. The Company has established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) and has designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

(b) The Company keeps books, records and accounts that, in reasonable detail, accurately and fairly reflect the transactions and acquisitions and dispositions of assets of the Company. The Company has designed and maintains a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such

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date, the "**Evaluation Date**"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting of the Company that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company.

(c) Except for (i) those liabilities that are fully reflected or reserved for in the consolidated financial statements of the Company included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as filed with the SEC, in its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2012 or the unaudited consolidated financial statements of the Company for the seven (7) months ended July 31, 2012, a true, correct and complete copy of which has been delivered to ANI, in each case prior to the date of this Agreement (together, the "**Company Financial Statements**"), (ii) liabilities incurred since July 31, 2012 in the ordinary course of business consistent with past practice and not arising out of any breach of its material obligations under any Company Contract, (iii) liabilities (other than as a result of a breach of contract, breach of warranty, product liability, tort or intellectual property infringement or violation of Applicable Law or an Action) which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company, (iv) liabilities incurred pursuant to the transactions contemplated by this Agreement, and (v) liabilities or obligations discharged or paid in full prior to the date of this Agreement in the ordinary course of business consistent with past practice, the Company does not have, and since June 30, 2012, the Company does not have outstanding and has not incurred (except as permitted by *Section 5.2*), any liabilities or obligations of any nature whatsoever (whether accrued, absolute, material, determined, contingent or otherwise and whether or not required to be reflected in the Company's Financial Statements in accordance with GAAP).

(d) As of the date hereof, the Company has Net Cash as set forth in *Section 4.4* of the Company Disclosure Schedule. As of the date hereof, all remaining costs associated with the Company's LibiGel® program (including the completion and/or conclusion of any clinical trials, safety studies or other research studies) and the cost of keeping in effect any related product liability and/or similar insurance policies providing coverage for personal injury claims arising out of such trials for the remaining statute of limitations thereof are set forth in *Section 4.4* of the Company Disclosure Schedule.

(e) From and after the Determination Date, the Company will not have any material payables or other payment obligations relating to the period prior to the Closing Date under any contract or otherwise, except those taken into consideration in the calculation of Net Cash as of the Determination Date.

(f) The Company's external auditors have not identified to the Company any material weaknesses in the Company's internal controls impacting on the reliability of the Company Financial Statements.

(g) No financial statements of any Person other than the Company are required by GAAP to be included in the Company Financial Statements. Except as required by GAAP, the Company has not, between the last day of its most recently ended fiscal year and the date of this Agreement, made or adopted any material change in its accounting methods, practices or policies in effect on such last day of its most recently ended fiscal year. The Company has not had any material dispute with any of its auditors regarding accounting matters or policies during any of its past three (3) full fiscal years or during the current fiscal year and the Company has no reason to believe that there will be an adjustment to, or any restatement of, the Company Financial Statements. No current or former independent auditor for the Company has resigned or been dismissed from such capacity as

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a result of or in connection with any disagreement with the Company on a matter of accounting practices. The Company Financial Statements were prepared from, and are consistent with, the accounting records of the Company. The Company has also delivered to the Company copies of all letters from the Company's auditors to the Company Board or audit committee thereof since January 1, 2010, together with copies of all responses thereto.

4.5 Compliance with Applicable Laws. The Company has not violated or failed to comply with any Applicable Law material to the operation of the Company's business.

4.6 Legal Proceedings. Except as set forth in *Section 4.6* of the Company Disclosure Schedule, there is no Action pending or, to the knowledge of the Company, threatened, against or affecting the Company nor is there any Order outstanding against the Company. To the knowledge of the Company, no investigation by any Government Authority with respect to the Company is pending or threatened. With respect to each Action set forth in *Section 4.6* of the Company Disclosure Schedule, the Company has delivered to ANI all applicable pleadings, motions and other filings. With respect to each Action set forth in *Section 4.6* of the Company Disclosure Schedule that is being defended by counsel for or otherwise appointed by one or more insurance carriers of the Company, (a) the defense thereof has been assumed by one or more insurance carriers of the Company, subject to a standard reservation of rights letter which has been provided to ANI, (b) the Company has previously paid all deductibles, reserves or co-payments required under the applicable insurance policy pursuant to which such matter is being defended, and (c) all further amounts which may become payable in respect thereof will be paid by the applicable insurance carrier, subject to the standard reservation of rights letter which has been provided to ANI, subject to the aggregate applicable coverage limits under such policies and (d) the Company has no reason to expect that any insurance company currently defending any such Action will disclaim coverage of any such Action.

4.7 Taxes.

(a) The Company has timely filed all material Tax Returns required to be filed by it and all such Tax Returns are correct and complete in all material respects. The Company has timely paid all material amounts of Taxes due and payable (whether or not shown on such Tax Returns) and the most recent financial statements contained in the Company SEC Documents reflect an adequate reserve, in accordance with GAAP, for all Taxes payable by the Company accrued through the date of such financial statements.

(b) There is no Tax deficiency outstanding, proposed or assessed against the Company. No audit or other examination of any Tax Return of the Company by any Government Authority is presently in progress, nor has the Company been notified in writing or, to the knowledge of the Company, otherwise notified of any request for such an audit or other examination. There are no Liens for Taxes upon the Company, or any assets of the Company, except for Liens for taxes not yet due and payable.

(c) The Company has not constituted either a "distributing corporation" or a "controlled corporation" within the meaning of Section 355(a)(1)(A) of the Code in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (i) in the two (2) years prior to the date of this Agreement or (ii) in a distribution which could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement.

(d) No claim in writing has been made by a Government Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to Tax in that jurisdiction.

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(e) The Company is not a party to any Tax sharing, allocation, indemnity or similar agreement or arrangement (whether or not written) pursuant to which it could have any obligation to make any payments after the Closing. The Company has never been a member of any consolidated, combined, affiliated or unitary group of corporations for any Tax purposes, nor does it have any liability for Taxes of any other Person.

(f) The Company has disclosed on its US federal income Tax Returns all positions taken therein that could give rise to substantial understatement of US federal income Tax within the meaning of Section 6662 of the Code. The Company has not entered into any transaction identified as a "reportable transaction" for purposes of Treasury Regulations Section 1.6011-4(b).

(g) There is no taxable income of the Company that will be required under any Applicable Law to be reported in a Taxable period beginning after the Closing Date which Taxable income was realized (or reflects economic income) arising prior to the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Section 7121 of the Code executed on or prior to the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; (iv) prepaid amount or deferred revenue received on or prior to the Closing Date or (v) election under Section 108(i) of the Code.

(h) The Company has not taken any action or knows of any fact, agreement, plan or other circumstance that could reasonably be expected to prevent the Merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

(i) As of December 31, 2011, the Company had approximately \$170,401,000 of net operating loss carryforwards that are available to reduce future taxable income for a period of up to 20 years. These net operating loss carryforwards expire in the years 2018 to 2031 and their utilization in future years may be limited as prescribed by Section 382 of the Code.

4.8 Certain Agreements.

(a) Except as set forth in *Section 4.8* of the Company Disclosure Schedule and except for this Agreement, the Company is not bound by any Contract:

(i) that constitutes a partnership, joint venture, technology sharing or similar agreement between the Company and any other Person;

(ii) with respect to the service of any directors, officers, employees, or independent contractors or consultants that are natural persons, involving the payment of \$100,000 or more in any 12 month period, other than those that are terminable by the Company on no more than 30 days' notice without penalty;

(iii) which limits the ability of the Company to compete or enter into in any line of business, in any geographic area or with any person, or which requires referrals of business to a third party and, in each case, which limitation or requirement would reasonably be expected to be material to the Company;

(iv) with or to a labor union, works council or guild (including any collective bargaining agreement or similar agreement);

(v) relating to the use or right to use Intellectual Property, including any license and royalty agreements and any Company IP Contract;

(vi) that provides for indemnification by the Company to any Person, other than an agreement entered into in the ordinary course of business or that is not material to the Company;

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(vii) between the Company and any current or former director or officer of the Company, or any affiliate of any such Person (other than a Company Benefit Plan);

(viii) with respect to (A) any Indebtedness, (B) any capital lease obligations to any Person other than the Company, (C) any obligations to any Person other than the Company in respect of letters of credit and bankers' acceptances, (D) any indebtedness to any Person other than the Company under interest rate swap, hedging or similar agreements, (E) any obligations to pay to any Person other than the Company the deferred purchase price of property or services, (F) indebtedness secured by any Lien on any property owned by the Company even though the obligor has not assumed or otherwise become liable for the payment thereof, or (G) any guaranty of any such obligations described in clauses (A) through (F) of any Person other than the Company, in each case, having an outstanding amount in excess of \$50,000 individually or \$100,000 in the aggregate;

(ix) that is material to the Company or that contains any so called "most favored nation" provision or similar provisions requiring the Company to offer to a Person any terms or conditions that are at least as favorable as those offered to one or more other Persons;

(x) pursuant to which any agent, sales representative, distributor or other third party markets or sells any Company Product;

(xi) which involves the payment of \$200,000 or more in any 12 month period after the date hereof;

(xii) pursuant to which the Company is a party granting rights of first refusal, rights of first offer or similar rights to acquire any business or assets of the Company;

(xiii) relating to the purchase or sale of assets outside the ordinary course of business of the Company;

(xiv) relating to the issuance of any securities of the Company;

(xv) pursuant to which any material asset of the Company is leased;

(xvi) relates to the purchase of (A) any equipment entered into since December 31, 2011 and (B) any materials, supplies, or inventory since December 31, 2011, other than any agreement which, together with any other related agreement, involves the expenditure by the Company of less than Fifty Thousand Dollars (\$50,000);

(xvii) that represents a purchase order with any supplier for the purchase of inventory items in an amount in excess of Fifty Thousand Dollars (\$50,000) of materials;

(xviii) pursuant to which the Company is a party and having a remaining term of more than one (1) year after the Closing Date or involving a remaining amount payable thereunder (either to or from the Company) as of the Closing Date, of at least One Hundred Thousand Dollars (\$100,000);

(xix) that relates to an essential function or role of any efficacy or safety study or pharmacokinetic study in respect of LibiGel or any other Company Product, or which is otherwise material to the Company; or

(xx) which would prevent, delay or impede the consummation, or otherwise reduce the contemplated benefits, of any of the transactions contemplated by this Agreement.

The Company has previously made available to ANI or its representatives complete and accurate copies of each Contract of the type described in this *Section 4.8(a)* (collectively referred to herein as "**Company Contracts**").

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(b) All of the Company Contracts were entered into at arms' length in the ordinary course of business and are valid and in full force and effect, except to the extent they have previously expired in accordance with their terms. The Company has not given or received a notice of cancellation or termination under any Company Contract, or has, or is alleged to have, and to the knowledge of the Company, none of the other parties thereto have, violated any provision of, or committed or failed to perform any act, and no event or condition exists, which, with or without notice, lapse of time or both would constitute a default under the provisions of, any Company Contract. Notwithstanding the Company's receipt of that certain letter dated September 26, 2012 from counsel to Antares Pharma IP AG, that certain License Agreement effective June 13, 2000, as amended, with Antares Pharma IP AG is in full force and effect with respect to all Company Products set forth therein.

4.9 Benefit Plans.

(a) Section 4.9 of the Company Disclosure Schedule sets forth a true and complete list of each Company Benefit Plan. A "Company Benefit Plan" is any "employee benefit plan" within the meaning of Section 3(3) of ERISA, and whether or not subject to ERISA, any material employment, termination or severance agreement, and any material bonus, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, equity-based, vacation, severance, retention, change in control, profit sharing, retirement, welfare, disability, death benefit, hospitalization or insurance plan, and any other material plan, agreement, or program providing compensation or benefits to any current or former employee, director or independent contractor of the Company or any ERISA Affiliate of the Company or maintained, contributed to, or required to be contributed to by the Company or other ERISA Affiliate or that the Company or any ERISA Affiliate has committed to establish, adopt or contribute to, or under which the Company or any ERISA Affiliate otherwise has or may have any liability.

(b) No Company Benefit Plan is a multiemployer plan within the meaning of ERISA Section 3(37)).

(c) No Company Benefit Plan is a "defined benefit pension plan" within the meaning of Code Section 414(j) or subject to Title IV of ERISA; no Company Benefit Plan is subject to the minimum funding standards of Code Section 412 and/or ERISA section 302; and neither the Company nor any ERISA Affiliate has any liability to the PBGC or any other person, arising directly or indirectly under Title IV of ERISA.

(d) Each Company Benefit Plan has been maintained in material compliance with its terms and with all applicable laws, including, but not limited to ERISA and the Code and with respect to Company Benefit Plans, individually and in the aggregate, no event has occurred and, to the knowledge of the Company, there exists no condition or set of circumstances in connection with which the Company or any ERISA Affiliates could be subject to any liability under ERISA, the Code or any other Applicable Law.

(e) There are no actions, suits or claims pending (other than routine claims for benefits) or, to the knowledge of the Company, threatened against, or with respect to, any Company Benefit Plan.

(f) All required contributions to Company Benefit Plans due on or before the Closing Date have been, or will have been, made or properly accrued on or before the Closing Date.

(g) The execution and delivery by the Company of this Agreement does not, and the consummation of the Merger and compliance with the terms hereof (whether alone or in combination with any other event) will not, (A) entitle any current or former employee or director or independent contractor of the Company to severance pay, (B) except as expressly required by this Agreement, accelerate the time of payment or vesting or trigger any payment or funding

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(through a grantor trust or otherwise) of compensation or benefits under, increase the amount payable or trigger any other material obligation pursuant to, any Company Benefit Plan, (C) result in any breach or violation of, or a default under, any Company Benefit Plan, or (D) cause any amounts payable under any Company Benefit Plan (whether in cash, in property or in the form of benefits) to fail to be deductible for federal income tax purposes by virtue of Sections 162(m) or 280G of the Code.

(h) None of the Company, any ERISA Affiliate, or Company Benefit Plan has engaged in a transaction in connection with which the Company or any ERISA Affiliate, or any such trust, or any trustee or administrator thereof, or any party dealing with any Company Benefit Plan or any such trust could be subject to either a civil penalty assessed pursuant to Sections 409 or 502(i) of ERISA or a Tax imposed pursuant to Sections 4975 or 4976 of the Code.

(i) Each Company Benefit Plan and related trust intended to qualify under Sections 401 and 501(a) of the Code is subject to a current favorable determination or opinion letter from the IRS and, to the Company's knowledge, nothing has occurred that is reasonably likely to result in the revocation of such letter. The Company has not sponsored, maintained or contributed to or had any liability with respect to any qualified pension plan which, during the preceding two (2) years, has been terminated, including by way of merger with or into a Company Benefit Plan or another plan.

(j) The Company does not contribute to, has or could have any liability with respect to retiree medical coverage or other medical, health, life or other welfare benefits for present or future terminated employees or their spouses or dependents other than as required by COBRA or any comparable state Applicable Law.

(k) No employer other than the Company or an ERISA Affiliate is permitted to participate in any Company Benefit Plan and no leased employees (as defined in Code Section 414(n)) or independent contractors are eligible for, or participate in, any Company Benefit Plan.

(l) Except as set forth on *Section 4.9* of the Company Disclosure Schedule, no Company Benefit Plan is a "nonqualified deferred compensation plan" subject to Section 409A of the Code and the regulations and other guidance promulgated thereunder (unless such Company Benefit Plan complies with an exemption or exception to Code Section 409A). Neither the Company nor any ERISA Affiliates are a party to any agreement, or otherwise obligated under any Company Benefit Plan, to provide for a gross up of Taxes imposed by Section 409A of the Code. Each nonqualified deferred compensation plan (as defined in Section 409A(d)(1) of the Code) maintained or sponsored by the Company or its ERISA Affiliates has since (i) January 1, 2005, been maintained and operated in good faith compliance with Section 409A of the Code and Notice 2005-1, (ii) October 3, 2004, not been "materially modified" (within the meaning of Notice 2005 1) with respect to any amounts that are "grandfathered" from the application of Section 409A of the Code, and (iii) January 1, 2010, been in documentary and operational compliance with final regulations under Section 409A of the Code.

(m) No Company Benefit Plan is now, or in the past seven years been, "top-heavy" pursuant to Code Section 416.

(n) The Company has delivered or made available to ANI true and complete copies of:

(i) all Company Benefit Plan documents and related trust agreements or other agreements or contracts evidencing any funding vehicle with respect thereto;

(ii) the three most recent annual reports on Form 5500, including all schedules, attachments and/or audits thereto, with respect to any Company Benefit Plan for which such a report (and/or audit) is required;

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(iii) the summary plan description, including any summary of material modifications thereto or other modifications communicated to participants, currently in effect with respect to each Company Benefit Plan;

(iv) the most recent determination letter or opinion letter issued by the IRS with respect to each Company Benefit Plan intended to qualify under section 401(a) of the Code and with respect to any determination letter the full and complete application therefore submitted to the IRS; and

(v) material correspondence in the past seven years with regulatory authorities (such as a copy of all documents relating to any audit or investigation by any regulatory authority or any voluntary correction submission with the Department of Labor or the IRS) with respect to any Company Benefit Plan.

4.10 Absence of Certain Changes or Events. (i) Since December 31, 2011, except as permitted by *Section 5.2* in the case of actions taken after the date hereof, there has not been any change, circumstance or event (including any event involving a prospective change) which, individually or in the aggregate, has had, or would reasonably be expected to have, a Material Adverse Effect on the Company, and (ii) since December 31, 2011, except as contemplated by this Agreement the Company has conducted its respective business in the ordinary course consistent with its past practice.

4.11 Board Approval. The Company's board of directors (the "**Company Board**"), by resolutions duly adopted at a meeting duly called and held has (a) approved the Company Charter Amendments providing for (i) the Reverse Stock Split, (ii) an increase to the number of authorized shares of Company Common Stock to a number to be determined by ANI, and (iii) a change of the name of the Company to "ANI Pharmaceuticals, Inc." or any other name designated by the Company; (b) approved the change of the Company's trading symbol to a symbol chosen by ANI; (c) approved and adopted, and declared the advisability of, this Agreement and the transactions contemplated hereby, including the Merger; (d) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to and in the best interests of the Company and the Company's stockholders; and (e) subject to *Section 5.4(d)*, resolved to make and maintain the Company Board Recommendation.

4.12 Takeover Statutes. The Company has taken all action necessary to exempt or exclude this Agreement and the transactions contemplated hereby, including the Merger, from all applicable Takeover Statutes. Accordingly, no Takeover Statute applies to this Agreement or the transactions contemplated hereby, including the Merger, with respect to the Company. The Company does not have any stockholder rights plan, "poison pill" or similar plan or arrangement in effect.

4.13 Properties. Except as set forth in *Section 4.13* of the Company Disclosure Schedule, the Company (a) has good and valid title to all of its properties and assets including those reflected in the Company Financial Statements as being owned by the Company or acquired after the date thereof that are material to the Company's business (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business and as permitted under *Section 5.2*), free and clear of all Liens, except (i) statutory liens securing payments not yet due or liens which are being properly contested by the Company in good faith and by proper legal proceedings and for which adequate reserves related thereto are maintained on the Company Financial Statements and provided the amount of such reserves or payments not yet due will be included as a Liability for purposes of calculating Net Cash, (ii) such imperfections or irregularities of title, claims, liens, charges, security interests, easements, covenants and other restrictions or encumbrances as do not materially affect the use or value of the properties or assets subject thereto or affected thereby or otherwise adversely impair business operations at such properties, (iii) mortgages, or deeds of trust, security interests or other encumbrances on title related to indebtedness reflected in the Company Financial Statements and which have been or will be satisfied and released at or prior to the Closing Date and any Indebtedness or other obligations secured thereby will be included as a Liability for purposes of calculating Net

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Cash, and (iv) rights granted to any non-exclusive licensee of any the Company Intellectual Property in the ordinary course of business consistent with past practices (such liens, imperfections and irregularities in clauses (i), (ii), (iii) and (iv), "**Company Permitted Liens**"), and (b) has a valid leasehold interest as a lessee of all leasehold estates set forth in *Section 4.13* of the Company Disclosure Schedule (except for leases that have expired by their terms since the date thereof) and is in possession of the properties purported to be leased thereunder, and each such lease is valid without default thereunder by the lessee or, to the Company's knowledge, the lessor.

4.14 Intellectual Property.

(a) For purposes of this Agreement:

(i) "**Company Owned IP**" means all Intellectual Property Rights and Intellectual Property owned (solely or jointly) by the Company.

(ii) "**Company Licensed IP**" means all Intellectual Property Rights and Intellectual Property licensed to the Company.

(b) *Section 4.14(b)* of the Company Disclosure Schedule accurately identifies and describes each proprietary product or service currently developed, manufactured, marketed, performed or sold by or on behalf of the Company, including products or services currently designated as development candidates with a unique internal name by the Company.

(c) *Section 4.14(c)* of the Company Disclosure Schedule accurately identifies: (i) each item of Company Owned IP in which the Company has or purports to have an ownership interest of any nature (whether exclusively, jointly with another Person, or otherwise); (ii) in the case of Registered IP, the jurisdiction in which such item of Registered IP has been registered or filed and the applicable registration or serial number; and (iii) in the case of Registered IP, any other Person that has an ownership interest in such item of Registered IP and the nature of such ownership interest; and (iv) each the Company IP that is a granted patent that in any way covers any product or service identified in *Section 4.14(b)* of the Company Disclosure Schedule. The Company has provided to ANI accurate and complete copies of all applications and correspondence to and from the Government Authority related to each such item of Company Owned IP. For the avoidance of doubt, for published applications and patents, the Company furnishing to ANI the relevant application, serial or patent number of the Registered IP will be considered reasonable.

(d) *Section 4.14(d)* of the Company Disclosure Schedule accurately identifies: (i) all Intellectual Property Rights or Intellectual Property licensed to the Company (other than any non-customized software that (x) is so licensed solely in executable or object code form pursuant to a non-exclusive, internal use software license, (y) is not incorporated into, or used directly in the development, manufacturing or distribution of, any of the Company's products or services and (z) is generally available on standard terms for less than \$25,000); (ii) the corresponding Contract(s) pursuant to which such Intellectual Property Rights or Intellectual Property is licensed to the Company; and (iii) whether the license or licenses granted to the Company are exclusive or non-exclusive.

(e) *Section 4.14(e)* of the Company Disclosure Schedule accurately identifies each Contract pursuant to which any Person has been granted by the Company any license under, or otherwise has received or acquired any right (whether or not currently exercisable) or interest in, any Company IP. Except as set forth in *Section 4.14(e)* of the Company Disclosure Schedule, the Company is not by, and no Company IP is subject to, any Contract containing any covenant or other provision that in any way limits or restricts the ability of the Company to use, exploit, assert or enforce any Company IP anywhere in the world, except field and geographical restrictions in applicable licenses to Company IP granted to the Company.

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(f) The Company has provided to ANI an accurate and complete copy of each standard form of any Contract to which the Company is a party or by which the Company is bound, that contains any assignment or license of, covenant not to assert or enforce or granting of any other rights in, any Intellectual Property Right, including any Company IP or other Intellectual Property developed by, with, or for the Company (a "**Company IP Contract**") that has been used by the Company at any time since January 1, 2010, including each standard form of: (i) employee agreement containing any intellectual property assignment or license of Intellectual Property or Intellectual Property Rights or any confidentiality provision; (ii) consulting or independent contractor agreement containing any intellectual property assignment or license of Intellectual Property or Intellectual Property Rights or any confidentiality provision; and (iii) confidentiality or nondisclosure agreement. *Section 4.14(e)* of the Company Disclosure Schedule accurately identifies each Company IP Contract that deviates in any material respect from the corresponding standard form agreement provided to ANI.

(g) Except as set forth in *Section 4.14(g)* of the Company Disclosure Schedule:

(i) the conduct of the business of the Company as currently conducted does not infringe upon, misappropriate or otherwise violate the Intellectual Property Rights of any third party, and no claim has been asserted to the Company in writing that the conduct of the business of the Company as currently conducted infringes upon or misappropriates or otherwise violates the Intellectual Property rights of any third party;

(ii) with respect to each item of Company Owned IP, the Company is the owner of the entire right, title and interest in and to such Company Owned IP and the Company has not granted to any third party exclusive rights to any Company Owned IP under terms that would prevent the Company from using such Company Owned IP in the operation of its respective business as currently conducted;

(iii) with respect to each item of Company Licensed IP, the Company has the right to use such Company Licensed IP in the operation of its business as currently conducted in accordance with the terms of the license agreement governing such Company Licensed IP;

(iv) none of the Company Owned IP has been adjudged invalid or unenforceable in whole or in part and the Company Registered IP is valid, subsisting and enforceable (except for prospective challenges that may be received in the ordinary course of patent prosecution and maintenance);

(v) no person is engaging in any activity that infringes upon, misappropriates or otherwise violates the Company Owned IP or, to the Company's knowledge, the Company Licensed IP, in any material respect;

(vi) each license of Company Licensed IP is binding on the Company and each of the other parties thereto, and is in full force and effect and no party to any license of Company Licensed IP (other than the Company) is in breach thereof or default thereunder; and

(vii) neither the execution of this Agreement nor the consummation of any transaction contemplated hereby will terminate, suspend or modify any of the Company's rights with respect to any Company Owned IP or material Company Licensed IP.

(h) Each Person who is or was an employee or contractor of the Company and who is or was involved in the creation or development of any Company IP has signed an agreement containing an assignment of Intellectual Property Rights to the Company. No current or former stockholder, officer, director, employee, consultant or contractor of the Company has any claim, right (whether or not currently exercisable) or interest to or in any Company IP. To the Company's knowledge, no employee of the Company is: (x) bound by or otherwise subject to any Contract restricting him or

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her from performing his or her duties for the Company; or (y) in breach of any Contract with any former employer or other Person concerning Intellectual Property Rights or confidentiality obligations. Since January 1, 2010, the Company has not assigned or otherwise transferred ownership of, or agreed to assign or otherwise transfer ownership of, any Intellectual Property Right to any other Person.

(i) The Company has taken all commercially reasonable steps to maintain the confidentiality of and otherwise protect and enforce their rights in all material proprietary information that the Company holds, or purports to hold, as a trade secret.

(j) The Company is not and never was a contributor to any industry standards body or similar organization that could require or obligate the Company to grant or offer to any other Person any license or right to any Company IP.

4.15 Regulatory Matters.

(a) Each of the products under development by the Company is identified in *Section 4.15(a)* of the Company Disclosure Schedule (the "**Company Products**"). The Company is not currently marketing any product. The Company holds all material licenses, permits, franchises, variances, registrations, exemptions, orders and other governmental authorizations, consents, approvals and clearances, and have submitted all material notices to, all Government Authorities, including all required authorizations under the FDCA, PHSA and the regulations of the FDA promulgated thereunder, and any other Government Authority that regulates the quality, identity strength, purity, safety, efficacy or manufacturing of the Company Products (any such Government Authority a "**Company Regulatory Agency**") required for the lawful operation of the business of the Company (the "**Company Permits**"), except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. All such Company Permits are valid and in full force and effect. None of such Company Permit will be terminated or impaired or become terminable, in whole or in part, as a result of the transactions contemplated by this Agreement. The Company is the sole and exclusive owner of Company Permit and the associated filings and applications with the FDA, including any biologics license application, new drug application, abbreviated new drug application, drug master files, biologics master files, master files for devices, 510(k) submission, premarket approval, investigational new drug or investigational device exemption application, comparable regulatory application or filing made or held by or issued to the Company (collectively, the "**Company Regulatory Filings**") and hold all right, title and interest in and to all Company Regulatory Filings free and clear of any encumbrance. The Company has not granted any third party any right or license to use, access or reference any of the Company Regulatory Filings, including any of the know-how contained in any of the Company Regulatory Filings or rights (including any regulatory exclusivities) associated with each such Company Regulatory Filing.

(b) Since January 1, 2010, there has not occurred any breach or violation of, default (with or without notice or lapse of time or both) under or event giving rise to any right of termination, amendment or cancellation of (with or without notice or lapse of time or both), any Company Permit. The Company is in compliance in all material respects with the terms of all Company Permit, and no event has occurred and no facts or circumstances exist that, to the knowledge of the Company, would reasonably be expected to result in the revocation, cancellation, non-renewal or adverse modification of any the Company Permit.

(c) Since January 1, 2010, all material applications, submissions, information and data used by the Company as the basis for, or submitted by or, to the knowledge of the Company, on behalf of the Company in connection with, any and all requests for Company Permit when submitted to the FDA or other Company Regulatory Agency, were, to the Company's knowledge, accurate and complete in all material respects as of the date of submission, and any updates, changes,

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corrections or modifications to such applications, submissions, information and data required under Applicable Law have been submitted to the FDA or other Company Regulatory Agency.

(d) Since January 1, 2010, the Company has not committed any act, made any statement or failed to make any statement that would reasonably be expected to provide a basis for the FDA or any other Company Regulatory Agency to invoke its policy with respect to "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities" or similar policies under Applicable Law. Neither the Company nor, to the knowledge of the Company, any agent, subcontractor, director, officer, employee or other Person associated with or acting on behalf of the Company has been convicted of any crime or engaged in any conduct which has resulted or could result in debarment or disqualification by the FDA or any other Government Authority, and there are no proceedings pending or threatened that reasonably might be expected to result in criminal or civil liability or debarment or disqualification by the FDA or any other Government Authority.

(e) The Company nor, to the knowledge of the Company, any director, officer, agent, employee or other Person associated with or acting on behalf of the Company, has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the FCPA or any similar Applicable Law; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. There are no pending or, to the knowledge of the Company, threatened filings against the Company of an action relating to the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)).

(f) Since January 1, 2010, there has not been any voluntarily or involuntarily initiated, conducted, or issued recall, field notification, field correction, market withdrawal or replacement, safety alert, warning, "dear doctor" letter, market correction, or investigator notice relating to an alleged material lack of safety or efficacy of any Company Product.

(g) The Company is in compliance in all material respects with all Applicable Laws and any other letters, notices or guidance issued by the FDA or any Government Authority which regulate the clinical investigation, manufacture, sale, promotion, sampling and distribution of pharmaceutical products or biological, or device products in any jurisdiction. The Company has at all times and is currently distributing, marketing, promoting, labeling and selling its products in accordance with the FDCA and Prescription Drug Marketing Act of 1987. There are no pending or, to the knowledge of the Company, threatened regulatory Actions (other than non-material routine or periodic inspections or reviews) against the Company. Since January 1, 2010 there have been no written notices, reports, FDA Form 483 observations that have not been disclosed by the Company warning letters, or untitled letters alleging or asserting noncompliance in any material respect with any Applicable Law relating to the Company or any Company Product or any subpoenas or investigative demands or other written inquiries that would reasonably be interpreted as raising a compliance concern sent or delivered by any Government Authority with regard to any Company Product.

(h) The manufacture of Company Products is being conducted in compliance in all material respects with current "good manufacturing practices," as defined by the FDA. The Company has been in material compliance with FDA's registration and listing requirements to the extent required by FDA.

(i) The Company is and has been in compliance in all material respects with all Applicable Laws requiring the maintenance or submission of reports or records under requirements administered by the FDA or any other Government Authority, including Adverse Experiences, Serious Adverse Events, and Serious Injuries. There have been no Serious Adverse Events or

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Serious Injuries associated with the use (including in clinical trials) of any Company Products that have not been reported to the FDA in accordance with Applicable Law.

(j) To the knowledge of the Company, all studies, tests, and preclinical and clinical research being conducted by the Company, and to the knowledge of the Company, on behalf of the Company, are being, and at all times have been, conducted in compliance in all material respects with all Applicable Laws, including, as applicable, good laboratory practice regulations set forth in 21 C.F.R. Part 58, good clinical practices, as defined or recognized by the FDA, including the ICH Tripartite Guideline for Good Clinical Practice, other applicable provisions of the FDCA and its applicable implementing regulations at 21 C.F.R. Parts 50, 54, 56, 58, 312 and 812, and comparable laws of any other Government Authority. No clinical trial conducted by the Company or, to the knowledge of the Company, on behalf of the Company, has been terminated or suspended prior to completion for safety or non-compliance reasons, and neither the FDA nor any other Government Authority, clinical investigator or institutional review board that has or had jurisdiction over or participated in any such clinical trial has initiated, or, to the knowledge of the Company, threatened to initiate, any action to place a clinical hold order on, or otherwise terminate, materially delay or suspend, any such ongoing clinical trial, or to disqualify, restrict or debar any clinical investigator or other Person or entity involved in any such clinical trial.

(k) Neither the Company nor any officer, director, managing employee (as those terms are defined in 42 C.F.R. § 1001.1001) of the Company, nor, to the knowledge of the Company, any agent (as such term is defined in 42 C.F.R. § 1001.1001(a)(1)(ii)) of the Company is a party to, or bound by, any order, individual integrity agreement, corporate integrity agreement, monitoring agreement, consent decree, settlement order, deferred prosecution agreement or other formal or informal agreement with any Government Authority concerning compliance with the laws governing any Federal Health Care Program. The Company meets all the requirements of participation and payment of Medicare, Medicaid, and any Programs to the extent in which it participates. There is no action pending, received or, to the Company's knowledge, threatened against the Company which relates in any way to a violation of any health care laws or which could result in the imposition penalties against or the exclusion of the Company from participation in any Programs. Neither the Company nor any officer, director or managing employee has engaged in any activities which are cause for civil penalties or mandatory or permissive exclusion from any Program. To the Company's knowledge, there is no pending, proposed or final Medicare national or local coverage determination that, if finalized, would restrict coverage for the Company's products. The Company has not established any reimbursement support program, such that payment for the Company product is contingent upon a purchaser's receipt of payment from a third party payer. The Company does not furnish any coverage, coding or billing advice to any health care professionals regarding off-label indications of the Company products.

(l) Neither the Company nor any officer, director, managing employee (as those terms are defined in 42 C.F.R. § 1001.1001) of the Company, nor, to the knowledge of the Company, any agent (as such term is defined in 42 C.F.R. § 1001.1001(a)(1)(ii)) of the Company: (i) has been debarred, excluded or suspended under 21 U.S.C. § 335a, or (ii) any similar law, from participation in any Federal Health Care Program; (iii) has had a civil monetary penalty assessed against it, him or her under Section 1128A of the Social Security Act; (iii) is currently listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs; (iv) to the knowledge of the Company, is the target or subject of any current investigation by a Government Authority relating to any Federal Health Care Program related offense; or (v) is currently charged with or convicted of any criminal offense relating to the delivery of an item or service under any Federal Health Care Program; or (vi) is the subject of any pending or threatened investigation by the FDA pursuant to its "Fraud, Untrue Statements of

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Material Facts, Bribery, and Illegal Gratuities" Final Policy set forth in 56 Fed. Reg. 46191 (September 10, 1991) and any amendments thereto. .

(m) There are no pending or, to the knowledge of the Company, threatened filings against the Company of an action relating to the Company under any federal or state whistleblower statute, including under the civil False Claims Act of 1863 (31 U.S.C. § 3729 et seq.), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)) or the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)).

(n) To the knowledge of the Company, the Company is not under investigation by any Government Authority for a violation of HIPAA, or the regulations contained in 45 C.F.R. Parts 160 and 164, including receiving any notices from the United States Department of the Company and Human Services Office of Civil Rights relating to any such violations, or any comparable state or local laws. The Company is not a "covered entity" as that term is defined in HIPAA. The Company has been in compliance in all material respects with federal and state data breach laws.

(o) The Company is and has been in compliance in all material respects with all Applicable Laws requiring state registration, state reporting of applicable sales and marketing expenditures and transactions to health care professionals, and state compliance program requirements, which may include (depending on the state) but is not limited to adoption of the OIG Office of Inspector General's Compliance Program Guidance for Pharmaceutical Manufacturers, the AdvaMed Code, and/or the PhRMA Code. See Cal. Health & Safety Code §§ 119400 - 119402; Connecticut, Subst. Senate Bill No. 270, File No. 468, Cal. No. 333; D.C., D.C. Code Ann. §§ 48-833.01-48-833.09; Maine, Maine Rev. Stat. Ann. tit. 22, § 2698-A; Massachusetts, Mass. Chapter 111N of the Massachusetts General Acts; Minnesota, Minn.Stat. § 151.47 (general); Minn.Stat. § 151.461 (gifts); Nevada, Nev. Rev. Stat. §639.570; Vermont, 18 V.S.A. Sec. 4631a; 18 V.S.A. Sec. 4632.; West Virginia, W. Va. Code § 5A-3C-13, W. Va. Code §16-29H-8.

4.16 Environmental Matters. Except as set forth in *Section 4.16* of the Company Disclosure Schedules, (a) the Company holds, and is currently, and at all prior times have been, in continuous compliance with all Environmental Permits, and is currently, and at all prior times have been, otherwise in continuous compliance with all applicable Environmental Laws and, to the knowledge of the Company, there is no condition that would reasonably be expected to prevent or interfere with compliance with all applicable Environmental Laws and all applicable Environmental Permits in the future, (b) the Company has not received any Environmental Claim, and there is no pending or, to the knowledge of the Company, threatened Environmental Claim, (c) no Hazardous Materials have been generated, transported, treated, stored, installed, disposed of, arranged to be disposed of, released or threatened to be released at, on, from or under any of the properties or facilities currently or formerly owned, leased or otherwise used by the Company, in violation of, or in a manner or to a location that could give rise to liability to the Company under Environmental Laws, and (d) the Company has not assumed, contractually or by operation of law, any liabilities or obligations under or relating to any Environmental Laws.

4.17 Labor and Employment Matters. Except as set forth in *Section 4.17* of the Company Disclosure Schedule, (a) there is no labor strike, dispute, slowdown, stoppage or lockout actually pending or, to the knowledge of the Company, threatened against the Company, (b) no union, works council or other labor organization represents, or claims to represent, any group of employees with respect to their employment by the Company and no union organizing campaign with respect to the employees of the Company is threatened or underway, (c) there is no unfair labor practice charge or complaint against the Company pending or, to the knowledge of the Company, threatened before the National Labor Relations Board or any similar state or foreign agency, (d) there is no grievance pending relating to any collective bargaining agreement or other grievance procedure, (e) no charges with respect to or relating to the Company are pending before the Equal Employment Opportunity Commission or any other state or foreign agency responsible for the prevention of unlawful employment practices, (f) no employee of the Company is in violation of (and to the knowledge of the Company no written allegation has been made

that any employee is in violation of) any term of any restrictive covenant, common law nondisclosure obligation, fiduciary duty, or other obligation to a former employer of any such employee relating (i) to the right of any such employee to be employed by the Company or (ii) to the knowledge or use of trade secrets or proprietary information, and (g) since January 1, 2011, the Company has not employed more than 75 employees at any one time and (h) since January 1, 2011, all Company employees have been employed in the State of Illinois. The Company is not a party to a current conciliation agreement, consent decree, or other agreement or order with any Government Authority with respect to labor or employment practices.

4.18 Insurance.

(a) *Section 4.18(a)* of the Company Disclosure Schedule sets forth, as of the date hereof, an accurate and complete list of the policies of insurance currently maintained by or for the benefit of the Company (including any policies of insurance maintained for purposes of providing benefits such as workers' compensation and employers' liability coverage) (collectively, the "**Company Policies**"). All such Company Policies are in full force and effect and the limits of liability thereunder have not been exhausted by the payment of claims. There has not been any interruption in insurance coverage for the types of risks covered under such Policies since January 1, 2010. The Company and, to the knowledge of the Company, its counterparties are not in default under the Policies, and no event has occurred that, with the lapse of time or the giving of notice or both, would constitute a default under any Policy by the Company or, to the knowledge of the Company, any other Person. No written notice of cancellation or termination has been received with respect to any such Policy (except Policies replaced in the ordinary course). To the knowledge of the Company, no insurer on any such Policy has been declared insolvent or placed in receivership or liquidation.

(b) *Section 4.18(b)* of the Company Disclosure Schedule sets forth a list of all pending claims (including with respect to insurance obtained but not currently maintained) and the claims history for the Company since January 1, 2010 (including with respect to insurance obtained but not currently maintained), in each case with respect to each claim (or series of related claims) involving amounts in excess of \$25,000. The Company has not been refused any insurance coverage with respect to any aspect of its operations nor has its coverage been limited by any insurance carrier to which it has applied for insurance or with which it has carried insurance since January 1, 2010. There is no claim by the Company pending under any such Policies in excess of \$50,000 as to which coverage has been questioned, denied or disputed by the underwriters of such Policies.

4.19 Registration Statement; Joint Proxy Statement/Prospectus. The registration statement on Form S-4 to be filed with the SEC by the Company in connection with the issuance of Company Common Stock pursuant to this Agreement (the "**Registration Statement**") (and any amendment or supplement thereto), at the time the Registration Statement (and any amendment or supplement thereto) is filed, at the time the Registration Statement (and any amendment or supplement thereto) is declared effective by the SEC and at the Effective Time, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Joint Proxy Statement/Prospectus, at the date the Joint Proxy Statement/Prospectus (and any amendment or supplement thereto) is first mailed to the Company and ANI stockholders and at the time of the Company Special Meeting and the ANI Special Meeting (or any adjournment or postponement thereof), will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The representations and warranties contained in this *Section 4.19* will not apply to statements or omissions included in the Registration Statement or Joint Proxy Statement/Prospectus (and, in each case, any amendment or supplement thereto) based upon information regarding ANI or any ANI Subsidiary supplied to the Company in writing by ANI for use therein (it being understood that all other information in the Registration Statement and Joint Proxy Statement/Prospectus (and, in each case, any amendment or

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supplement thereto) will be deemed to have been supplied by the Company). The Registration Statement and Joint Proxy Statement/Prospectus (and, in each case, any amendment or supplement thereto) will, when filed, comply as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act and, subject to *Section 5.4(d)*, the Joint Proxy Statement/Prospectus will include the Company Board Recommendation.

4.20 Affiliate Transactions. Since January 1, 2010, there have been no transactions, or series of related transactions, agreements, arrangements or understandings, nor are there any currently proposed transactions, or series of related transactions, that would be required to be disclosed under Item 404 of Regulation S-K promulgated under the Securities Act that have not been otherwise disclosed in the Company SEC Documents.

4.21 Brokers or Finders. No agent, broker, investment banker, financial advisor or other firm or person except Oppenheimer & Co. Inc. (the "**Company Financial Advisor**") has been retained by or is authorized to act on behalf of the Company and is or might be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement. The Company has provided to ANI a copy of its engagement agreement with the Company Financial Advisor.

4.22 Exchange Act Registration; NASDAQ Listing. The Company Common Stock is registered pursuant to Section 12(b) of the Exchange Act and is listed on The NASDAQ Global Market. No event has occurred that is reasonably likely to have the effect of terminating the registration of Company Common Stock under the Exchange Act or delisting Company Common Stock from The NASDAQ Global Market, nor has the Company received any notification that the SEC or the NASDAQ is contemplating terminating such registration or such delisting.

4.23 News Releases. No statement made by the Company in either of the news releases issued by it in respect of the LibiGel Product on February 22, 2010 or May 31, 2011, as of the respective dates on which such news releases were issued, contained any untrue statement of material fact or omitted to state a material fact necessary to make any of the statements made, in light of the circumstances in which they were made, not misleading. No other public statement made by the Company concerning the results of any clinical trials, anticipated results of any clinical trials, potential for FDA approval or financial prospects for the Company or its products, including without limitation all SEC filings, news releases and statements to the financial press, to the knowledge of any officer or director of the Company, contained any untrue statements of material fact or omitted to state a material fact necessary to make any of the statements made, in light of the circumstances in which they were made, not misleading, as of the date such statements were made. No officers or directors of the Company had any knowledge of the results of the two pivotal efficacy trials of the LibiGel Product, known as TESTW006 and TESTW008, until shortly before the public announcement of such results on December 14, 2011, and such officers and directors reasonably believed that the results of such trials would be positive and consistent with all prior public statements in all material respects.

4.24 Disclosure. No representation or warranty or other statement made by the Company in this Agreement, the Company Disclosure Schedules, the certificates delivered pursuant to *Section 6.2(d)(i)* or otherwise in connection with the transactions contemplated herein contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading.

ARTICLE V. Covenants

5.1 Conduct of ANI Business During Interim Period. Except as contemplated or required by this Agreement or as expressly consented to in writing by the Company (which consent will not be unreasonably withheld, delayed or conditioned), or as set forth in *Section 5.1* of the ANI Disclosure Schedule, during the

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period from the date of this Agreement to the earlier of the termination of this Agreement or the Effective Time (the "**Interim Period**"), each of ANI and the ANI Subsidiaries will: (i) conduct its operations according to its ordinary course of business and consistent with past practice; (ii) use its reasonable best efforts to preserve intact its business, to keep available the services of its officers and employees and to maintain existing relationships with licensors, licensees, suppliers, distributors, consultants, customers and others having business relationships with it, except in each case, to the extent that the termination of any such services or relationships is in the ordinary course of business and consistent with past practice; and (iii) not take any action which would reasonably be expected to adversely affect its ability to consummate the Merger or the other transactions contemplated hereby. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement or as set forth in *Section 5.1* of the ANI Disclosure Schedule, during the Interim Period ANI will not, and will not permit ANI Subsidiaries to, without the prior written consent of the Company (which consent will not be unreasonably withheld, conditioned or delayed), directly or indirectly, do any of the following:

(a) other than in the ordinary course of business, (i) enter into any Contract that would have been an ANI Contract were ANI or any of ANI Subsidiaries a party or subject thereto on the date of this Agreement; or (ii) terminate or amend in any material respect any ANI Contract or waive any material right thereunder;

(b) adopt any new severance plan or grant any severance or termination payments to any officer or director of ANI or any of ANI Subsidiaries, except payments substantially pursuant to written agreements or policies existing on the date hereof and set forth on *Section 5.1(b)* of the ANI Disclosure Schedule;

(c) declare or pay any dividends on or make any other distributions (whether in cash, stock or property) in respect of any capital stock or other equity security or split, combine or reclassify any capital stock or other equity security or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock or other equity security;

(d) cause, permit or propose any material amendments to the certificate of incorporation, bylaws, certificate of formation or limited liability company agreement (in each case, as applicable) of ANI or any of ANI Subsidiaries in a manner that would reasonably be expected to adversely affect the ability of ANI to consummate the Merger;

(e) other than in the ordinary course of business, subject to any Lien (other than an ANI Permitted Lien) or otherwise dispose of any properties or assets which are material, individually or in the aggregate, to the business of ANI and ANI Subsidiaries, taken as a whole;

(f) incur any indebtedness for borrowed money or guarantee any such indebtedness, in each case, other than in the ordinary course of business, or issue or sell any debt securities or warrants or rights to acquire debt securities of ANI or any ANI Subsidiary, as the case may be;

(g) enter into any "keep well" or other contract to maintain any financial statement condition of any Person other than a wholly owned ANI Subsidiary or enter into any arrangement having the economic effect of the foregoing;

(h) adopt or amend any ANI Benefit Plan, except for adoptions and amendments made in the ordinary course of business, or required by Applicable Law or made in contemplation of the consummation of the transactions pursuant to this Agreement as set forth in *Section 5.1(h)* of the ANI Disclosure Schedule, enter into any employment Contract other than a Contract for at-will employment or to replace a departing executive employee, pay any special bonus or special remuneration to any director or employee of ANI or any ANI Subsidiary, except in the ordinary course of business consistent with past practice, or increase the salaries or wage rates of the officers or employees of ANI or any ANI Subsidiary, except increases in the salaries or wage rates of employees

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in the ordinary course of business or except as required by the terms of an ANI Contract or ANI Benefit Plan as in existence on the date hereof or disclosed in the ANI Disclosure Schedule;

(i) pay, discharge, settle, compromise or satisfy any material pending or threatened Action, claim, liability or obligation (whether absolute, accrued, asserted or unasserted, contingent or otherwise), other than (i) the payment or discharge of liabilities or obligations of ANI with respect to amounts owed to vendors or suppliers in the ordinary course of business, (ii) settlements or compromises of Actions in the ordinary course of business, (iii) settlements or compromises involving payments by ANI or any ANI Subsidiary not in excess of \$100,000 individually, or more than \$250,000 in the aggregate, and (iv) with respect to Taxes;

(j) authorize, solicit, propose or announce an intention to authorize, recommend or propose, or enter into any Contract with respect to, any plan of liquidation or dissolution, any acquisition of a material amount of assets or securities, any disposition of a material amount of assets, equity or other securities, except as set forth in *Section 5.1* of the ANI Disclosure Schedule;

(k) (i) purchase any insurance policy except replacement policies for Policies that expire on their terms after the date hereof and except for directors' and officers' liability 'tail' insurance policy or policies; (ii) fail to renew any insurance policy naming it as a beneficiary or a loss payee; or (iii) take any steps or fail to take any steps that would permit any insurance policy naming it as a beneficiary or a loss payee to be canceled, terminated or materially altered;

(l) fail to properly maintain any material Registered IP, including payments of all fees or otherwise let lapse or impair any material ANI Owned IP or ANI Licensed IP;

(m) maintain its books and records in a manner other than in the ordinary course of business consistent with past practice;

(n) enter into any hedging, option, derivative or other similar transaction or any foreign exchange position or contract for the exchange of currency;

(o) institute any material change in its accounting methods, principles or practices other than as required by GAAP;

(p) in respect of any Taxes: (i) except as required by Applicable Law, change any material election, change any material accounting method, enter into any material closing agreement, settle any material claim or assessment or consent to any material extension or waiver of the limitation period applicable to any material claim or assessment or amend any material Tax Return; or (ii) enter into any material Tax-sharing agreement or similar arrangement (including any Tax indemnity arrangement) the principal subject of which is Taxes;

(q) (i) issue, deliver or sell, or authorize the issuance, delivery or sale of, any securities of ANI or its Subsidiaries, other than issuance of ANI Series D Preferred Stock pursuant to the transaction bonus agreements with certain members of ANI's management team described in *Section 3.8* of the ANI Disclosure Schedule; (ii) file a registration statement under the Securities Act with respect to an initial public offering of any ANI Securities; or (iii) merge or consolidate with or otherwise acquire any other Person or create any Subsidiary;

(r) enter into any agreement that, prior to the Effective Time, would limit ANI or any of ANI Subsidiaries, or following the Effective Time, would limit the Company or any of the Company Subsidiaries, from engaging in any line of business, competing with any Person or selling any product or service;

(s) allow to lapse or fail to make an application for renewal as and when required of any material ANI Permit;

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(t) make capital expenditures in excess of \$100,000 in the aggregate that are not reflected on the capital expenditures budget of ANI provided to the Company, except acquisitions permitted pursuant to clause (j) above;

(u) take any action that would prevent the Merger from qualifying as a reorganization under Section 368(a) of the Code; or

(v) agree or commit to do any of the foregoing.

5.2 Conduct of the Company Business During Interim Period. Except as contemplated or required by this Agreement (including pursuant to *Section 5.22* or *Section 5.23*) or as expressly consented to in writing by ANI (which consent will not be unreasonably withheld, delayed or conditioned), or as set forth in *Section 5.2* of the Company Disclosure Schedule, during the Interim Period, the Company will: (i) conduct its operations according to its ordinary course of business and consistent with past practice; (ii) use its reasonable best efforts to preserve intact its business, to keep available the services of its officers and employees and to maintain existing relationships with licensors, licensees, suppliers, distributors, consultants, customers and others having business relationships with it, except in each case, to the extent that the termination of any such services or relationships is in the ordinary course of business and consistent with past practice; (iii) file all required Company SEC Documents required to be filed by it with the SEC under Applicable Law in a timely manner, with such Company SEC Documents complying, when filed, with Applicable Law; (iv) maintain compliance with the applicable listing requirements of NASDAQ; (v) take all such actions as may be necessary or advisable to effect a conclusion of the LibiGel Product clinical trials and safety study in accordance with the budget and timeline set forth in *Section 5.2* of the Company Disclosure Schedule and (vi) not take any action which would reasonably be expected to adversely affect its ability to consummate the Merger or the other transactions contemplated hereby. Without limiting the generality of the foregoing, and except as otherwise expressly provided in this Agreement (including pursuant to *Section 5.22* or *Section 5.23*) or as set forth in *Section 5.2* of the Company Disclosure Schedule, during the Interim Period, the Company will not, without the prior written consent of ANI (which consent will not be unreasonably withheld, conditioned or delayed), directly or indirectly, do any of the following:

(a) other than in the ordinary course of business, (i) enter into any Contract that would have been a Company Contract were the Company a party or subject thereto on the date of this Agreement; or (ii) terminate or amend in any material respect any Company Contract or waive any material right thereunder;

(b) adopt any new severance plan or grant or make any severance or termination payments to any officer or director of the Company, except payments (i) substantially pursuant to written agreements or policies existing on the date hereof and set forth on *Section 5.2(b)* of the Company Disclosure Schedule or (ii) additional payments not to exceed an aggregate of \$300,000 authorized by the Company Board during the Interim Period; provided that (A) such payments (to the extent not paid prior to the Determination Date) will be included as a Liability for purposes of calculating Net Cash and (B) any additional payments pursuant to *clause (b)(ii)* will only be permitted to extent that they (x) are authorized on or before the Determination Date and are included as a Liability for purposes of calculating Net Cash as of such date, (y) are not payable until on or after the Closing Date and (z) in any event subject to, conditioned upon and payable only so long as payment of any thereof will not cause Net Cash determined pursuant to *Section 5.21* to be less than the Minimum Net Cash;

(c) declare or pay any dividends on or make any other distributions (whether in cash, stock or property) in respect of any capital stock or other equity security or split, combine or reclassify any capital stock or other equity security or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for any capital stock or other equity security, *provided, however*, that the Company will have the right to issue to the holders of its outstanding shares of

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Company Common Stock a dividend of contingent value rights (the "**Contingent Value Rights**") with respect to certain payments arising from the sale, transfer, license or a similar transaction relating to the Company's LibiGel program, pursuant to the terms of a contingent value rights agreement (the "**CVR Agreement**"), a substantially final draft of which has been provided to ANI and the form and substance of which has been agreed to by the Company and ANI prior to the date of this Agreement (and which will not be amended or modified without the prior consent of ANI), and which dividend of Contingent Value Rights is to be issued in the sole and absolute discretion of the Company Board;

(d) repurchase or otherwise acquire, directly or indirectly, any shares of capital stock or other equity security, except as a result of a holder's right to exercise any outstanding warrant or any outstanding option under any Company Benefit Plan on a 'cashless' basis;

(e) cause, permit or propose any material amendments to the certificate of incorporation, bylaws, certificate of formation or limited liability company agreement (in each case, as applicable) of the Company;

(f) sell, lease or encumber or subject to any Lien (other than a Company Permitted Lien) or otherwise dispose of any properties or assets which are material, individually or in the aggregate, to the business of the Company;

(g) incur any Indebtedness, for borrowed money or otherwise, or guarantee any such Indebtedness or issue or sell any debt securities or warrants or rights to acquire debt securities of the Company or any Company Subsidiary, as the case may be;

(h) enter into any "keep well" or other contract to maintain any financial statement condition of any Person other than a wholly owned the Company Subsidiary or enter into any arrangement having the economic effect of the foregoing;

(i) adopt or amend any Company Benefit Plan, hire any employee or otherwise enter into any employment Contract, pay any special bonus or special remuneration to any director or employee of the Company or any Company Subsidiary, except any such amendments to Company Benefit Plans required by Applicable Law, or increase the salaries or wage rates of the officers or employees of the Company or any Company Subsidiary except as required by the terms of a Company Contract as in existence on the date hereof and except for severance and release agreements entered into with employees who are being terminated effective no later than the Closing Date, solely to the extent that any amount payable in respect thereof is included as a Liability for purposes of calculating Net Cash;

(j) pay, discharge, settle, compromise or satisfy any pending or threatened Action, claim, liability or obligation (whether absolute, accrued, asserted or unasserted, contingent or otherwise), other than (i) the payment or discharge of liabilities or obligations of the Company with respect to amounts owed to vendors, suppliers or taxing authorities in the ordinary course of business (and not as a result of a breach of contract, Violation or settlement of any Action or claim) and (ii) settlements or compromises of any Action outstanding on the date hereof, involving payments by the Company or any Company Subsidiary not in excess of \$50,000 individually, or more than \$100,000 in the aggregate;

(k) authorize, solicit, propose or announce an intention to authorize, recommend or propose, or enter into any Contract with respect to, any plan of liquidation or dissolution, any acquisition of assets out of the ordinary course of business or securities, or any partnership, association or joint venture;

(l) (i) purchase any insurance policy other than the Company Tail Policies, product liability insurance related to the LibiGel program or replacement policies for Policies that expire on their

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terms after the date hereof, on terms no less favorable to the Company; (ii) fail to renew any insurance policy naming it as a beneficiary or a loss payee; (iii) take any steps or fail to take any steps that would permit any insurance policy naming it as a beneficiary or a loss payee to be canceled, terminated or materially altered or (iv) cancel or allow to lapse any product liability or clinical administration insurance in respect of the LibiGel Program;

(m) fail to properly maintain any material Registered IP, including payments of all fees or otherwise let lapse or impair any material Company Owned IP or Company Licensed IP;

(n) maintain its books and records in a manner other than in the ordinary course of business consistent with past practice;

(o) enter into any hedging, option, derivative or other similar transaction or any foreign exchange position or contract for the exchange of currency;

(p) institute any change in its accounting methods, principles or practices other than as required by GAAP or the rules and regulations promulgated by the SEC;

(q) in respect of any Taxes: (i) except as required by Applicable Law, change any material election, change any material accounting method, enter into any material closing agreement, settle any material claim or assessment or consent to any material extension or waiver of the limitation period applicable to any material claim or assessment or amend any material Tax Return; or (ii) enter into any Tax-sharing agreement or similar arrangement (including any Tax indemnity arrangement) the principal subject of which is Taxes;

(r) issue, deliver or sell, or authorize the issuance, delivery or sale of, any Company securities, other than the issuance of any shares of Company Common Stock upon the exercise of the Company Stock Options or warrants and the issuance of Company Common Stock in satisfaction of any Company Convertible Note; or (ii) amend any term of any security of the Company or any Company Subsidiary (in each case, whether by merger, consolidation or otherwise);

(s) enter into any agreement that would limit the Company from engaging in any line of business, competing with any Person or selling any product or service;

(t) allow to lapse or fail to make an application for renewal as and when required of any material Company Permit;

(u) make capital expenditures in excess of \$50,000 in the aggregate;

(v) take any action that would prevent the Merger from qualifying as a reorganization under Section 368(a) of the Code;

(w) enter into a new clinical drug trial program or continue or extend the LibiGel Product trial and/or safety study; or

(x) agree or commit to do any of the foregoing.

5.3 No Solicitation by ANI.

(a) During the Interim Period, ANI will not, nor will it authorize or permit any of the ANI Subsidiaries or any of its or their respective officers, directors, employees, agents, attorneys, accountants, advisors or other representatives (the "**Representatives**") to, directly or indirectly: (i) solicit, initiate or encourage or facilitate (including by way of furnishing any non-public information relating to ANI or any ANI Subsidiary), or induce or take any other action which would reasonably be expected to lead to the making, submission or announcement of, any proposal or inquiry that constitutes, or is reasonably likely to lead to, an Acquisition Proposal (as defined below); (ii) other than informing Persons of the provisions contained in this *Section 5.3*, enter into,

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continue or participate in any discussions or any negotiations regarding any Acquisition Proposal or otherwise take any action to facilitate or induce any effort or attempt to make or implement an Acquisition Proposal (including any Acquisition Proposal received prior to the date of this Agreement; (iii) approve, endorse or recommend an Acquisition Proposal or any letter of intent, memorandum of understanding or Contract contemplating an Acquisition Proposal or requiring ANI to abandon or terminate its obligations under this Agreement, or enter into any of the foregoing; or (iv) agree, resolve or commit to do any of the foregoing. ANI will, and will cause ANI Subsidiaries and its and their respective Representatives to, immediately cease and cause to be terminated all discussions or negotiations with any Person previously conducted with respect to any Acquisition Proposal. ANI will promptly deny to any third party access to any data room (virtual or actual) containing any confidential information previously furnished to any such third party relating to any Acquisition Proposal.

(b) For purposes of this Agreement, an "**Acquisition Proposal**" means, with respect to any Party, any offer, proposal or indication of interest (other than an offer, proposal or indication of interest by another Party) contemplating or otherwise relating to any transaction or series of related transactions involving any:

(i) merger, consolidation, share exchange, business combination, issuance of securities, direct or indirect acquisition of securities, recapitalization, tender offer, exchange offer or other similar transaction in which: (i) a Person or "group" (as defined in the Exchange Act and the rules promulgated thereunder) of Persons directly or indirectly acquires beneficial or record ownership of securities representing 15% or more of the outstanding shares of any class of voting securities of such Party; or (ii) such Party issues securities representing 15% or more of the outstanding shares of any class of voting securities of such Party;

(ii) sale, lease, exchange, transfer or disposition of any assets that constitute or account for: (i) 15% or more of the consolidated net revenues of such Party, consolidated net income of such Party or consolidated book value of such Party; or (ii) 15% or more of the fair market value of the assets of such Party; or

(iii) liquidation or dissolution of such Party.

(c) ANI will promptly, but in no event later than twenty four (24) hours, notify the Company in writing if any proposal, offer or inquiry is received by, or any discussions or negotiations are sought to be initiated or continued with, ANI in respect of any Acquisition Proposal. Such notice will indicate the identity of the Person making such proposal, offer, inquiry or other contact and the material terms and conditions of any proposals or offers (and will include with such notice copies of any written materials received from or on behalf of such Person relating to such proposal, offer, inquiry or other request), and ANI thereafter will promptly keep the Company informed of all material developments affecting the status and the material terms of any such proposal, offer, inquiry or other request (including providing the Company with any additional written materials received relating to such proposal, offer, inquiry or other request).

(d) Unless a Change in Company Board Recommendation has occurred, the Company has taken any of the actions permitted under *Section 5.4(b)*, or ANI has terminated the Agreement pursuant to *Article VII*, the ANI Board will not: (i) fail to make ANI Board Recommendation to ANI's stockholders in accordance with *Section 5.8(b)*; (ii) withhold, withdraw, amend, qualify or modify in a manner adverse to the Company, or publicly propose to withhold, withdraw, amend, qualify or modify in a manner adverse to ANI, ANI Board Recommendation; (iii) adopt, approve, recommend, endorse or otherwise declare advisable the adoption of any Acquisition Proposal; or (iv) resolve, agree or publicly propose to take any such actions (each such foregoing action or failure to act in clauses (i) through (iv) being referred to as a "**Change in ANI Board Recommendation**").

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5.4 **No Solicitation by the Company.**

(a) Subject to *Section 5.4(b)* and *Section 5.4(d)*, during the Interim Period, the Company will not, nor will it authorize or permit any of the Company Subsidiaries or any of its or their respective Representatives to, directly or indirectly, except as otherwise provided below: (i) solicit, initiate or encourage or facilitate (including by way of furnishing any non-public information relating to the Company or any the Company Subsidiary), or induce or take any other action which would reasonably be expected to lead to the making, submission or announcement of, any proposal or inquiry that constitutes, or is reasonably likely to lead to, an Acquisition Proposal; (ii) other than informing Persons of the provisions contained in this *Section 5.4*, enter into, continue or participate in any discussions or any negotiations regarding any Acquisition Proposal or otherwise take any action to facilitate or induce any effort or attempt to make or implement an Acquisition Proposal (including any Acquisition Proposal received prior to the date of this Agreement); (iii) approve, endorse or recommend an Acquisition Proposal or any letter of intent, memorandum of understanding or Contract contemplating an Acquisition Proposal or requiring the Company to abandon or terminate its obligations under this Agreement, or enter into any of the foregoing; or (iv) agree, resolve or commit to do any of the foregoing. The Company will, and will cause the Company Subsidiaries and its and their respective Representatives to, immediately cease and cause to be terminated all discussions or negotiations with any Person previously conducted with respect to any Acquisition Proposal. The Company will promptly deny to any third party access to any data room (virtual or actual) containing any confidential information previously furnished to any such third party relating to any Acquisition Proposal.

(b) Notwithstanding anything in this *Section 5.4* to the contrary, at any time prior to obtaining Company Stockholder Approval, in response to an unsolicited written Acquisition Proposal that the Company Board determines in good faith (after consultation with its financial advisor and outside legal counsel) constitutes or would reasonably be expected to result in a Superior Proposal (and that did not result from a violation of *Section 5.4(a)*), the Company may, upon a good faith determination by the Company Board (after receiving the advice of its outside counsel) that failure to take such action would be inconsistent with the Company's board of directors' fiduciary duties to the Company's stockholders under Applicable Law: (x) furnish information with respect to the Company to the Person making such Acquisition Proposal (and such Person's Representatives), provided that the Company and such Person first enter into a confidentiality agreement with confidentiality provisions that are not less restrictive to such Person than the provisions of the Confidentiality Agreement are to ANI and that would not prohibit compliance by the Company with the provisions of this *Section 5.4*, and provided further that all such information will have been previously provided to ANI or is concurrently provided to ANI at the same time that it is provided to such Person; and (y) participate in discussions or negotiations with the Person making such Acquisition Proposal (and such Person's Representatives) regarding such Acquisition Proposal.

For purposes of this Agreement, "**Superior Proposal**" means a bona fide written Acquisition Proposal (provided that, for purposes of this definition, references to 15% in the definition of "Acquisition Proposal" are deemed to be references to 50%) which the board of directors of the Party that is the subject of the Acquisition Proposal determines in good faith (after consultation with its financial advisor): (i) to be reasonably likely to be consummated if accepted; and (ii) to be more favorable to such Party's stockholders from a financial point of view than the Merger, in each case, taking into account at the time of determination all relevant circumstances, including the various legal, financial and regulatory aspects of the proposal, all the terms and conditions of such proposal and this Agreement, any changes to the terms of this Agreement offered by the other party in response to such Acquisition Proposal and the ability of the Person making such Acquisition Proposal to consummate the transactions contemplated by such Acquisition Proposal (based upon, among other things, expectation of obtaining required approvals).

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(c) The Company will promptly, but in no event later twenty four (24) hours, notify ANI in writing if any proposal, offer or inquiry is received by, or any discussions or negotiations are sought to be initiated or continued with, the Company in respect of any Acquisition Proposal. Such notice will advise ANI in writing of the Company's intention to participate or engage in discussions or negotiations with, or furnish non-public information to, such Person and will, in any such notice to ANI, indicate the identity of the Person making such proposal, offer, inquiry or other contact and the material terms and conditions of any proposals or offers (and will include with such notice copies of any written materials received from or on behalf of such Person relating to such proposal, offer, inquiry or other request), and thereafter will promptly keep ANI informed of all material developments affecting the status and the material terms of any such proposal, offer, inquiry or other request and of the status of any such discussions or negotiations relating thereto (including providing ANI with any additional written materials received relating to such proposal, offer, inquiry or other request).

(d) The Company Board will not: (i) fail to make the Company Board Recommendation to the Company's stockholders in accordance with *Section 5.7(b)*; (ii) withhold, withdraw, amend, qualify or modify in a manner adverse to ANI, or publicly propose to withhold, withdraw, amend, qualify or modify in a manner adverse to ANI, the Company Board Recommendation; (iii) adopt, approve, recommend, endorse or otherwise declare advisable the adoption of any Acquisition Proposal; or (iv) resolve, agree or publicly propose to take any such actions (each such foregoing action or failure to act in clauses (i) through (iv) being referred to as a "**Change in Company Board Recommendation**"). Notwithstanding the foregoing, the Company Board may, at any time prior to obtaining Company Stockholder Approval, take any of the actions set forth in *Section 5.4(d)(i)-(ii)* below, provided that prior to taking any such action, the Company complies with *Sections 5.4(e)* and *7.3* of this Agreement:

(i) effect a Change in Company Board Recommendation in response to an Acquisition Proposal if the Company Board concludes in good faith: (A) after consultation with outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties to the Company's stockholders under Applicable Law; and (B) after consultation with the Company's financial advisor and outside counsel, that the Acquisition Proposal constitutes a Superior Proposal; and

(ii) following such a Change in Board Recommendation, terminate this Agreement for the purpose of causing the Company to enter into an acquisition agreement with respect to such Acquisition Proposal; provided, however, that the Company has paid the ANI Termination Fee prior to or concurrently with such termination of this Agreement in accordance with *Section 7.3*.

(e) Notwithstanding anything to the contrary set forth in *Section 5.4(d)*, the Company Board will not be entitled to make a Change in Company Board Recommendation as contemplated by *Section 5.4(d)(i)* or terminate this Agreement and enter into another acquisition agreement as contemplated by *Section 5.4(d)(ii)* unless: (i) the Company has first provided prior written notice to ANI that it intends to take any of the foregoing actions (a "**Company Notice**"), which Company Notice will contain a description of the material terms and conditions of such Superior Proposal, including a copy of the definitive acquisition agreement in the form to be entered into (it being understood and agreed that the delivery of such Company Notice will not, in and of itself, be deemed to be a Change in Company Board Recommendation); and (ii) ANI does not make, within three (3) Business Days after the receipt of such Company Notice, a proposal that would, in the good faith judgment of the Company Board (after consultation with outside counsel and its financial advisor), cause the Acquisition Proposal previously constituting a Superior Proposal to no longer constitute a Superior Proposal, as the case may be, *provided, however*, that (x) any amendment to any material term of such Superior Proposal or (y) with respect to any previous

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Change in Company Board Recommendation, any material change in the principal stated rationale by the Company Board for such previous Change in Company Board Recommendation, will, in the case of either (x) or (y), require a new Company Notice and a new three (3) Business Day period.

(f) Nothing contained in this *Section 5.4* or elsewhere in this Agreement will prohibit the Company or the Company Board from: (i) taking and disclosing to the Company's stockholders a position contemplated by Rule 14d-9, Rule 14e-2(a) or Item 1012(a) of Regulation M-A promulgated under the Exchange Act; or (ii) making any disclosure to the Company's stockholders if, in the good faith judgment of the Company Board, after consultation with outside counsel, the failure to make such disclosure would be inconsistent with the Company's board of directors' fiduciary duties to the Company's stockholders under Applicable Law; *provided, however*, that this *Section 5.4(f)* will not affect the obligations of the Company and the Company Board and the rights of ANI under *Section 5.4(d)* and *Section 5.4(e)* to the extent applicable to such disclosure (it being understood that neither any "stop, look and listen" letter or similar communication of the type contemplated by Rule 14d-9(f) under the Exchange Act, nor any accurate disclosure of factual information (other than the Company or the Company Board taking any action set forth in *Section 5.4(d)* and *Section 5.4(e)* of this Agreement) to the Company's stockholders that is required to be made to such stockholders under Applicable Law or in satisfaction of the Company's board of directors' fiduciary duties under Applicable Law, will be deemed to be a Change in Company Board Recommendation).

5.5 Access to Information. During the Interim Period, each of the Company and ANI will, and will cause its respective Representatives to, upon reasonable notice and request: (i) furnish to each other and each other's Representatives reasonable access during normal business hours to its offices, properties, personnel, books and records; and (ii) furnish to each other and each other's Representatives such financial and operating data and other information as may be reasonably requested. Any investigation pursuant to this *Section 5.5* will be conducted in a manner so as not to interfere unreasonably with the conduct of the business of the Company or the Company Subsidiaries or ANI or ANI Subsidiaries, as applicable. In addition, nothing contained in this *Section 5.5* will require the Company or the Company Subsidiaries or ANI or the ANI Subsidiaries to take any action that would, in the good faith judgment of the Company or ANI, as applicable, constitute a waiver of the attorney-client or similar privilege or trade secret protection held by the Company or the Company Subsidiaries or ANI or ANI Subsidiaries, as applicable, or violate confidentiality obligations owing to third parties; *provided, however*, that each of the Company and ANI will make a good faith effort to accommodate any request from the other for access or information pursuant to this *Section 5.5* in a manner that does not result in such a waiver or violation. All information furnished pursuant to this *Section 5.5* will be subject to the Confidentiality Agreement, dated as of July 19, 2012, between the Company and ANI (the "**Confidentiality Agreement**").

5.6 Registration Statement; Related Matters.

(a) As soon as reasonably practicable following the date hereof, the Company will, with the assistance and approval of ANI (such approval not be unreasonably withheld, conditioned or delayed), prepare and file with the SEC the Registration Statement containing the Joint Proxy Statement/Prospectus (which Registration Statement and Joint Proxy Statement/Prospectus will comply in all material respects with the rules and regulations promulgated by the SEC). Each of the Company and ANI will cooperate and consult with each other in the preparation of the Registration Statement and Joint Proxy Statement/Prospectus and use its reasonable best efforts to (i) have the Registration Statement containing the Joint Proxy Statement/Prospectus declared effective by the SEC as promptly as practicable thereafter and (ii) keep the Registration Statement containing the Joint Proxy Statement/Prospectus effective through the Effective Time in order to permit the consummation of the Merger. In connection with the foregoing, the Company will promptly notify ANI of the receipt of all comments of the SEC with respect to the Registration

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Statement containing the Joint Proxy Statement/Prospectus and of any request by the SEC for any amendment or supplement thereto or for additional information and will promptly provide to ANI copies of all correspondence between the Company and/or any of its Representatives and the SEC with respect to the Registration Statement containing the Joint Proxy Statement/Prospectus. ANI and its Representatives will be given a reasonable opportunity to be involved in the drafting of the Registration Statement containing the Joint Proxy Statement/Prospectus and any amendment or supplement thereto and any such correspondence prior to its filing with the SEC. Each of the Company and ANI will use its reasonable best efforts to resolve all SEC comments and provide responses to the SEC as promptly as practicable with respect to all comments received on the Registration Statement containing the Joint Proxy Statement/Prospectus from the SEC and to cause the Registration Statement containing the Joint Proxy Statement/Prospectus to be mailed to the Company's stockholders and ANI's stockholders as soon as practicable after the Registration Statement containing the Joint Proxy Statement/Prospectus is declared effective by the SEC, and the Company and ANI will use their reasonable best efforts to cause such mailing to occur prior to December 15, 2012. ANI will provide the Company with the information relating to it required by the Securities Act and the Exchange Act and the respective rules and regulations promulgated thereunder to be set forth in the Registration Statement and Joint Proxy Statement/Prospectus and each of the Company and ANI will promptly furnish to each other all other information, and take all such other actions (including using its reasonable best efforts to obtain any required consents of their respective independent auditors), as may reasonably be requested in connection with any action by any of them in connection with the preceding sentences of this *Section 5.6(a)*. Each of ANI and the Company agrees to correct any information provided by it for use in Registration Statement containing the Joint Proxy Statement/Prospectus that has become false or misleading. Whenever any Party learns of the occurrence of any event or the existence of any fact which is required to be set forth in an amendment or supplement to the Registration Statement containing the Joint Proxy Statement/Prospectus pursuant to Applicable Law, such Party will promptly inform the other of such event or fact and comply with all of its obligations pursuant to this *Section 5.6(a)* relating to effecting such amendment or supplement to the Registration Statement containing the Joint Proxy Statement/Prospectus.

(b) Prior to the Effective Time, the Company will use its reasonable best effort to obtain all regulatory approvals needed to ensure that Company Common Stock to be issued pursuant to the Merger will, to the extent required, be registered or qualified or otherwise exempt from registration or qualification under the securities law of every state of the United States in which any holder of ANI Series D Preferred Stock as of immediately prior to the Effective Time has an address of record.

5.7 ANI Special Meeting; ANI Board Recommendation.

(a) Following the date hereof and provided that a Change in the Company Board Recommendation has not occurred, ANI will take all action necessary in accordance with the DGCL and its Certificate of Incorporation and By-laws to duly call, give notice of, convene and hold as promptly as practicable a special meeting of ANI's stockholders (the "**ANI Special Meeting**") to seek ANI Stockholder Approval, including mailing the Joint Proxy Statement/Prospectus to its stockholders as promptly as reasonably practicable after the Registration Statement is declared effective under the Securities Act. ANI's obligation to call, convene and hold ANI Special Meeting will not be affected by a Change in ANI Board Recommendation, unless this Agreement is terminated pursuant to *Article VII*. ANI, subject to *Section 5.3*, will use its reasonable best efforts to solicit from its stockholders proxies in favor of the adoption of this Agreement and the approval of the transactions contemplated hereby, including the Merger, and will take all other action necessary or advisable to obtain ANI Stockholder Approval. Notwithstanding anything to the contrary contained in this Agreement, ANI may adjourn or postpone ANI Special Meeting to

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the extent necessary to ensure that any necessary supplement or amendment to the Joint Proxy Statement/Prospectus (as determined by ANI in good faith and upon the advice of outside counsel) is provided to ANI's stockholders a reasonable time in advance of ANI Special Meeting (or at any adjournment or postponement thereof), or if as of the time for which ANI Special Meeting (or any adjournment or postponement thereof) is scheduled there are insufficient shares of ANI Common Stock represented in person or by proxy to constitute a quorum necessary to conduct the business of ANI Special Meeting or to adopt this Agreement and approve the transactions contemplated hereby, including the Merger.

(b) Except as permitted by *Section 5.3*: (i) the ANI Board will recommend that ANI's stockholders vote in favor of (A) the adoption of this Agreement and (B) the approval of the transactions contemplated by this Agreement, including the Merger, at the ANI Special Meeting (or any adjournment or postponement thereof) (the "**ANI Board Recommendation**"); and (ii) the Joint Proxy Statement/Prospectus will include the ANI Board Recommendation.

5.8 **Company Special Meeting; Company Board Recommendation.**

(a) Following the date hereof, the Company will take all action necessary in accordance with the DGCL and its Certificate of Incorporation and By-laws to duly call, give notice of, convene and hold as promptly as practicable a special meeting of the Company's stockholders (the "**Company Special Meeting**") to seek Company Stockholder Approval, including mailing the Joint Proxy Statement/Prospectus to its stockholders as promptly as reasonably practicable after the Registration Statement is declared effective under the Securities Act. The Company's obligation to call, convene and hold the Company Special Meeting will not be affected by a Change in Company Board Recommendation, unless this Agreement is terminated pursuant to *Article VII*. The Company, subject to *Section 5.4*, will use its reasonable best efforts to solicit from its stockholders proxies in favor of the approval of the issuance of shares of Company Common Stock pursuant to this Agreement, and will take all other action necessary or advisable to obtain Company Stockholder Approval. Notwithstanding anything to the contrary contained in this Agreement, the Company may adjourn or postpone the Company Special Meeting to the extent necessary to ensure that any necessary supplement or amendment to the Joint Proxy Statement/Prospectus (as determined by the Company in good faith and upon the advice of outside counsel) is provided to the Company's stockholders a reasonable time in advance of the Company Special Meeting (or at any adjournment or postponement thereof), or if as of the time for which the Company Special Meeting (or any adjournment or postponement thereof) is scheduled there are insufficient shares of Company Common Stock represented in person or by proxy to constitute a quorum necessary to conduct the business of the Company Special Meeting or to adopt this Agreement and approve the transactions contemplated hereby, including the Merger; *provided, however*, that the Company Special Meeting may not be adjourned for more than thirty (30) days in the aggregate from the date originally set forth in the initial Joint Proxy Statement/Prospectus without the prior consent of ANI, not to be unreasonably withheld, conditioned or delayed.

(b) Except as permitted by *Section 5.4*: (i) the Company Board will recommend that the Company's stockholders vote in favor of (A) the adoption of the Company Charter Amendments and this Agreement and (B) the approval of the transactions contemplated by this Agreement, including the Merger, at the Company Special Meeting (or any adjournment or postponement thereof) (the "**Company Board Recommendation**"); and (ii) the Joint Proxy Statement/Prospectus will include the Company Board Recommendation.

5.9 **Reasonable Best Efforts.**

(a) The Company and ANI will each: (i) cooperate and coordinate with the other in the making of any filings or submissions that are required to be made under any Applicable Laws or requested to be made by any Government Authority in connection with the transactions

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contemplated by this Agreement, including the Merger; (ii) supply the other or its Representatives with any material information that may be required or requested by any Government Authority in connection with such filings or submissions; (iii) use their reasonable best efforts to cause the expiration or termination of the applicable waiting periods under any Applicable Laws as soon as reasonably practicable; and (iv) use their reasonable best efforts to offer to take, or cause to be taken, all actions and do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby, including the Merger, including by taking all such actions and doing all such things necessary to resolve such objections, if any, as any Government Authority or Person may assert under any Applicable Laws and to avoid or eliminate each and every impediment under any Applicable Law that may be asserted by any Government Authority so as to enable the transactions contemplated hereby, including the Merger, to be consummated as soon as expeditiously possible.

(b) The Company and ANI will each use reasonable best efforts to structure the Merger to qualify as a reorganization under the provisions of Section 368 of the Code. Both prior to and after the Effective Time, each Party's books and records will be maintained, and all federal, state and local income tax returns and schedules thereto will be filed, in a manner consistent with the Merger being qualified as a reorganization under Section 368(a) of the Code (and comparable provisions of any applicable state or local laws), except to the extent the Merger is determined in a final administrative or judicial decision not to qualify as a reorganization within the meaning of Section 368(a) of the Code.

5.10 Public Announcements. Before issuing any news release or otherwise making any public statement with respect to any of the transactions contemplated hereby, including the Merger, the Company and ANI agree to consult with each other as to its form and substance, and agree not to issue any such news release or general communication to employees or make any public statement prior to obtaining the prior written consent of the other (which consent will not be unreasonably withheld, delayed or conditioned), except to the extent that the Company or ANI, as the case may be, is advised by outside counsel that such public statement is required by Applicable Law. Notwithstanding the foregoing, promptly following the date of this Agreement, the Company and ANI will issue a joint news release, in form and substance reasonably acceptable to each of the Company and ANI, with respect to this Agreement and the transactions contemplated hereby, including the Merger.

5.11 Notification of Certain Matters. ANI will give prompt notice to the Company of: (i) the occurrence or nonoccurrence of any event which would be likely to cause the failure of either of the conditions set forth in *Section 6.3(a)* or *Section 6.3(b)* to be met as of any time during the Interim Period; (ii) ANI's or any ANI Subsidiary's receipt of any notice or other communication from any third party alleging that the consent of such third party is or may be required in connection with the transactions contemplated by this Agreement, including the Merger (unless such consent has been previously identified in *Section 3.3* of the ANI Disclosure Schedule); (iii) the institution of any Action not previously identified in *Section 3.6* of the ANI Disclosure Schedule; or (iv) the existence of any facts or circumstances that would reasonably be expected to result in a Material Adverse Effect on ANI. The Company will give prompt notice to ANI of: (w) the occurrence or nonoccurrence of any event which would be likely to cause the failure of either of the conditions set forth in *Section 6.2(a)* or *Section 6.2(b)* to be met as of any time during the Interim Period; (x) the Company's or any Company Subsidiary's receipt of any notice or other communication from any third party alleging that the consent of such third party is or may be required in connection with the transactions contemplated by this Agreement, including the Merger (unless such consent has been previously identified on *Section 4.3* of the Company Disclosure Schedule); (y) the institution of any Action not previously identified in *Section 4.6* of the Company Disclosure Schedule; or (z) the existence of any facts or circumstances that would reasonably be expected to result in a material change to the most recent calculation of Net Cash, delivered pursuant to *Section 5.22* or in a Material Adverse Effect on the Company. The delivery of

any notice pursuant to this *Section 5.11* will not limit or otherwise affect the remedies available hereunder to the Party receiving such notice nor be deemed to have amended any of the disclosures set forth in the ANI Disclosure Schedule or the Company Disclosure Schedule, as applicable, to have qualified the representations and warranties contained herein or to have cured any misrepresentation or breach of a representation or warranty that otherwise might have existed hereunder by reason of such material development. No disclosure after the date of this Agreement of the untruth of any representation and warranty made in this Agreement will operate as a cure of any breach of the failure to disclose the information, or of any untrue representation or warranty made herein.

5.12 Indemnification of Company Directors and Officers.

(a) From and after the Effective Time, the Company will continue to indemnify and hold harmless each present and former director or officer of the Company or any Company Subsidiary (each, together with such Person's heirs, executors or administrators, a "**Company Indemnified Person**") against any loss, damage, injury, liability, claim, demand, settlement, judgment, award, fine, penalty, Tax, fee (including reasonable attorneys' fees), charge, cost (including costs of investigation) or expense of any nature ("**Damages**") incurred in connection with any Action arising out of or pertaining to matters existing or occurring at or prior to the Effective Time or any Action instituted by any Company Indemnified Person to enforce this *Section 5.12* or any other indemnification or advancement right of such Company Indemnified Person, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent that the Company is currently permitted to indemnify such Company Indemnified Person under Applicable Law and under its certificate of incorporation and bylaws as in effect on the date of this Agreement (including the advancing of expenses to the fullest extent permitted under Applicable Law); *provided, however*, that the Company Indemnified Person to whom such expenses are advanced will be required to provide an undertaking to the Company to repay such advances if it is ultimately determined that such Company Indemnified Person is not entitled to indemnification.

(b) From and after the Effective Time, the Company will continue to honor and fulfill all obligations of the Company or any the Company Subsidiary pursuant to any written indemnification agreements with any Company Indemnified Persons in effect as of the date hereof.

(c) Prior to the Effective Time, the Company will purchase, and for a period of six (6) years following the Effective Time the Company will continue in effect, a directors' and officers' liability "tail" insurance policy or policies (the "**Company Tail Policies**") covering the Company Indemnified Persons for events occurring at or prior to the Effective Time, which insurance will be of at least the same coverage and amounts and contain terms and conditions which are no less advantageous to the Company Indemnified Persons than the coverage, amounts, terms and conditions of the directors' and officers' liability insurance policy maintained by the Company as of the date of this Agreement. The cost of the Company Tail Policy will be included as a Liability for purposes of calculating Net Cash.

(d) The rights of each Company Indemnified Person hereunder will be in addition to, and not in limitation of, any other rights such Company Indemnified Person may have under the certificate of incorporation and bylaws of the Company or any other similar organizational documents of the Company or any of its Subsidiaries, any other indemnification agreement or arrangement, the DGCL or otherwise. This *Section 5.12* will survive the consummation of the Merger, and is intended to be for the benefit of, and will be enforceable by, the Company Indemnified Persons, their heirs and personal representatives, will be binding on the Company and its successors and assigns and may not be amended, altered or repealed after the Effective Time without the prior written consent of the affected Company Indemnified Persons. In the event that the Company or any of its successors or assigns: (i) consolidates with or merges into any other Person and will not be the continuing or surviving corporation or entity in such consolidation or merger; or

(ii) transfers all or substantially all of its properties and assets to any Person, then, and in each case, proper provision will be made so that the successors and assigns of the Company are obligated to honor the indemnification obligations set forth in this *Section 5.12*. Nothing in this Agreement is intended to, will be construed to or will release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or any of the Company Subsidiaries or their respective officers, directors and employees, it being understood and agreed that the indemnification provided for in this *Section 5.12* is not prior to, or in substitution for, any such claims under any such policies.

5.13 Indemnification of ANI Directors and Officers.

(a) the Company agrees that all rights to exculpation, indemnification and advancement of expenses for acts or omissions occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, now existing in favor of the current or former directors, officers or employees, as the case may be, of ANI or its Subsidiaries as provided in their respective certificates of incorporation or by-laws or other organization documents or in any agreement will survive the Merger and will continue in full force and effect. The Company will maintain in effect any and all exculpation, indemnification and advancement of expenses provisions of ANI's and any of its Subsidiaries' certificate of incorporation and by-laws or similar organization documents in effect immediately prior to the Effective Time or in any indemnification agreements of ANI or its Subsidiaries with any of their respective current or former directors, officers or employees in effect as of the date hereof, and will not amend, repeal or otherwise modify any such provisions in any manner that would adversely affect the rights thereunder of any individuals who at the Effective Time were current or former directors, officers or employees of ANI or any of its Subsidiaries, and all rights to indemnification in respect of any Action pending or asserted or any claim made within such period will continue until the disposition of such Action or resolution of such claim.

(b) From and after the Effective Time, the Company will continue to indemnify and hold harmless each present and former director, officer or employee of ANI or any of its Subsidiaries (each, together with such Person's heirs, executors or administrators, a "**ANI Indemnified Person**") against any Damages incurred in connection with any Action arising out of or pertaining to any action or omission occurring or alleged to have occurred whether before or after the Effective Time (including acts or omissions in connection with such Persons serving as an officer, director or other fiduciary in any entity if such service was at the request or for the benefit of ANI) or any Action instituted by any ANI Indemnified Person to enforce this *Section 5.13*, including, in each case, the advancing of expenses to the fullest extent permitted under Applicable Law; *provided, however*, that the ANI Indemnified Person to whom such expenses are advanced will be required to provide an undertaking to the Company to repay such advances if it is ultimately determined that such ANI Indemnified Person is not entitled to indemnification.

(c) Prior to the Effective Time, the Company will purchase, and for a period of six (6) years following the Effective Time the Company will continue in effect, a directors' and officers' liability "tail" insurance policy or policies covering ANI's directors and officers for events occurring at or prior to the Effective Time, which insurance will be of at least the same coverage and amounts and contain terms and conditions which are no less advantageous to ANI's directors and officers than the coverage, amounts, terms and conditions of the directors' and officers' liability insurance policy maintained by ANI as of the date of this Agreement.

(d) The rights of each ANI Indemnified Person hereunder will be in addition to, and not in limitation of, any other rights such ANI Indemnified Person may have under the certificate of incorporation and bylaws of ANI or any other similar organizational documents of ANI or any of its Subsidiaries or the Company, any other indemnification agreement or arrangement, the DGCL

or otherwise. This *Section 5.13* will survive the consummation of the Merger, and is intended to be for the benefit of, and will be enforceable by, ANI Indemnified Persons, their heirs and personal representatives, will be binding on the Company and its successors and assigns and may not be amended, altered or repealed after the Effective Time without the prior written consent of the affected ANI Indemnified Persons. In the event that the Company or any of its successors or assigns: (i) consolidates with or merges into any other Person and will not be the continuing or surviving corporation or entity in such consolidation or merger; or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each case, proper provision will be made so that the successors and assigns of the Company are obligated to honor the indemnification obligations set forth in this *Section 5.13*. Nothing in this Agreement is intended to, will be construed to or will release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to ANI or any of its Subsidiaries or their respective officers, directors and employees, it being understood and agreed that the indemnification provided for in this *Section 5.13* is not prior to, or in substitution for, any such claims under any such policies.

5.14 Composition of the Company Board; Officers.

(a) Prior to the Effective Time, the Company will take all action necessary:

(i) to cause the number of members of the Company Board to be fixed at seven (7);

(ii) to cause, concurrently with the Effective Time, five (5) of such directors to be persons designated by ANI (who are identified as such on *Schedule III* to this Agreement as such schedule may be amended by ANI at any time prior to a date five (5) Business Days before the Registration Statement is expected to be declared effective) (one (1) of whom will be the Chief Executive Officer of the Surviving Corporation) (the "**ANI Director Designees**") and two (2) of such directors to be persons designated by the current Company Board from the list of persons identified as Company designees on *Schedule III* to this Agreement (one (1) of whom will be Stephen M. Simes, unless Mr. Simes' status as a non-independent director for purposes of the NASDAQ Global Market causes the Company not to comply with NASDAQ listing requirements, it being understood that three of the five persons designated by ANI (including the Chief Executive Officer) will not likely qualify as independent directors in accordance with the applicable NASDAQ Global Market rules and NASDAQ listing requirements (the "**Company Director Designees**");

(iii) to obtain the necessary resignations of the directors of the Company serving immediately prior to the Effective Time who are among the directors designated above, which resignations will be effective concurrently with the effectiveness of the elections referred to in clauses (i) and (ii); and

(iv) to cause the officers of the Company to be as of the Effective Time those persons identified as such on *Schedule III* to this Agreement.

If any Company Director Designee is, prior to the Effective Time, unable or unwilling to hold office beginning concurrently with the Effective Time, the current Company Board will designate another to be appointed as a director in his or her place; provided such person so designated will qualify as an independent director in accordance with the applicable NASDAQ Global Market rules and NASDAQ listing requirements.

If any ANI Director Designee is, prior to the Effective Time, unable or unwilling to hold office beginning concurrently with the Effective Time, the current ANI Board will designate another to be appointed as a director in his or her place; provided that two of the total number of persons designated by the ANI Board will qualify as independent directors in accordance with the applicable NASDAQ Global Market rules and NASDAQ listing requirements.

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(b) It is understood and agreed that both of the Company Director Designees (other than Stephen M. Simes in the circumstances set forth above) and two (2) of the directors identified on *Schedule III* to this Agreement will be independent for purposes of the listing requirements of the NASDAQ Global Market. It is further understood and agreed that pursuant to the terms of its Voting Agreement, Meridian Venture Partners II, L.P. will vote in favor of the Company Director Designees at the first annual meeting of the stockholders following the consummation of the Merger, which will be held no earlier than May 1, 2013.

5.15 Listing of Shares. The Company will use its reasonable best efforts to maintain its existing listing on The NASDAQ Global Market and to cause the shares of Company Common Stock to be issued in the Merger to be approved for listing (subject to notice of issuance) on The NASDAQ Global Market or The NASDAQ Capital Market at or prior to the Effective Time. ANI will promptly furnish to the Company all information concerning ANI that may be required or reasonably requested in connection with such listing.

5.16 Convertible Notes. The Company will take such reasonable actions as may be reasonably necessary so that upon the Effective Time, the Company will be in compliance with the terms of the Indenture. The Company agrees to give the notice required under Section 9.6 of the Indenture and any other notice required under the Indenture to be given by the Company prior to the Effective Time with respect to the Merger.

5.17 Employee Benefit Matters.

(a) Subject to the remaining provisions of this *Section 5.17*, as of and immediately following the Effective Time the Company will (i) continue Company Benefit Plans in effect immediately prior to the Effective Time, (ii) adopt ANI Benefit Plans, (iii) adopt new Benefit Plans or (iv) a combination of clauses (i), (ii) and (iii). The Company and ANI group health plans in effect from and after the Effective Time will provide COBRA group health plan continuation coverage to any qualified beneficiary entitled to coverage under such group health plans (which coverage will be no less favorable taken as a whole than the coverage provided under the ANI group health plans in effect as of the date hereof), regardless of whether such qualified beneficiary's qualifying event occurred on, before or after the Effective Time. The terms "qualified beneficiary," "qualifying event" and "group health plan" have the meanings ascribed to them in COBRA.

(b) Following the Effective Time, the Company will honor the terms of the employment agreements with each Company employee or officer listed on *Section 5.17(b)* of the Company Disclosure Schedule (individually and collectively referred to herein as the "**Company Executives**"). Prior to the Determination Date, the Company will obtain quotes for and determine the costs for (i) an individual health insurance policy that provides coverage that is not materially less than the Company Executive's coverage under such the Company group medical plan and (ii) an individual dental insurance policy that provides coverage that is not materially less than coverage under the Company's group dental plan in effect on the Effective Time, (iii) an individual life insurance policy that provides coverage that is not materially less than the Company Executive's coverage under the Company's life insurance plan in effect on the Effective Time, plus (iv) an additional amount equal to the Federal, State and any other income, employment and other taxes (calculated at the highest rates applicable to the Company Executive) such Company Executive will owe on such amounts (including on the tax gross-up payment itself), it being intended that the individual retain (on an after-tax basis) an amount equal to the monthly premium, which sum of the amounts set forth in clauses (i) to (iv) will be included as a Liability in the calculation of Net Cash (pursuant to and with such adjustments as may be permitted pursuant to *Section 2.2(a)(vii)(A)*). If within the Applicable Period following the Effective Time, the Company and all its Affiliates cease to provide any group medical, dental and/or life insurance plan to employees such that the Company cannot otherwise honor the provisions in the employment agreement relating to group

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medical, dental and life insurance coverage during the remainder of the "continuation period" under each Company Executive's employment agreement, then the Company will provide each such Company Executive with the monthly cash payments for the remainder of the continuation period as provided for in such Executive's employment agreement with the Company and the Company's Officer Severance Policy, as applicable. As used herein, "**Applicable Period**" means as to a Company Executive, the required continuation period as provided for in such Executive's employment agreement with the Company or the Company's Officer Severance Policy, as applicable.

(c) On and after the Effective Time, the Company will honor the terms of the employment agreements with each ANI employee or officer listed on *Section 5.17(c)* of the ANI Disclosure Schedule (individually and collectively referred to herein as the "**ANI Executives**") and the terms of the Company's Officer Severance Policy as it applies to Company employees terminated on or prior to the Closing Date.

(d) Set forth on *Section 5.17(d)* of the Company Disclosure Schedule is a calculation by the Company of the severance amounts owed in connection with the Merger that the Company Executives included on such list may not receive until six (6) months following the date they terminate employment with the Company in order to comply with Code Section 409A (the "**Delayed Severance Amounts**"). During the Interim Period, the Company will (i) adopt a grantor trust (substantially in the form of a trust agreement already provided to ANI), of which the Company is the grantor, within the meaning of subpart E, Part I, subchapter J, chapter 1, subtitle A of the Code (the "**Rabbi Trust**") and (ii) deposit an amount equal to the Delayed Severance Amounts in such Rabbi Trust. The Rabbi Trust will be revocable during the Interim Period and will become irrevocable at the Effective Time. The principal of the Rabbi Trust, and any earnings thereon, will be held separate and apart from other funds of the Company and used exclusively for the purpose of making payments to the Company Executives of the Delayed Severance Amounts at the end of the six (6) month suspension period and in accordance with the terms of their employment agreements and will be included as a Liability in the calculation of Net Cash; *provided, however*, that any assets held by the Rabbi Trust will be subject to the claims of the Company's general creditors under federal and state law in the event of the Company's insolvency (as defined under such Rabbi Trust agreement).

(e) The Company will cease contributions to and terminate each Company Plan qualified under Code Section 401(k) (the "**Company 401(k) Plan**"), and adopt written resolutions and a plan amendment terminating the Company Plan, such cessation of contributions and termination to be effective no later than one (1) Business Day preceding the Effective Time; *provided, however*, that such Company 401(k) Plan termination may be made contingent upon the consummation of the transactions contemplated by this Agreement.

(f) Subject to the obligations set forth in *Section 5.17(d)* and *Section 5.7(e)*, nothing in this *Section 5.17* will (i) constitute or be treated as an amendment of any Company Benefit Plan or ANI Benefit Plan (or an undertaking to amend any such plan), (ii) prohibit ANI or the Company from amending, modifying or terminating any ANI Benefit Plan or Company Benefit Plan pursuant to, and in accordance with, the terms thereof, or (iii) confer any rights or benefits on any Person other than ANI and the Company. Notwithstanding the foregoing, the Company will honor, in accordance with the terms as in effect immediately prior to the Effective Time, the employment agreements between the Company and the Company Executives and between ANI and the ANI Executives, as well as the Company's Officer Severance Policy for the individuals set forth in *Section 5.17(f)* of the Company Disclosure Schedule who are entitled to severance in accordance therewith.

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(g) Immediately prior to the Effective Time, the Company will terminate all of its employees, except those as to whom ANI has delivered written notice that they should not be terminated, if any.

(h) Following the Effective Time, the Surviving Corporation will use commercially reasonable efforts to provide retiree group medical and dental coverage to the individuals listed on *Section 4.9(j)* of the Company Disclosure Schedule and the Company Executives listed on *Section 5.17(b)* of the Company Disclosure Schedule, in accordance with the group medical and dental plans of the Surviving Corporation in effect from time to time. The premiums for any such retiree group medical and dental coverage, if not required to be paid by the Company pursuant to the terms of an employment agreement of an employee or officer listed on *Section 5.17(b)* of the Disclosure Schedule, will be payable by the covered individual.

5.18 Takeover Statutes. At all times prior to the Effective Time, each of the Company and ANI will: (i) take all reasonable action necessary to ensure that no Takeover Statute is or becomes applicable to this Agreement or the transactions contemplated hereby, including the Merger; and (ii) if any Takeover Statute becomes applicable to this Agreement or the transactions contemplated hereby, including the Merger, take all reasonable action necessary to ensure that the transactions contemplated by this Agreement, including the Merger, may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such Takeover Statute on this Agreement or the transactions contemplated hereby, including the Merger.

5.19 Further Assurances. At and after the Effective Time, the officers and directors of the Company will be authorized to execute and deliver, in the name and on behalf of ANI, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of ANI, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of ANI acquired or to be acquired by the Company as a result of, or in connection with, the Merger.

5.20 Stockholder Litigation. The Company will give ANI the opportunity to participate in, and the Company and ANI will reasonably cooperate with respect to, the defense or settlement of any stockholder litigation against the Company and/or its directors or executive officers relating to the Merger, this Agreement or any transaction contemplated by this Agreement, whether commenced prior to or after the execution and delivery of this Agreement, will provide ANI with copies of all applicable pleadings, motions and other filings (as well as transcripts of depositions) and give ANI the reasonable opportunity to comment thereon, together with copies of any underlying documents relevant thereto and will not settle or offer to settle any such litigation without the prior written consent of ANI.

5.21 Net Cash. The Company will deliver to ANI a calculation of Net Cash (in the form previously delivered as *Section 4.4(d)* of the Company Disclosure Schedule) as follows: (a) no less than ten (10) days after the end of each calendar month, with respect to Net Cash as of the last day of the preceding month, (b) at least (3) calendar days prior to the mailing of the Joint Proxy Statement/Prospectus, with respect to estimated Net Cash as of the date of such mailing, and (c) at least (3) calendar days prior to the Closing Date, with respect to estimated Net Cash as of Closing Date. For purposes of determining Net Cash as of the Closing Date, the Parties agree that if ANI shall dispute such calculation as of the Closing Date and assert that the Minimum Net Cash condition to Closing set forth in *Section 6.2(f)* of the Agreement will not be satisfied, then the process set forth in *Section 2.2(c)* above will be followed in order to determine whether or not the Minimum Net Cash condition to Closing in *Section 6.2(f)* has been satisfied, subject to the timing set forth in clause (c) above. In the event a final determination of the Net Cash has not been made on the scheduled Closing Date, the Parties agree that the Closing Date will be adjourned to the second (2nd) Business Day following final determination of the Net Cash in accordance with *Section 2.2(c)(vi)* of the Agreement (assuming the

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above referenced Minimum Net Cash covenant referenced above has either been satisfied or waived by ANI).

5.22 Amending Party. The Company agrees to use commercially reasonable efforts to enter into an amendment to the Company Contract with the party (the "**Amending Party**") set forth in *Section 5.2* of the Company Disclosure Schedule prior to the Closing Date, in substantially the form provided to ANI prior to the date hereof. In the event that such amendment, in substantially the form presented to ANI prior to the date hereof, is entered into and is in full force and effect (without default thereunder) on the Determination Date, then ANI agrees that any amounts received by the Company pursuant to paragraph 2 of such amendment and Section 7(c)(i) as added by such amended agreement on December 31, 2012, may be included as "Net Cash" for purposes of the calculation of Net Cash as of the Determination Date under *Section 2.2(a)(vii)* of the Agreement, even if the Determination Date occurs prior to December 31, 2012.

5.23 Asset Letter of Intent. The Parties agree that the Company may enter into negotiations relating to the sale of the assets referred to in the non-binding letter of intent dated as of October 5, 2012 in the form provided to ANI prior to the date hereof and may execute such letter of intent (as executed, the "**Letter of Intent**") and a definitive agreement related thereto; *provided, however*, that ANI shall have the right to review the execution copy of the Letter of Intent and the right to approve any material changes therein from the form previously provided to ANI and to review the definitive agreement in respect thereto and to the extent any provision of that definitive agreement was not specifically set forth in the Letter of Intent, ANI shall have the right to approve such provision, which approval is not to be unreasonably withheld. ANI agrees that any amounts received by the Company prior to the Determination Date pursuant to such definitive agreement may be included as Net Cash for purposes of the calculation of Net Cash under *Section 2.2(a)(vii)*.

5.24 Hart-Scott-Rodino. If the Parties mutually determine that any filing is required by the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**"), then each of the Parties agrees to file as promptly as practicable with the Federal Trade Commission and the Antitrust Division of the Department of Justice all requisite documents and notifications relating to this Agreement and the transactions contemplated hereby, including the Merger and supply any additional information that may be required or requested in connection therewith as promptly as practicable. The Parties further agree that any filing fee payable in connection therewith will be paid by the Company, however, only 50% thereof will be include in the calculation of Net Cash.

5.25 ANI Warrants. ANI agrees to use commercially reasonable efforts to obtain cancellation and termination agreements from all holders of the ANI Warrants prior to the Effective Time, pursuant to which each such holder will agree that all ANI Warrants held by such holder immediately prior to the Effective Time and that have not been validly exercised prior thereto will be cancelled and terminated as of the Effective Time without any consideration therefor.

ARTICLE VI. Conditions Precedent

6.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each of the Parties to this Agreement to effect the Merger will be subject to the satisfaction before the Closing of the following conditions, any one or more of which may be waived in writing by all of the Parties:

(a) **Company Stockholder Approval.** The Company Stockholder Approval has been obtained at the Company Special Meeting (or at any adjournment or postponement thereof).

(b) **ANI Stockholder Approval.** The ANI Stockholder Approval has been obtained at the ANI Special Meeting (or at any adjournment or postponement thereof).

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(c) **HSR Clearance.** All applicable waiting periods (including any extensions thereof) under any filing required to be made by the Company and ANI under the HSR Act have expired or been terminated, if applicable.

(d) **Statute or Decree.** No Applicable Law or Order has been enacted, entered, promulgated or enforced by any Government Authority, which remains in effect and which prohibits the consummation of the Merger or otherwise makes the Merger illegal.

(e) **Effectiveness of Registration Statement.** The Registration Statement has become effective in accordance with the provisions of the Securities Act, no stop order has been issued by the SEC and remains in effect with respect to the Registration Statement and no proceeding seeking such a stop order has been initiated by the SEC and remains pending or is threatened by the SEC.

(f) **Listing of Shares.** The existing shares of Company Common Stock have been continually listed on NASDAQ during the Interim Period, and the shares of Company Common Stock issued in connection with the Merger have been approved for listing (subject only to notice of issuance) on The NASDAQ Global Market or The NASDAQ Capital Market, effective at the Effective Time.

(g) **Tax Opinions.** ANI has received the written opinion of SNR Denton US LLP and the Company has received the written opinion of Oppenheimer Wolff & Donnelly LLP, each dated as of the Effective Time and each to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The issuance of such opinions will be conditioned upon the receipt by such counsel of customary representation letters from each of the Company and ANI, in each case, in form and substance reasonably satisfactory to such counsel. Each such representation letter has been dated on or before the date of such opinion and has not been withdrawn or modified in any material respect.

6.2 Conditions to Obligations of ANI. The obligation of ANI to effect the Merger is subject to the satisfaction before the Closing of the following additional conditions, any one or more of which may be waived in writing by ANI:

(a) The representations and warranties of the Company set forth in *Article IV* are true and correct in all material respects at and as of the date of this Agreement and as of the Closing Date as if made on and as of the Closing Date (or, in the case of those representations and warranties that are made as of a particular date or period, as of such date or period) (except for any representations or warranties that are qualified or limited as to "materiality," "Material Adverse Effect" or words of similar import set forth therein shall be true and correct in all respects).

(b) The Company has performed and complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by them on or prior to the Closing Date.

(c) There has not occurred and is continuing any Material Adverse Effect on the Company between the date of this Agreement and the Closing Date.

(d) ANI has received a certificate executed by the principal executive officer of the Company certifying that the Company has complied with the conditions set forth in *Section 6.2(a)*, *Section 6.2(b)* and *Section 6.2(c)* of this Agreement.

(e) ANI has received a true, correct and complete copy of the notice required to be delivered under Section 9.6 of the Indenture to the holders of the Company Convertible Notes and any other notice required under the Indenture.

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(f) The Company has Net Cash as determined pursuant to *Section 5.21* of no less than \$17 million (which minimum amount will be increased by one-half of the amount of any cash received from the Amending Party pursuant to and as permitted by in *Section 5.22* (the "**Minimum Net Cash**").

(g) No new Actions have been instituted against the Company by or on behalf of any stockholder or holder of Company Convertible Notes other than those which have been settled prior to the Closing Date.

6.3 Conditions to Obligations of the Company. The obligation of the Company to effect the Merger is subject to the satisfaction before the Closing of the following additional conditions, any one or more of which may be waived in writing by the Company:

(a) The representations and warranties of ANI set forth in *Article III* are true and correct at and as of the date of this Agreement and as of the Closing Date as if made on and as of the Closing Date (or, in the case of those representations and warranties that are made as of a particular date or period, as of such date or period) (except for any representations or warranties that are qualified or limited as to "materiality," "Material Adverse Effect" or words of similar import set forth therein shall be true and correct in all respects).

(b) ANI has performed and complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(c) There has not occurred and is continuing any Material Adverse Effect on ANI between the date of this Agreement and the Closing Date.

(d) The Company has received a certificate executed by the principal executive officer of ANI certifying that ANI has complied with the conditions set forth in *Section 6.3(a)*, *Section 6.3(b)* and *Section 6.3(c)* of this Agreement.

(e) ANI has delivered evidence reasonably satisfactory to the Company that the terminations of (i) the Third Amended and Restated Stockholders' Agreement, dated as of January 28, 2011, by and among ANI and the stockholders name therein and (ii) ANI's obligation to pay the annual monitoring and advisory fees pursuant to the Note Purchase Agreement, dated as of January 28, 2011, as amended, by and among ANI and the other parties named therein, previously delivered to the Company remain in effect.

ARTICLE VII. Termination

7.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after Company Stockholder Approval or ANI Stockholder Approval is obtained (except as otherwise set forth below):

(a) by mutual written consent of the Company and ANI;

(b) by either the Company or ANI if the Merger has not been consummated by May 31, 2013 (the "**Outside Date**"); *provided, however*, that in the event the Registration Statement is not filed with SEC prior to or on November 30, 2012, the Outside Date will be extended for one day for each day after November 30, 2012 that the Registration Statement has not been filed with the SEC, but will not, in any event, extend past July 31, 2013; *provided further, however*, that the right to terminate this Agreement under this *Section 7.1(b)* will not be available to any Party whose action or failure to act has been a principal cause of or resulted in the failure of the Merger to occur on or before such date and such action or failure to act constitutes a material breach of this Agreement;

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(c) by the Company or ANI if any Applicable Law irrevocably prohibits or makes the Merger illegal, or if an Order has been entered by a Government Authority of competent jurisdiction permanently restraining, enjoining or otherwise prohibiting the Merger and such Order has become final and non-appealable, provided in each case that the Party seeking to terminate this Agreement pursuant to this *Section 7.1(c)* has performed its obligations under *Section 5.9* to resist, resolve or remove such Applicable Law or Order;

(d) by the Company or ANI if the Company Special Meeting has been held and completed (including any adjournments or postponements thereof), the Company's stockholders have taken a final vote on a proposal to adopt the Company Charter Amendments and this Agreement and to approve the transactions contemplated by this Agreement, including the Merger, and Company Stockholder Approval has not been obtained; *provided, however*, that a Party will not be permitted to terminate this Agreement pursuant to this *Section 7.1(d)* if the failure to obtain Company Stockholder Approval is attributable to a failure on the part of such Party seeking to terminate this Agreement to perform any material obligation required to be performed by such Party at or prior to the date of such vote;

(e) by the Company or ANI if the ANI Special Meeting has been held and completed (including any adjournments or postponements thereof), ANI's stockholders have taken a final vote on a proposal to adopt this Agreement and approve the transactions contemplated hereby, including the Merger, and the ANI Stockholder Approval has not been obtained; *provided, however*, that a Party will not be permitted to terminate this Agreement pursuant to this *Section 7.1(e)* if the failure to obtain the ANI Stockholder Approval is attributable to a failure on the part of such Party seeking to terminate this Agreement to perform any material obligation required to be performed by such Party at or prior to the date of such vote;

(f) by ANI, if the Company fails to include the Company Board Recommendation in the Registration Statement containing the Joint Proxy/Prospectus or take any of the actions described in *Section 5.3(e)* or *(f)*, even if permitted thereby;

(g) by the Company, pursuant to *Section 5.4(d)(ii)*;

(h) by the Company, upon a breach of any representation, warranty, covenant or obligation on the part of ANI set forth in this Agreement, or if any representation or warranty of ANI has become untrue, in either case such that the conditions set forth in *Section 6.3(a)* or *Section 6.3(b)* would not be satisfied as of the time of such breach or as of the time such representation or warranty has become untrue, provided that such breach by ANI or inaccuracy in ANI's representations and warranties cannot be cured by ANI or, if capable of being cured, has not been cured by ANI, in each case within thirty (30) days following receipt by ANI of written notice of such breach or inaccuracy from the Company (it being understood that the Company may not terminate this Agreement pursuant to this *Section 7.1(f)* if it has materially breached this Agreement and remains in breach of this Agreement as of the date of such proposed termination);

(i) by ANI, upon a breach of any representation, warranty, covenant or obligation on the part of the Company set forth in this Agreement, or if any representation or warranty of the Company has become untrue, in either case such that the conditions set forth in *Section 6.2(a)* or *Section 6.2(b)* would not be satisfied as of the time of such breach or as of the time such representation or warranty has become untrue, provided that such breach by the Company or inaccuracy in the Company's representations and warranties cannot be cured by the Company or, if capable of being cured, has not been cured by the Company, in each case within thirty (30) days following receipt by the Company of written notice of such breach or inaccuracy from ANI (it being understood that ANI may not terminate this Agreement pursuant to this *Section 7.1(e)* if it has materially breached this Agreement and remains in breach of this Agreement as of the date of such proposed termination);

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(j) by ANI if, prior to obtaining Company Stockholder Approval, the Company Board has (i) effected any Change in Company Board Recommendation; (ii) failed to publicly reaffirm the Company Board Recommendation within two (2) Business Days of ANI's request; or (iii) failed to recommend against a tender or exchange offer related to an Acquisition Proposal in any position taken pursuant to Rules 14d-9 and 14e-2 under the Exchange Act; or

(k) by ANI if the Company, after receiving an Acquisition Proposal, has materially violated or breached any of its obligations under *Section 5.4(b)* with respect to such Acquisition Proposal.

7.2 Notice of Termination; Effect of Termination. A Party desiring to terminate this Agreement pursuant to *Section 7.1* (other than *Section 7.1(a)*) must give written notice of such termination to the other Party in accordance with *Section 8.4*, specifying the provision or provisions hereof pursuant to which such termination is being effected. In the event of the valid termination of this Agreement as provided in *Section 7.1*, except as set forth in this *Section 7.2* or in *Section 7.3*, each of which will survive the termination of this Agreement, this Agreement will forthwith become void and have no effect, without any liability on the part of any Party other than liability for any breach of this Agreement occurring prior to such termination. No termination of this Agreement will affect the obligations of the parties contained in the Confidentiality Agreement, all of which obligations will survive termination of this Agreement in accordance with their terms.

7.3 Fees and Expenses.

(a) Except as set forth in this *Section 7.3*, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including the Merger, will be paid by the Party incurring such Expenses if the Merger is not consummated; *provided, however*, that the Surviving Corporation will pay the Expenses of each Party if the Merger is consummated. Notwithstanding the foregoing, if this Agreement is terminated (i) by ANI pursuant to *Section 7.1(f)*, *Section 7.1(i)* or *Section 7.1(j)* or (ii) the Company pursuant to *Section 7.1(e)* or *Section 7.1(g)*, then the Company will reimburse ANI for all of ANI's Expenses; *provided, however*, that the amount required to be reimbursed in respect of Expenses by the Company will not exceed five hundred thousand dollars (\$500,000). In addition, in the event of a termination of this Agreement as set forth in clause (i) or (ii) above where another transaction otherwise constituting an Acquisition Proposal (except all references to "15%" in such definition will be deemed to be references to "30%" instead) is consummated within twelve (12) months or, in the case of a termination by the Company pursuant to *Section 7.1(e)*, two (2) months following such termination, an additional termination fee would be paid by the Company to ANI which, when combined with the foregoing Expense reimbursement previously paid to ANI, would equal a total of one million dollars (\$1,000,000) (the "**ANI Termination Fee**"). If the Agreement is terminated by the Company pursuant to *Section 7.1(h)*, then ANI will pay to the Company a termination fee of seven hundred fifty thousand dollars (\$750,000) (the "**Company Termination Fee**" and, together with the ANI Termination Fee, the "**Termination Fees**"). As used herein "**Expenses**" includes all reasonable out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, experts and consultants to a Party or its Affiliates) incurred by a Party or on its behalf in connection with, or related to, the authorization, preparation, negotiation and performance of this Agreement and the other documents and agreements required hereby.

(b) Any Expenses or Termination Fee required to be paid by the Company pursuant to this *Section 7.3* will be paid by the Company pursuant to a wire transfer of immediately available funds to an account designated by ANI in writing, concurrently with any notice of termination by the Company, or within two (2) Business Days of any notice of termination given by ANI, in the case of Expenses and concurrently with the consummation of any Acquisition Proposal, in the case of a termination fee.

(c) Any Termination Fee required to be paid by ANI pursuant to this *Section 7.3* will be paid by ANI pursuant to a wire transfer of immediately available funds to an account designated by the Company in writing, concurrently with any notice of termination by the Company.

(d) Subject to the Parties' right to specifically enforce the terms of this Agreement pursuant to *Section 8.7* prior to the valid termination of this Agreement, but notwithstanding any other provision of this Agreement to the contrary, each of ANI and the Company agree that (i) such Party's right to receive the payment of a Termination Fee (and, if applicable, the reimbursement of Expenses), as and when set forth in *Section 7.3(a)*, will be the sole and exclusive remedy of such Party against the other Party, any of such other Party's Subsidiaries or any of their respective former, current or future Representatives, stockholders, general or limited partners, members, managers, directors, officers, employees, agents, assignees or Affiliates (collectively, the "**Other Parties**") for all losses and damages suffered as a result of the failure of the Merger or the other transactions contemplated by this Agreement to be consummated or for any other breach or failure to perform hereunder or otherwise, and (ii) none of the Other Parties will have any liability or obligation, in any such case (clause (i) or (ii)) relating to, arising out of or with respect to this Agreement or any of the transactions contemplated hereby (whether relating to, arising out of or with respect to any matter(s) forming the basis for such termination or otherwise). Without limitation of the foregoing, neither Party nor any of its respective Affiliates or any other Person will be entitled to bring or maintain any proceeding, claim, suit or action against, or seek damages from, any of the Other Parties in contravention of the preceding sentence.

(e) Each of the Parties hereto acknowledges that (i) the agreements contained in this *Section 7.3* are an integral part of the transactions contemplated hereby, (ii) any Termination Fee is not a penalty, but constitutes liquidated damages, in a reasonable amount that will compensate the Company or ANI, as the case may be, in the circumstances in which the Termination Fee is payable for the efforts and resources expended and opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, which amount would otherwise be impossible to calculate with precision, and (iii) without these agreements, the Parties would not enter into this Agreement. If either the Company or ANI fails to pay a Termination Fee or reimburse Expenses when due, and, in order to obtain such payment, the other Party commences a suit that results in a judgment against the defaulting party for such Termination Fee or Expense reimbursement, the defaulting Party will pay to the other Party its reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with such suit, together with interest on the amount of the Termination Fee or Expense reimbursement from the date such payment was required to be made until the date of payment at the prime rate of Citibank N.A. in effect on the date such payment was required to be made.

ARTICLE VIII. General Provisions

8.1 Non-Survival of Representations, Warranties, Covenants and Agreements. None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and agreements, will survive the Effective Time, except for (a) those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Effective Time, and (b) this *Article VIII*.

8.2 Amendment and Modification. This Agreement may be amended, modified or supplemented only by the written agreement of the Company and ANI at any time prior to the Effective Time; *provided, however*, that after either Company Stockholder Approval or the ANI Stockholder Approval is obtained no amendment or waiver that, pursuant to Applicable Law, requires further Company

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Stockholder Approval or ANI Stockholder Approval, as applicable, will be effective without the receipt of such further Company Stockholder Approval or ANI Stockholder Approval, as applicable.

8.3 Waiver of Compliance; Consents. Any failure of the Company or ANI to comply with any obligation, covenant, agreement or condition herein may be waived by ANI (with respect to any failure by the Company) or by the Company (with respect to any failure by ANI), respectively, only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any Party, such consent will be deemed effective when given in a manner consistent with the requirements for a waiver of compliance as set forth in this *Section 8.3*.

8.4 Notices. All notices, requests, demands, claims and other communications that are required to be or may be given under this Agreement must be in writing and will be deemed to have been effectively given: (i) upon personal delivery to the recipient; (ii) when sent by confirmed facsimile, if sent during normal business hours of the recipient; if not, then on the next Business Day; or (iii) one (1) Business Day after deposit with a nationally recognized overnight courier, specifying next-day delivery, with written verification of receipt, in each case to the intended recipient at the following addresses:

(a) if to the Company, to

BioSante Pharmaceuticals, Inc.
111 Barclay Boulevard
Lincolnshire, IL 60069
Attention: Stephen M. Simes
Facsimile: (847) 478-9260

with a copy to

Oppenheimer Wolff & Donnelly LLP
222 South Ninth Street, Suite 2000
Minneapolis, MN 55402-3338
Attention: Bruce A. Machmeier, Esq.
Amy E. Culbert, Esq.
Facsimile No.: (612) 607-7100

and

(b) if to ANI, to

ANIP Acquisition Company
210 Main Street West
Baudette, MN 56623
Attention: Arthur Przybyl
Facsimile No.: (218) 634-3540

with a copy to

SNR Denton US LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: Paul A. Gajer, Esq.
Facsimile No.: (212) 768-6800

or to such other address as any Party has furnished to the other by notice given in accordance with this *Section 8.4*.

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8.5 Assignment; Third-Party Beneficiaries. Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any of the Parties without the prior written consent of the other Party. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. This Agreement is not intended to confer any rights or remedies upon any Person other than: (i) the Parties; (ii) the Company Indemnified Persons only after the Effective Time and only with respect to *Section 5.12*; (iii) the ANI Indemnified Persons only after the Effective Time and only with respect to *Section 5.13*; (iv) Company Director Designees only after the Effective Time and only with respect to *Section 5.14* and (v) the Company Executives and other benefit plan participants only after the Effective Time and only with respect to *Section 5.17*.

8.6 Governing Law. This Agreement will be governed by the laws of the State of Delaware without reference to principles of conflicts of laws that would result in the application of the laws of any other jurisdiction.

8.7 Other Remedies; Specific Enforcement; Consent to Jurisdiction. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy would occur in the event that the Parties do not perform their obligations pursuant to this Agreement in accordance with its specified terms or otherwise breach such terms. Accordingly, the Parties acknowledge and agree that the Parties will be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief as provided herein on the basis that: (i) any Party has an adequate remedy at law; or (ii) an award of specific performance is not an appropriate remedy for any reason at law or in equity. In addition, each of the Parties: (x) consents to submit itself to the personal jurisdiction of any federal court located in the State of Delaware or any state court located in the State of Delaware in the event that any dispute arises out of this Agreement or the transactions contemplated hereby, including the Merger; (y) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court; and (z) agrees that it will not bring any action relating to this Agreement or the transactions contemplated hereby, including the Merger, in any court other than a federal court located in the State of Delaware or a state court located in the State of Delaware.

8.8 Counterparts. This Agreement may be executed in any number of counterparts and by facsimile signatures, any one of which need not contain the signatures of more than one Party and each of which will be an original, but all such counterparts taken together will constitute one and the same instrument. The exchange of copies of this Agreement or amendments thereto and of signature pages by facsimile transmission or by e-mail transmission in portable digital format (or similar format) will constitute effective execution and delivery of such instrument(s) as to the Parties and may be used in lieu of the original Agreement or amendment for all purposes. Signatures of the Parties transmitted by facsimile or by e-mail transmission in portable digital format (or similar format) will be deemed to be their original signatures for all purposes.

8.9 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If a final judgment of a court of competent jurisdiction declares that any term or provision of this Agreement is invalid or unenforceable, the Parties agree that the court making such determination will have the power to limit such term or provision, to delete specific words or phrases or to replace such term or provision with a term or provision that is valid and

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enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement will be valid and enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the Parties agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term or provision.

8.10 Interpretation.

(a) For purposes of this Agreement, whenever the context requires, the singular number will include the plural, and vice versa, the masculine gender will include the feminine and neuter genders, the feminine gender will include the masculine and neuter genders, and the neuter gender will include masculine and feminine genders.

(b) When calculating the time period before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is referenced in calculating such period will be excluded (for example, if an action is to be taken within two (2) days of a triggering event and such event occurs on a Tuesday, then the action must be taken by Thursday). If the last day of such period is a non-Business Day, the period in question will end on the next succeeding Business Day.

(c) As used in this Agreement, the words "include" and "including" and variations thereof, will not be deemed to be terms of limitation, but rather will be deemed to be followed by the words "without limitation".

(d) Except as otherwise expressly indicated, all references in this Agreement to a "Section", "Article", "Preamble", "Recitals" or "Exhibit" are intended to refer to a Section, Article, the Preamble, the Recitals or an Exhibit of this Agreement, and all references to a "Schedule" are intended to refer to a Section of the ANI Disclosure Schedule or the Company Disclosure Schedule, as applicable.

(e) As used in this Agreement, the terms "hereof", "hereunder", "herein" and words of similar import will refer to this Agreement as a whole and not to any particular provision, Section, Exhibit or Schedule of this Agreement.

(f) The phrases "known" or "**knowledge**" mean, (i) with respect to an individual, that such individual is actually aware of the relevant fact or such individual would reasonably be expected to know such fact in the ordinary course of the performance of the individual's employment or professional responsibility, and (ii) with respect to any Person, that any officer of such Person is actually aware of the relevant fact or such officer would reasonably be expected to know after due inquiry with respect to such officer's areas of primary responsibility.

(g) Each Party has participated in the drafting of this Agreement, which each Party acknowledges is the result of extensive negotiations among the Parties. Consequently, this Agreement will be interpreted without reference to any rule or precept of Applicable Law that states that any ambiguity in a document be construed against the drafter.

(h) Any reference in this Agreement to "\$" or "dollars" will mean U.S. dollars.

(i) All references to any section of any law include any amendment of, and/or successor to, that section.

(j) The table of contents and Article and Section headings contained in this Agreement are for reference purposes only and do not limit or otherwise affect any of the substance of this Agreement.

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(k) All terms defined in this Agreement will have such defined meanings when used in the Company Disclosure Schedule or the ANI Disclosure Schedule or any certificate or other document made or delivered pursuant hereto or thereto unless otherwise defined therein.

8.11 Entire Agreement. This Agreement and the Confidentiality Agreement, including the exhibits hereto and the documents and instruments referred to herein (including the Company Disclosure Schedule and the ANI Disclosure Schedule), embody the entire agreement and understanding of the Parties in respect of the subject matter contained herein. There are no representations, promises, warranties, covenants, or undertakings, other than those expressly set forth or referred to herein and therein.

8.12 Deliveries. Each Party agrees and acknowledges that all documents or other items included in the electronic dataroom used in connection with the Merger or otherwise delivered to the other Party or its representatives (including legal counsel and accountants) will be deemed to be delivered, provided or made available to the other Party for all purposes under this Agreement.

8.13 Arbitration Concerning Litigation Reserve. The Parties agree that any dispute arising out of or relating to the determination of the reserve in *Section 2.2(a)(vii)(G)* prior to November 15, 2012 (including any dispute regarding the arbitrability thereof), will be resolved through expedited, binding and confidential arbitration conducted before a single arbitrator pursuant to the then-current Expedited Procedures of the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association, unless the parties mutually agree in writing otherwise. Any arbitration hearing will be conducted in Chicago, Illinois. The arbitration hearing will be concluded within thirty (30) days of selection of the arbitrator and the arbitrator will rule within seven (7) days following the closing of the hearing, unless the parties mutually agree in writing otherwise. The arbitrator's award and decision will be limited to a determination of the amount of the litigation reserve to be included in the calculation of Net Cash pursuant to *Section 2.2(a)(vii)(G)*. The Parties mutually waive any and all rights to challenge the arbitration decision in any state or federal court.

8.14 WAIVER OF JURY TRIAL. THE COMPANY AND ANI EACH HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING THE MERGER.

[signature page follows]

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IN WITNESS WHEREOF, Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first set forth above.

BIOSANTE PHARMACEUTICALS, INC.

By: /s/ STEPHEN M. SIMES

Name: Stephen M. Simes

Title: *Vice Chairman, President and Chief Executive Officer*

ANIP ACQUISITION COMPANY

By: /s/ ARTHUR PRZYBYL

Name: Arthur Przybyl

Title: *President and Chief Executive Officer*

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ANI Stockholders to Sign Voting Agreement

Meridian Venture Partners II, L.P.

FA Private Equity Fund IV, L.P.

FA Private Equity Fund IV GMBH & Co. Beteiligungs KG

The Productivity Fund IV, L.P.

The Productivity Fund IV Advisors Fund, L.P.

Argentum Capital Partners II, L.P.

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Company Stockholders to Sign Voting Agreement

Louis W. Sullivan, M.D.

Fred Holubow

Ross Mangano

John T. Potts, Jr., M.D.

Edward C. Rosenow, III, M.D.

Stephen M. Simes

Stephen A. Sherwin, M.D.

Phillip B. Donenberg

Michael C. Snabes, Ph.D., M.D.

JO & Co

Oliver & Co.

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Company Directors and Officers after Effective Time

ANI Director Designees:

Robert E. Brown, Jr.

Thomas A. Penn

Tracy Marshbanks

Arthur S. Przybyl

Robert Schrepfer

Company Director Designees (to be two (2) of the following):

Louis W. Sullivan, M.D.

Fred Holubow

Ross Mangano

John T. Potts, Jr., M.D.

Edward C. Rosenow, III, M.D.

Stephen M. Simes

Stephen A. Sherwin, M.D.

Officers:

Robert E. Brown, Jr. Chairman of the Board

Arthur S. Przybyl President and Chief Executive Officer

Charlotte Arnold Secretary, Treasurer and Chief Financial Officer

James Marken Vice President of Operations

Robert Jammick Vice President of Quality and Product Development

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AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER

This AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER (this "**Amendment**") is entered into as of November 13, 2012 by and between BioSante Pharmaceuticals, Inc., a Delaware corporation and ANIP Acquisition Company (d/b/a/ ANI Pharmaceuticals), a Delaware corporation.

WHEREAS, the parties are party to that certain Agreement and Plan of Merger dated October 3, 2012 (the "**Agreement**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. The references to November 15, 2012 set forth in Sections 2.2(a)(vii)(G) and 8.13 of the Agreement are hereby amended to read "November 30, 2012".
2. Except as specifically set forth herein, the Agreement remains in full force and effect.
3. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, a facsimile or electronic copy of a signature printed by a receiving facsimile machine or printer shall be deemed an original signature.

[Signature page follows]

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IN WITNESS WHEREOF, the undersigned have caused this Amendment to be delivered as of the date first above written.

BIOSANTE PHARMACEUTICALS, INC.

By: /s/ STEPHEN M. SIMES

Name: Stephen M. Simes
Title: *President & CEO*

ANIP ACQUISITION COMPANY

By: /s/ ARTHUR PRZYBYL

Name: Arthur Przybyl
Title: *President and Chief Executive Officer*

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FORM OF VOTING AGREEMENT

This VOTING AGREEMENT (this "**Agreement**"), dated as of October 3, 2012, is by and between, BioSante Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), and the undersigned stockholder ("**Stockholder**") of ANIP Acquisition Company, a Delaware corporation ("**ANI**") identified on the signature page hereto.

A. The Company and ANI are entering into an Agreement and Plan of Merger (as amended from time to time, the "**Merger Agreement**"), dated as of the date hereof, providing for, among other things, the merger of ANI with and into the Company, with the Company continuing as the surviving corporation (the "**Merger**");

B. As of the date hereof, Stockholder is the Beneficial Owner (as defined below) of, and has the sole right to vote and dispose of, that number of shares of common stock, Series A Preferred Stock, Series B Preferred Stock, Class C Preferred Stock and Series D Preferred Stock (the "**ANI Shares**") of ANI set forth beside Stockholder's name on *Schedule A* hereto; and

C. Concurrently with the entry by the Company and ANI into the Merger Agreement, and as a condition and inducement to the willingness of the Company to enter into the Merger Agreement and incur the obligations set forth therein, the Company has required that Stockholder enter into this Agreement;

Accordingly, and in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I.
Definitions

Capitalized terms used but not defined in this Agreement are used in this Agreement with the meanings given to such terms in the Merger Agreement. In addition, for purposes of this Agreement:

"**Affiliate**" means, with respect to any specified person, a person who, at the time of determination, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person. For purposes of this Agreement, with respect to Stockholder, "**Affiliate**" does not include ANI and the persons that directly, or indirectly through one or more intermediaries, are controlled by ANI. For the avoidance of doubt, no officer or director of ANI will be deemed an Affiliate of another officer or director of ANI by virtue of his or her status as an officer or director of ANI.

"**Beneficially Owned**" or "**Beneficial Ownership**" with respect to any securities means having beneficial ownership of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act, disregarding the phrase "within 60 days" in paragraph (d)(1)(i) thereof), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities, securities Beneficially Owned by a person include securities Beneficially Owned by (i) all Affiliates of such person, and (ii) all other persons with whom such person would constitute a "group" within the meaning of Section 13(d) of the Exchange Act and the rules promulgated thereunder.

"**Beneficial Owner**" with respect to any securities means a person that has Beneficial Ownership of such securities.

"**person**" has the meaning ascribed thereto in the Merger Agreement.

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"**Subject Shares**" means, with respect to Stockholder, without duplication, (i) the ANI Shares owned by Stockholder on the date hereof as described on *Schedule A*, and (ii) any additional ANI Shares acquired by Stockholder or over which Stockholder acquires Beneficial Ownership from and after the date hereof, whether pursuant to existing stock option agreements, warrants or otherwise. Without limiting the other provisions of this Agreement, in the event that ANI changes the number of ANI Shares issued and outstanding prior to the Expiration Date as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, combination, recapitalization, subdivision, or other similar transaction, the number of Subject Shares subject to this Agreement will be equitably adjusted to reflect such change.

"**Transfer**" means, with respect to a security, the sale, transfer, pledge, hypothecation, encumbrance, assignment or disposition of such security or the Beneficial Ownership thereof, and each option, agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing. As a verb, "**Transfer**" has a correlative meaning.

ARTICLE II.
Covenants of Stockholder

2.1 **Irrevocable Proxy.** Concurrently with the execution of this Agreement, Stockholder agrees to deliver to the Company a proxy in the form attached hereto as *Exhibit A* (the "**Proxy**"), which will be irrevocable to the extent provided in Section 212 of the Delaware General Corporation Law (the "**DGCL**"), with respect to the Subject Shares referred to therein.

2.2 **Agreement to Vote.**

(a) At any meeting of the stockholders of ANI held prior to the Expiration Date (as defined in *Section 5.14*), however called, and at every adjournment or postponement thereof prior to the Expiration Date, or in connection with any written consent of, or any other action by, the stockholders of the Company given or solicited prior to the Expiration Date, Stockholder will vote, or provide a consent with respect to, all of the Subject Shares entitled to vote or to consent thereon (i) in favor of the adoption of the Merger Agreement, and any actions required in furtherance thereof, and (ii) against any Acquisition Proposal (other than the Merger), against any amendment of ANI's certificate of incorporation or bylaws or any other proposal or transaction involving ANI, the purpose of which amendment or other proposal or transaction is to delay, prevent or nullify the Merger or the transaction contemplated by the Merger Agreement or change in any manner the voting rights of any capital stock of ANI, and against any other action or agreement that would result in a breach in any material respect of any covenant, representation or warranty or any other obligation or agreement of ANI under the Merger Agreement.

(b) Stockholder will not enter into any agreement with any person (other than the Company) prior to the Expiration Date (with respect to periods prior to or after the Expiration Date) directly or indirectly to vote, grant any proxy or give instructions with respect to the voting of, the Subject Shares in respect of the matters described in *Section 2.2* hereof, or the effect of which would be inconsistent with or violate any provision contained in this *Section 2.2*. Any vote or consent (or withholding of consent) by Stockholder that is not in accordance with this *Section 2.2* will be considered null and void, and the provisions of the Proxy will be deemed to take immediate effect.

2.3 **Revocation of Proxies; Cooperation.** Stockholder agrees as follows:

(a) Stockholder hereby represents and warrants that any proxies heretofore given in respect of the Subject Shares with respect to the matters described in *Section 2.2(a)* hereof are not irrevocable, and Stockholder hereby revokes any and all prior proxies with respect to such Subject Shares as they relate to such matters. Prior to the Expiration Date, Stockholder will not directly or indirectly grant any proxies or powers of attorney with respect to the matters set forth in

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Section 2.2(a) hereof (other than to the Company), deposit any of the Subject Shares or enter into a voting agreement (other than this Agreement) with respect to any of the Subject Shares relating to any matter described in *Section 2.2(a)*.

(b) Stockholder will (i) use all reasonable efforts to cooperate with the Company and ANI in connection with the transactions contemplated by the Merger Agreement, and (ii) provide any information reasonably requested by the Company or ANI for any regulatory application or filing sought for such transactions.

2.4 No Solicitation. Stockholder acknowledges that ANI is subject to the non-solicitation prohibitions set forth in *Section 5.3* of the Merger Agreement and that the Stockholder has read and understands the terms thereof. Stockholder will not, directly or indirectly, (a) solicit, initiate or knowingly encourage or knowingly facilitate (including by way of furnishing any non-public information relating to ANI or any of its Subsidiaries), or knowingly induce or knowingly take any other action which would reasonably be expected to lead to the making, submission or announcement of, any proposal or inquiry that constitutes, or is reasonably likely to lead to, an Acquisition Proposal; (b) other than informing Persons of the provisions contained in *Section 5.3* of the Merger Agreement, enter into, continue or participate in any discussions or any negotiations regarding any Acquisition Proposal or otherwise take any action to knowingly facilitate or knowingly induce any effort or attempt to make or implement an Acquisition Proposal (including any Acquisition Proposal received prior to the date of this Agreement); (iii) approve, endorse or recommend an Acquisition Proposal or any letter of intent, memorandum of understanding or Contract contemplating an Acquisition Proposal or requiring ANI to abandon or terminate its obligations under the Merger Agreement, or enter into any of the foregoing; or (iv) agree, resolve or commit to do any of the foregoing.

2.5 No Transfer of Subject Shares; Publicity. Stockholder agrees that:

(a) Stockholder (i) will not Transfer or agree to Transfer any of the Subject Shares or, with respect to any matter described in *Section 2.2(a)*, grant any proxy or power-of-attorney with respect to any of the Subject Shares, (ii) will take all action reasonably necessary to prevent creditors in respect of any pledge of the Subject Shares from exercising their rights under such pledge, and (iii) will not take any action that would make in a material respect any of its representations or warranties contained herein untrue or incorrect or would have the effect of preventing or disabling the Stockholder from performing any of its material obligations hereunder. Notwithstanding the foregoing, Stockholder may Transfer and agree to Transfer any of the Subject Shares provided that each person to which any such Subject Shares are Transferred has (x) executed a counterpart of this Agreement and a Proxy in the form attached hereto as *Exhibit A* (with such modifications as the Company may reasonably request), and (y) agreed in writing to hold such Subject Shares subject to all of the terms and conditions set forth in this Agreement.

(b) Unless required by Applicable Law or permitted by the Merger Agreement, Stockholder will not, and will not authorize or direct any of its Affiliates or Representatives to, make any press release or public announcement with respect to this Agreement or the Merger Agreement or the transactions contemplated hereby or thereby, without the prior written consent of the Company in each instance.

ARTICLE III.
Representations, Warranties and Additional Covenants of Stockholder

Stockholder represents, warrants and covenants to the Company that:

3.1 Ownership. Stockholder is the sole Beneficial Owner and the record and legal owner of the Subject Shares identified on *Schedule A* and such shares constitute all of the capital stock of ANI Beneficially Owned by Stockholder. Stockholder has good and valid title to all of the Subject Shares,

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free and clear of all Liens, claims, options, proxies, voting agreements and security interests and has the sole right to such Subject Shares and there are no restrictions on rights of disposition or other Liens pertaining to such Subject Shares. Except pursuant to that certain Third Amended and Restated Stockholders' Agreement, dated January 28, 2011, between ANI and certain holders of its capital stock (the "**Stockholders' Agreement**"), none of the Subject Shares is subject to any voting trust or other contract with respect to the voting thereof, and no proxy, power of attorney or other authorization has been granted with respect to any of such Subject Shares.

3.2 Authority and Non-Contravention.

(a) [FOR AN INDIVIDUAL:] [Stockholder is an individual, and not a corporation, limited liability company, partnership, trust or other such entity. Stockholder has all necessary legal capacity to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby.] [FOR AN ENTITY:] [Stockholder is a [] duly organized, validly existing and in good standing under the laws of the State of []. Stockholder has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Stockholder and the consummation by Stockholder of the transactions contemplated hereby have been duly and validly authorized by all necessary [corporate] action, and no other [corporate] proceedings on the part of Stockholder are necessary to authorize this Agreement or to consummate the transactions contemplated hereby.]

(b) Assuming due authorization, execution and delivery of this Agreement by the Company, this Agreement has been duly and validly executed and delivered by Stockholder and constitutes the legal, valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms except (i) to the extent limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(c) Stockholder is not nor will it be required to make any filing with or give any notice to, or to obtain any consent from, any person in connection with the execution, delivery or performance of this Agreement or obtain any permit or approval from any Government Authority for any of the transactions contemplated hereby, except to the extent required by Section 13 or Section 16 of the Exchange Act and the rules promulgated thereunder.

(d) Neither the execution and delivery of this Agreement by Stockholder nor the consummation of the transactions contemplated hereby will directly or indirectly (whether with notice or lapse of time or both) (i) conflict with, result in any violation of or constitute a default by Stockholder under any mortgage, bond, indenture, agreement, instrument or obligation to which Stockholder is a party or by which it or any of the Subject Shares are bound, or violate any permit of any Government Authority, or any Applicable Law or Order to which Stockholder, or any of the Subject Shares, may be subject, or (ii) result in the imposition or creation of any Lien upon or with respect to any of the Subject Shares; except, in each case, for conflicts, violations, defaults or Liens that would not individually or in the aggregate be reasonably expected to prevent or materially impair or delay the performance by the Stockholder of its obligations hereunder.

(e) Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Article II hereof and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Subject Shares, with no limitations, qualifications or restrictions on such rights.

3.3 Total Shares. Except as set forth on *Schedule A* or pursuant to the Stockholders' Agreement, Stockholder is not the Beneficial Owner of, and does not have (whether currently, upon

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lapse of time, following the satisfaction of any conditions, upon the occurrence of any event or any combination of the foregoing) any right to acquire, and has no other interest in or voting rights with respect to, any ANI Shares or any securities convertible into or exchangeable or exercisable for ANI Shares.

3.4 **Reliance.** Stockholder understands and acknowledges that the Company is entering into the Merger Agreement in reliance upon Stockholder's execution, delivery and performance of this Agreement.

**ARTICLE IV.
Representations, Warranties and Covenants of the Company**

The Company represents, warrants and covenants to Stockholder that, assuming due authorization, execution and delivery of this Agreement by Stockholder, this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except (i) to the extent limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. The Company has the corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company.

**ARTICLE V.
Term and Termination**

This Agreement will become effective upon its execution by Stockholder and the Company. This Agreement will terminate upon the earliest of (a) the Effective Time (as defined in the Merger Agreement), (b) a Change in Company Board Recommendation, (c) the Company taking any action permitted under Section 5.4(b) of the Merger Agreement, (d) the termination of the Merger Agreement in accordance with Article VII thereof, or (e) written notice by the Company to Stockholder of the termination of this Agreement (the date of the earliest of the events described in clauses (a), (b), (c) and (d), the "**Expiration Date**"). The Stockholder will not be liable for money damages the Company for any breach of this Agreement and the termination of this Agreement will relieve Stockholder from any liability for any inaccuracy in or breach of any representation, warranty or covenant contained in this Agreement. Notwithstanding the foregoing, Article VI of this Agreement shall survive any termination hereof.

**ARTICLE VI.
General Provisions**

6.1 **Action in Stockholder Capacity Only.** Stockholder is entering into this Agreement solely in Stockholder's capacity as a record holder and beneficial owner, as applicable, of the Subject Shares and not in Stockholder's capacity as a director or officer of ANI. Nothing herein will limit or affect Stockholder's ability to act as an officer or director of ANI.

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6.2 No Ownership Interest. Nothing contained in this Agreement will be deemed to vest in the Company or any of its Affiliates any direct or indirect ownership or incidents of ownership of or with respect to the Subject Shares. All rights, ownership and economic benefits of and relating to the Subject Shares will remain and belong to Stockholder, and neither the Company nor any of its Affiliates will have any authority to manage, direct, superintend, restrict, regulate, govern or administer any of the policies or operations of ANI or exercise any power or authority to direct Stockholder in the voting of any of the Subject Shares, except as otherwise expressly provided herein or in the Merger Agreement.

6.3 Notices. All notices, consents, waivers and other communications under this Agreement must be in writing (including facsimile or similar writing) and must be given:

If to the Company, to:

BioSante Pharmaceuticals, Inc.
111 Barclay Boulevard
Lincolnshire, Illinois 60069
Attention: Stephen M. Simes
Facsimile No: (847) 478-9152

with a copy (which will not constitute notice) to:

Oppenheimer Wolff & Donnelly LLP
222 South Ninth Street, Suite 2000
Minneapolis, MN 55402-3338
Attention: Bruce A. Machmeier, Esq.
Amy E. Culbert, Esq.
Facsimile No.: (612) 607-7100

If to a Stockholder, to Stockholder's address set forth on *Schedule A*,

or such other address or facsimile number as a party may hereafter specify for the purpose by notice to the other parties hereto. Each notice, consent, waiver or other communication under this Agreement will be effective only (a) if given by facsimile, when the facsimile is transmitted to the facsimile number specified in this Section and the appropriate facsimile confirmation is received or (b) if given by overnight courier or personal delivery when delivered at the address specified in this Section.

6.4 Further Actions. Upon the request of any party to this Agreement, the other party will (a) furnish to the requesting party any additional information, (b) execute and deliver, at their own expense, any other documents and (c) take any other actions as the requesting party may reasonably require to more effectively carry out the intent of this Agreement. Stockholder hereby agrees that the Company and ANI may publish and disclose in the Form S-4 Registration Statement and Joint Proxy Statement/Prospectus (including all documents and schedules filed with the SEC) such Stockholder's identity and ownership of Subject Shares and the nature of such Stockholder's commitments, arrangements, and understandings under this Agreement and may further file this Agreement as an exhibit to the Form S-4 Registration Statement or in any other filing made by the Company and/or ANI with the SEC relating to the Merger Agreement or the transactions contemplated thereby. Stockholder agrees to notify the Company promptly of any additional shares of capital stock of ANI of which Stockholder becomes the record or beneficial owner after the date of this Agreement.

6.5 Entire Agreement and Modification. This Agreement, the Proxy and any other documents delivered by the parties in connection herewith constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to its subject matter and constitute (along with the documents delivered pursuant to this Agreement) a complete and exclusive statement of the terms of

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the agreement between the parties with respect to its subject matter. This Agreement may not be amended, supplemented or otherwise modified except by a written document executed by the party against whose interest the modification will operate. The parties will not enter into any other agreement inconsistent with the terms and conditions of this Agreement and the Proxy, or that addresses any of the subject matters addressed in this Agreement and the Proxy.

6.6 Drafting and Representation. The parties agree that the terms and language of this Agreement were the result of negotiations between the parties and, as a result, there will be no presumption that any ambiguities in this Agreement will be resolved against any party. Any controversy over construction of this Agreement will be decided without regard to events of authorship or negotiation.

6.7 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without affecting the validity or enforceability of the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

6.8 No Third-Party Rights. Stockholder may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the Company, except as permitted pursuant to Section 2.5(a). The Company may not assign any of its rights or delegate any of its obligations under this Agreement with respect to Stockholder without the prior written consent of Stockholder. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of each of the respective successors, personal or legal representatives, heirs, distributees, devisees, legatees, executors, administrators and permitted assigns of Stockholder and the successors and permitted assigns of the Company. Nothing expressed or referred to in this Agreement will be construed to give any person, other than the parties to this Agreement, any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement except such rights as may inure to a successor or permitted assignee under this Section.

6.9 Enforcement of Agreement. Stockholder acknowledges and agrees that the Company could be damaged irreparably if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by Stockholder could not be adequately compensated by monetary damages. Accordingly, Stockholder agrees that, (a) it will waive, in any action for specific performance, the defense of adequacy of a remedy at law, and (b) in addition to any other right or remedy to which the Company may be entitled, at law or in equity, the Company will be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

6.10 Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by a party in exercising any right, power or privilege under this Agreement, the Proxy or any of the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by Applicable Law, (a) no claim or right arising out of this Agreement, the Proxy or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in a written document signed by the other party, (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given, and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party

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giving such notice or demand to take further action without notice or demand as provided in this Agreement, the Proxy or the documents referred to in this Agreement.

6.11 Governing Law. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed by, construed under and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts or choice of law.

6.12 Consent to Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Proxy or the transactions contemplated hereby or thereby will be brought exclusively in the United States District Court for the District of Delaware or, if such court does not have jurisdiction over the subject matter of such proceeding or if such jurisdiction is not available, in the Court of Chancery of the State of Delaware, County of New Castle, and each of the parties hereby consents to the exclusive jurisdiction of those courts (and of the appropriate appellate courts therefrom) in any suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Applicable Law, any objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding in any of those courts or that any suit, action or proceeding which is brought in any of those courts has been brought in an inconvenient forum. Process in any suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any of the named courts. Without limiting the foregoing, each party agrees that service of process on it by notice as provided in *Section 5.3* will be deemed effective service of process. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

6.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which, taken together, will constitute one and the same instrument. This Agreement may be executed by facsimile signature (including signatures in Adobe PDF or similar format).

6.14 Expenses. Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such expenses.

6.15 Headings; Construction. The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. In this Agreement (a) words denoting the singular include the plural and vice versa, (b) "it" or "its" or words denoting any gender include all genders and (c) the word "including" means "including without limitation," whether or not expressed.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Voting Agreement to be duly executed as of the day and year first above written.

THE COMPANY:

BIOSANTE PHARMACEUTICALS, INC.

By: _____

Name:

Title:

STOCKHOLDER:

[NAME]

Name:

Additional Signature (if held jointly):

(If held jointly)

(Printed Full Name)

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SCHEDULE A

NAME AND
ADDRESS OF STOCKHOLDER

ANI SHARES
BENEFICIALLY OWNED

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EXHIBIT A

IRREVOCABLE PROXY

From and after the date hereof and until the Expiration Date (as defined below), the undersigned stockholder ("*Stockholder*") of ANIP Acquisition Company, a Delaware corporation ("*ANI*"), hereby irrevocably (to the full extent permitted by Section 212 of the Delaware General Corporation Law) grants to, and appoints, BioSante Pharmaceuticals, Inc., a **Delaware** corporation (the "*Company*"), and any designee of the Company, and each of them individually, as the sole and exclusive attorney and proxy of the undersigned, with full power of substitution and resubstitution, to vote the Subject Shares (as defined in the Voting Agreement) of the Stockholder, or grant a consent or approval in respect of the Subject Shares of the Stockholder, in a manner consistent with Section 2.2 of the Voting Agreement (as defined below). Upon the undersigned's execution of this Proxy, any and all prior proxies given by the undersigned with respect to any Subject Shares relating to the voting rights expressly provided herein are hereby revoked and the undersigned agrees not to grant any subsequent proxies with respect to the Subject Shares relating to such voting rights at any time prior to the Expiration Date.

This Proxy is irrevocable, is coupled with an interest and is granted pursuant to that certain Voting Agreement (as amended from time to time, the "*Voting Agreement*") of even date herewith, by and among the Company and Stockholder, and is granted in consideration of the Company entering into the Merger Agreement (as defined in the Voting Agreement). As used herein, the term "*Expiration Date*," and all capitalized terms used herein and not otherwise defined, will have the meanings set forth in the Voting Agreement. **The Stockholder agrees that this proxy will be irrevocable until the Expiration Date and is coupled with an interest sufficient at law to support an irrevocable proxy and given to the Company as an inducement to enter into the Merger Agreement and, to the extent permitted under applicable law, will be valid and binding on any person to whom Stockholder may transfer any of his, her or its Subject Shares in breach of the Voting Agreement.** The Stockholder hereby ratifies and confirms all that such irrevocable proxy may lawfully do or cause to be done by virtue hereof.

The attorneys and proxies named above, and each of them, are hereby authorized and empowered by the undersigned, at any time prior to the Expiration Date, to act as the undersigned's attorney and proxy to vote the Subject Shares, and to exercise all voting and other rights of the undersigned with respect to the Subject Shares (including, without limitation, the power to execute and deliver written consents pursuant to Section 228 of the Delaware General Corporation Law), at every annual, special or adjourned meeting of the stockholders of the Company and in every written consent in lieu of such meeting in a manner consistent with Section 2.2 of the Voting Agreement.

This Proxy will be binding upon the heirs, estate, executors, personal representatives, successors and assigns of Stockholder (including any transferee of any of the Subject Shares), and all authority herein conferred or agreed to be conferred will survive the death or incapacity of the Stockholder.

If any provision of this Proxy or any part of any such provision is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof will, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction will not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (c) the invalidity or unenforceability of such provision or part thereof will not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Proxy. Each provision of this Proxy is separable from every other provision of

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this Proxy, and each part of each provision of this Proxy is separable from every other part of such provision.

Dated: October , 2012

(Signature of Stockholder)

(Print Name of Stockholder)

Number of Subject Shares owned of record or Beneficially Owned as
of the date of this Proxy:

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VOTING AGREEMENT

This VOTING AGREEMENT (this "**Agreement**"), dated as of October 3, 2012, is by and between, BioSante Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), and the undersigned stockholder ("**Stockholder**") of ANIP Acquisition Company, a Delaware corporation ("**ANI**") identified on the signature page hereto.

A. The Company and ANI are entering into an Agreement and Plan of Merger (as amended from time to time, the "**Merger Agreement**"), dated as of the date hereof, providing for, among other things, the merger of ANI with and into the Company, with the Company continuing as the surviving corporation (the "**Merger**");

B. As of the date hereof, Stockholder is the Beneficial Owner (as defined below) of, and has the sole right to vote and dispose of, that number of shares of common stock, Series A Preferred Stock, Series B Preferred Stock, Class C Preferred Stock and Series D Preferred Stock (the "**ANI Shares**") of ANI set forth beside Stockholder's name on *Schedule A* hereto; and

C. Concurrently with the entry by the Company and ANI into the Merger Agreement, and as a condition and inducement to the willingness of the Company to enter into the Merger Agreement and incur the obligations set forth therein, the Company has required that Stockholder enter into this Agreement;

Accordingly, and in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

**ARTICLE I.
Definitions**

Capitalized terms used but not defined in this Agreement are used in this Agreement with the meanings given to such terms in the Merger Agreement. In addition, for purposes of this Agreement:

"**Affiliate**" means, with respect to any specified person, a person who, at the time of determination, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person. For purposes of this Agreement, with respect to Stockholder, "**Affiliate**" does not include ANI and the persons that directly, or indirectly through one or more intermediaries, are controlled by ANI. For the avoidance of doubt, no officer or director of ANI will be deemed an Affiliate of another officer or director of ANI by virtue of his or her status as an officer or director of ANI.

"**Beneficially Owned**" or "**Beneficial Ownership**" with respect to any securities means having beneficial ownership of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act, disregarding the phrase "within 60 days" in paragraph (d)(1)(i) thereof), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities, securities Beneficially Owned by a person include securities Beneficially Owned by (i) all Affiliates of such person, and (ii) all other persons with whom such person would constitute a "group" within the meaning of Section 13(d) of the Exchange Act and the rules promulgated thereunder.

"**Beneficial Owner**" with respect to any securities means a person that has Beneficial Ownership of such securities.

"**person**" has the meaning ascribed thereto in the Merger Agreement.

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"**Subject Shares**" means, with respect to Stockholder, without duplication, (i) the ANI Shares owned by Stockholder on the date hereof as described on *Schedule A*, and (ii) any additional ANI Shares acquired by Stockholder or over which Stockholder acquires Beneficial Ownership from and after the date hereof, whether pursuant to existing stock option agreements, warrants or otherwise. Without limiting the other provisions of this Agreement, in the event that ANI changes the number of ANI Shares issued and outstanding prior to the Expiration Date as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, combination, recapitalization, subdivision, or other similar transaction, the number of Subject Shares subject to this Agreement will be equitably adjusted to reflect such change.

"**Transfer**" means, with respect to a security, the sale, transfer, pledge, hypothecation, encumbrance, assignment or disposition of such security or the Beneficial Ownership thereof, and each option, agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing. As a verb, "**Transfer**" has a correlative meaning.

ARTICLE II.
Covenants of Stockholder

2.1 **Irrevocable Proxy.** Concurrently with the execution of this Agreement, Stockholder agrees to deliver to the Company a proxy in the form attached hereto as *Exhibit A* (the "**Proxy**"), which will be irrevocable to the extent provided in Section 212 of the Delaware General Corporation Law (the "**DGCL**"), with respect to the Subject Shares referred to therein.

2.2 **Agreement to Vote.**

(a) At any meeting of the stockholders of ANI held prior to the Expiration Date (as defined in *Section 5.14*), however called, and at every adjournment or postponement thereof prior to the Expiration Date, or in connection with any written consent of, or any other action by, the stockholders of the Company given or solicited prior to the Expiration Date, Stockholder will vote, or provide a consent with respect to, all of the Subject Shares entitled to vote or to consent thereon (i) in favor of the adoption of the Merger Agreement, and any actions required in furtherance thereof, and (ii) against any Acquisition Proposal (other than the Merger), against any amendment of ANI's certificate of incorporation or bylaws or any other proposal or transaction involving ANI, the purpose of which amendment or other proposal or transaction is to delay, prevent or nullify the Merger or the transaction contemplated by the Merger Agreement or change in any manner the voting rights of any capital stock of ANI, and against any other action or agreement that would result in a breach in any material respect of any covenant, representation or warranty or any other obligation or agreement of ANI under the Merger Agreement.

(b) From the Effective Time until immediately following the first annual meeting of the stockholders of the Company following the consummation of the Merger (the "**Annual Meeting**"), Stockholder agrees that, provided that prior to the Annual Meeting the Company Director Nominees: (1) have nominated Robert E. Brown, Jr. and Thomas A. Penn to the Company Board and (2) have nominated Robert E. Brown, Jr. to be the Chairman of the Board, then it will vote, or cause to be voted, any securities of the Company that entitle holders thereof to vote for members of the Board of Directors of the Company (the "**Company Board**"), including all shares of common stock of the Company, \$0.0001 par value per share (the "**Common Stock**"), received by Stockholder in consideration of its capital stock of ANI, by whatever name called, now owned or subsequently acquired by the Stockholder, however acquired, whether through stock splits, stock dividends, reclassifications, recapitalizations, similar events or otherwise, owned by the Stockholder, or over which the Stockholder has voting control:

(i) in favor of the election of the Company Director Nominees (as defined in the Merger Agreement) to the Company Board at the Annual Meeting or any prior special

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meeting of the Company's stockholders at which an election of directors is held or pursuant to any written consent of the stockholders (a "**Prior Election Meeting or Consent**"); and

(ii) against any motion to remove any of the Company Director Nominees from the Company Board.

(c) Stockholder will not enter into any agreement with any person (other than the Company) prior to the Expiration Date (with respect to periods prior to or after the Expiration Date) directly or indirectly to vote, grant any proxy or give instructions with respect to the voting of, the Subject Shares in respect of the matters described in *Section 2.2* hereof, or the effect of which would be inconsistent with or violate any provision contained in this *Section 2.2*. Any vote or consent (or withholding of consent) by Stockholder that is not in accordance with this *Section 2.2* will be considered null and void, and the provisions of the Proxy will be deemed to take immediate effect.

2.3 Revocation of Proxies; Cooperation. Stockholder agrees as follows:

(a) Stockholder hereby represents and warrants that any proxies heretofore given in respect of the Subject Shares with respect to the matters described in *Section 2.2(a)* hereof are not irrevocable, and Stockholder hereby revokes any and all prior proxies with respect to such Subject Shares as they relate to such matters. Prior to the Expiration Date, Stockholder will not directly or indirectly grant any proxies or powers of attorney with respect to the matters set forth in *Section 2.2(a)* hereof (other than to the Company), deposit any of the Subject Shares or enter into a voting agreement (other than this Agreement) with respect to any of the Subject Shares relating to any matter described in *Section 2.2(a)*.

(b) Stockholder will (i) use all reasonable efforts to cooperate with the Company and ANI in connection with the transactions contemplated by the Merger Agreement, and (ii) provide any information reasonably requested by the Company or ANI for any regulatory application or filing sought for such transactions.

2.4 No Solicitation. Stockholder acknowledges that ANI is subject to the non-solicitation prohibitions set forth in *Section 5.3* of the Merger Agreement and that the Stockholder has read and understands the terms thereof. Stockholder will not, directly or indirectly, (a) solicit, initiate or knowingly encourage or knowingly facilitate (including by way of furnishing any non-public information relating to ANI or any of its Subsidiaries), or knowingly induce or knowingly take any other action which would reasonably be expected to lead to the making, submission or announcement of, any proposal or inquiry that constitutes, or is reasonably likely to lead to, an Acquisition Proposal; (b) other than informing Persons of the provisions contained in *Section 5.3* of the Merger Agreement, enter into, continue or participate in any discussions or any negotiations regarding any Acquisition Proposal or otherwise take any action to knowingly facilitate or knowingly induce any effort or attempt to make or implement an Acquisition Proposal (including any Acquisition Proposal received prior to the date of this Agreement); (iii) approve, endorse or recommend an Acquisition Proposal or any letter of intent, memorandum of understanding or Contract contemplating an Acquisition Proposal or requiring ANI to abandon or terminate its obligations under the Merger Agreement, or enter into any of the foregoing; or (iv) agree, resolve or commit to do any of the foregoing.

2.5 No Transfer of Subject Shares; Publicity. Stockholder agrees that:

(a) Stockholder (i) will not Transfer or agree to Transfer any of the Subject Shares or, with respect to any matter described in *Section 2.2(a)*, grant any proxy or power-of-attorney with respect to any of the Subject Shares, (ii) will take all action reasonably necessary to prevent creditors in respect of any pledge of the Subject Shares from exercising their rights under such pledge, and (iii) will not take any action that would make in a material respect any of its representations or warranties contained herein untrue or incorrect or would have the effect of preventing or disabling the Stockholder from performing any of its material obligations hereunder. Notwithstanding the

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foregoing, Stockholder may Transfer and agree to Transfer any of the Subject Shares provided that each person to which any such Subject Shares are Transferred has (x) executed a counterpart of this Agreement and a Proxy in the form attached hereto as *Exhibit A* (with such modifications as the Company may reasonably request), and (y) agreed in writing to hold such Subject Shares subject to all of the terms and conditions set forth in this Agreement.

(b) Unless required by Applicable Law or permitted by the Merger Agreement, Stockholder will not, and will not authorize or direct any of its Affiliates or Representatives to, make any press release or public announcement with respect to this Agreement or the Merger Agreement or the transactions contemplated hereby or thereby, without the prior written consent of the Company in each instance.

2.6 **Termination of Warrant.** Stockholder agrees that that certain (i) Common Stock Purchase Warrant No. 1 dated March 29, 2005, for the purchase of 52,490 shares of ANI Common Stock, (ii) Common Stock Purchase Warrant No. 7 dated in July, 2005, for the purchase of 61,740 shares of ANI Common Stock and (iii) Common Stock Purchase Warrant No. 12 dated in March, 2005, for the purchase of 5,280 shares of ANI Common Stock shall terminate immediately prior to the Effective Time (as defined in the Merger Agreement) and thereafter shall be of no further force or effect.

ARTICLE III.

Representations, Warranties and Additional Covenants of Stockholder

Stockholder represents, warrants and covenants to the Company that:

3.1 **Ownership.** Stockholder is the sole Beneficial Owner and the record and legal owner of the Subject Shares identified on *Schedule A* and such shares constitute all of the capital stock of ANI Beneficially Owned by Stockholder. Stockholder has good and valid title to all of the Subject Shares, free and clear of all Liens, claims, options, proxies, voting agreements and security interests and has the sole right to such Subject Shares and there are no restrictions on rights of disposition or other Liens pertaining to such Subject Shares. Except pursuant to that certain Third Amended and Restated Stockholders' Agreement, dated January 28, 2011, between ANI and certain holders of its capital stock (the "**Stockholders' Agreement**"), none of the Subject Shares is subject to any voting trust or other contract with respect to the voting thereof, and no proxy, power of attorney or other authorization has been granted with respect to any of such Subject Shares.

3.2 **Authority and Non-Contravention.**

(a) Stockholder is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware. Stockholder has all necessary power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Stockholder and the consummation by Stockholder of the transactions contemplated hereby have been duly and validly authorized by all necessary limited partnership action, and no other limited partnership proceedings on the part of Stockholder are necessary to authorize this Agreement or to consummate the transactions contemplated hereby.

(b) Assuming due authorization, execution and delivery of this Agreement by the Company, this Agreement has been duly and validly executed and delivered by Stockholder and constitutes the legal, valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms except (i) to the extent limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

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(c) Stockholder is not nor will it be required to make any filing with or give any notice to, or to obtain any consent from, any person in connection with the execution, delivery or performance of this Agreement or obtain any permit or approval from any Government Authority for any of the transactions contemplated hereby, except to the extent required by Section 13 or Section 16 of the Exchange Act and the rules promulgated thereunder.

(d) Neither the execution and delivery of this Agreement by Stockholder nor the consummation of the transactions contemplated hereby will directly or indirectly (whether with notice or lapse of time or both) (i) conflict with, result in any violation of or constitute a default by Stockholder under any mortgage, bond, indenture, agreement, instrument or obligation to which Stockholder is a party or by which it or any of the Subject Shares are bound, or violate any permit of any Government Authority, or any Applicable Law or Order to which Stockholder, or any of the Subject Shares, may be subject, or (ii) result in the imposition or creation of any Lien upon or with respect to any of the Subject Shares; except, in each case, for conflicts, violations, defaults or Liens that would not individually or in the aggregate be reasonably expected to prevent or materially impair or delay the performance by the Stockholder of its obligations hereunder.

(e) Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Article II hereof and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Subject Shares, with no limitations, qualifications or restrictions on such rights.

3.3 **Total Shares.** Except as set forth on *Schedule A* or pursuant to the Stockholders' Agreement, Stockholder is not the Beneficial Owner of, and does not have (whether currently, upon lapse of time, following the satisfaction of any conditions, upon the occurrence of any event or any combination of the foregoing) any right to acquire, and has no other interest in or voting rights with respect to, any ANI Shares or any securities convertible into or exchangeable or exercisable for ANI Shares.

3.4 **Reliance.** Stockholder understands and acknowledges that the Company is entering into the Merger Agreement in reliance upon Stockholder's execution, delivery and performance of this Agreement.

ARTICLE IV.
Representations, Warranties and Covenants of the Company

The Company represents, warrants and covenants to Stockholder that, assuming due authorization, execution and delivery of this Agreement by Stockholder, this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except (i) to the extent limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. The Company has the corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company.

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**ARTICLE V.
Term and Termination**

This Agreement will become effective upon its execution by Stockholder and the Company. This Agreement will terminate upon the earliest of (a) the Effective Time (as defined in the Merger Agreement), (b) a Change in Company Board Recommendation, (c) the Company taking any action permitted under Section 5.4(b) of the Merger Agreement, (d) the termination of the Merger Agreement in accordance with Article VII thereof, or (e) written notice by the Company to Stockholder of the termination of this Agreement (the date of the earliest of the events described in clauses (a), (b), (c) and (d), the "**Expiration Date**"); provided, however, that, in the event this agreement is terminated pursuant to clause (a) above, the obligation of Stockholder under Section 2.2(b) shall survive until immediately following the Annual Meeting, or if earlier, upon the occurrence of a Prior Election or Consent. The Stockholder will not be liable for money damages the Company for any breach of this Agreement and the termination of this Agreement will relieve Stockholder from any liability for any inaccuracy in or breach of any representation, warranty or covenant contained in this Agreement. Notwithstanding the foregoing, Article VI of this Agreement shall survive any termination hereof.

**ARTICLE VI.
General Provisions**

6.1 Action in Stockholder Capacity Only. Stockholder is entering into this Agreement solely in Stockholder's capacity as a record holder and beneficial owner, as applicable, of the Subject Shares and not in Stockholder's capacity as a director or officer of ANI. Nothing herein will limit or affect Stockholder's ability to act as an officer or director of ANI.

6.2 No Ownership Interest. Nothing contained in this Agreement will be deemed to vest in the Company or any of its Affiliates any direct or indirect ownership or incidents of ownership of or with respect to the Subject Shares. All rights, ownership and economic benefits of and relating to the Subject Shares will remain and belong to Stockholder, and neither the Company nor any of its Affiliates will have any authority to manage, direct, superintend, restrict, regulate, govern or administer any of the policies or operations of ANI or exercise any power or authority to direct Stockholder in the voting of any of the Subject Shares, except as otherwise expressly provided herein or in the Merger Agreement.

6.3 Notices. All notices, consents, waivers and other communications under this Agreement must be in writing (including facsimile or similar writing) and must be given:

If to the Company, to:

BioSante Pharmaceuticals, Inc.
111 Barclay Boulevard
Lincolnshire, Illinois 60069
Attention: Stephen M. Simes
Facsimile No: (847) 478-9152

with a copy (which will not constitute notice) to:

Oppenheimer Wolff & Donnelly LLP
222 South Ninth Street, Suite 2000
Minneapolis, MN 55402-3338
Attention: Bruce A. Machmeier, Esq.
Amy E. Culbert, Esq.
Facsimile No.: (612) 607-7100

If to a Stockholder, to Stockholder's address set forth on *Schedule A*,

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or such other address or facsimile number as a party may hereafter specify for the purpose by notice to the other parties hereto. Each notice, consent, waiver or other communication under this Agreement will be effective only (a) if given by facsimile, when the facsimile is transmitted to the facsimile number specified in this Section and the appropriate facsimile confirmation is received or (b) if given by overnight courier or personal delivery when delivered at the address specified in this Section.

6.4 Further Actions. Upon the request of any party to this Agreement, the other party will (a) furnish to the requesting party any additional information, (b) execute and deliver, at their own expense, any other documents and (c) take any other actions as the requesting party may reasonably require to more effectively carry out the intent of this Agreement. Stockholder hereby agrees that the Company and ANI may publish and disclose in the Form S-4 Registration Statement and Joint Proxy Statement/Prospectus (including all documents and schedules filed with the SEC) such Stockholder's identity and ownership of Subject Shares and the nature of such Stockholder's commitments, arrangements, and understandings under this Agreement and may further file this Agreement as an exhibit to the Form S-4 Registration Statement or in any other filing made by the Company and/or ANI with the SEC relating to the Merger Agreement or the transactions contemplated thereby. Stockholder agrees to notify the Company promptly of any additional shares of capital stock of ANI of which Stockholder becomes the record or beneficial owner after the date of this Agreement.

6.5 Entire Agreement and Modification. This Agreement, the Proxy and any other documents delivered by the parties in connection herewith constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to its subject matter and constitute (along with the documents delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended, supplemented or otherwise modified except by a written document executed by the party against whose interest the modification will operate. The parties will not enter into any other agreement inconsistent with the terms and conditions of this Agreement and the Proxy, or that addresses any of the subject matters addressed in this Agreement and the Proxy.

6.6 Drafting and Representation. The parties agree that the terms and language of this Agreement were the result of negotiations between the parties and, as a result, there will be no presumption that any ambiguities in this Agreement will be resolved against any party. Any controversy over construction of this Agreement will be decided without regard to events of authorship or negotiation.

6.7 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without affecting the validity or enforceability of the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

6.8 No Third-Party Rights. Stockholder may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the Company, except as permitted pursuant to Section 2.5(a). The Company may not assign any of its rights or delegate any of its obligations under this Agreement with respect to Stockholder without the prior written consent of Stockholder. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of each of the respective successors, personal or legal representatives, heirs, distributees, devisees, legatees, executors, administrators and permitted assigns of Stockholder and the successors and permitted assigns of the Company. Nothing expressed or referred to in this Agreement will be construed to give any person, other than the parties to this Agreement, any legal or equitable right, remedy or claim under or

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with respect to this Agreement or any provision of this Agreement except such rights as may inure to a successor or permitted assignee under this Section.

6.9 Enforcement of Agreement. Stockholder acknowledges and agrees that the Company could be damaged irreparably if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by Stockholder could not be adequately compensated by monetary damages. Accordingly, Stockholder agrees that, (a) it will waive, in any action for specific performance, the defense of adequacy of a remedy at law, and (b) in addition to any other right or remedy to which the Company may be entitled, at law or in equity, the Company will be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

6.10 Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by a party in exercising any right, power or privilege under this Agreement, the Proxy or any of the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by Applicable Law, (a) no claim or right arising out of this Agreement, the Proxy or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in a written document signed by the other party, (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given, and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement, the Proxy or the documents referred to in this Agreement.

6.11 Governing Law. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed by, construed under and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts or choice of law.

6.12 Consent to Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Proxy or the transactions contemplated hereby or thereby will be brought exclusively in the United States District Court for the District of Delaware or, if such court does not have jurisdiction over the subject matter of such proceeding or if such jurisdiction is not available, in the Court of Chancery of the State of Delaware, County of New Castle, and each of the parties hereby consents to the exclusive jurisdiction of those courts (and of the appropriate appellate courts therefrom) in any suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Applicable Law, any objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding in any of those courts or that any suit, action or proceeding which is brought in any of those courts has been brought in an inconvenient forum. Process in any suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any of the named courts. Without limiting the foregoing, each party agrees that service of process on it by notice as provided in *Section 5.3* will be deemed effective service of process. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

6.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which, taken together, will constitute one and the

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same instrument. This Agreement may be executed by facsimile signature (including signatures in Adobe PDF or similar format).

6.14 **Expenses.** Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such expenses.

6.15 **Headings; Construction.** The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. In this Agreement (a) words denoting the singular include the plural and vice versa, (b) "it" or "its" or words denoting any gender include all genders and (c) the word "including" means "including without limitation," whether or not expressed.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Voting Agreement to be duly executed as of the day and year first above written.

THE COMPANY:

BIOSANTE PHARMACEUTICALS, INC.

By: /s/ STEPHEN M. SIMES

Name: Stephen M. Simes
Title: President and Chief Executive Officer

STOCKHOLDER:

MERIDIAN VENTURE PARTNERS II, L.P.

By: MVP II, G.P., L.P., its General Partner

By: Meridian Venture Partners II Co., its
General Partner

By: /s/ THOMAS A. PENN

Its: *Vice President*

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SCHEDULE A

NAME AND
ADDRESS OF STOCKHOLDER
Meridian Venture Partners II, L.P.
259 N. Radnor-Chester Road, Suite 130
Radnor, PA 19087

ANI SHARES
BENEFICIALLY OWNED
67,599 shares of Series A Preferred Stock
13,638 shares of Series B Preferred Stock
11,364 shares of Series C Preferred Stock
1,376,596 shares of Series D Preferred Stock
12,477 Shares of Common Stock

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EXHIBIT A

IRREVOCABLE PROXY

From and after the date hereof and until the Expiration Date (as defined below), the undersigned stockholder ("*Stockholder*") of ANIP Acquisition Company, a Delaware corporation ("*ANI*"), hereby irrevocably (to the full extent permitted by Section 212 of the Delaware General Corporation Law) grants to, and appoints, BioSante Pharmaceuticals, Inc., a **Delaware** corporation (the "*Company*"), and any designee of the Company, and each of them individually, as the sole and exclusive attorney and proxy of the undersigned, with full power of substitution and resubstitution, to vote the Subject Shares (as defined in the Voting Agreement) of the Stockholder, or grant a consent or approval in respect of the Subject Shares of the Stockholder, in a manner consistent with Section 2.2 of the Voting Agreement (as defined below). Upon the undersigned's execution of this Proxy, any and all prior proxies given by the undersigned with respect to any Subject Shares relating to the voting rights expressly provided herein are hereby revoked and the undersigned agrees not to grant any subsequent proxies with respect to the Subject Shares relating to such voting rights at any time prior to the Expiration Date.

This Proxy is irrevocable, is coupled with an interest and is granted pursuant to that certain Voting Agreement (as amended from time to time, the "*Voting Agreement*") of even date herewith, by and among the Company and Stockholder, and is granted in consideration of the Company entering into the Merger Agreement (as defined in the Voting Agreement). As used herein, the term "*Expiration Date*," and all capitalized terms used herein and not otherwise defined, will have the meanings set forth in the Voting Agreement. **The Stockholder agrees that this proxy will be irrevocable until the Expiration Date and is coupled with an interest sufficient at law to support an irrevocable proxy and given to the Company as an inducement to enter into the Merger Agreement and, to the extent permitted under applicable law, will be valid and binding on any person to whom Stockholder may transfer any of his, her or its Subject Shares in breach of the Voting Agreement.** The Stockholder hereby ratifies and confirms all that such irrevocable proxy may lawfully do or cause to be done by virtue hereof.

The attorneys and proxies named above, and each of them, are hereby authorized and empowered by the undersigned, at any time prior to the Expiration Date, to act as the undersigned's attorney and proxy to vote the Subject Shares, and to exercise all voting and other rights of the undersigned with respect to the Subject Shares (including, without limitation, the power to execute and deliver written consents pursuant to Section 228 of the Delaware General Corporation Law), at every annual, special or adjourned meeting of the stockholders of the Company and in every written consent in lieu of such meeting in a manner consistent with Section 2.2 of the Voting Agreement.

This Proxy will be binding upon the heirs, estate, executors, personal representatives, successors and assigns of Stockholder (including any transferee of any of the Subject Shares), and all authority herein conferred or agreed to be conferred will survive the death or incapacity of the Stockholder.

If any provision of this Proxy or any part of any such provision is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof will, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction will not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (c) the invalidity or unenforceability of such provision or part thereof will not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Proxy. Each provision of this Proxy is separable from every other provision of

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this Proxy, and each part of each provision of this Proxy is separable from every other part of such provision.

Dated: October 3, 2012

MERIDIAN VENTURE PARTNERS II, L.P.

By: MVP II, G.P., L.P., its General Partner

By: MERIDIAN VENTURE PARTNERS II CO., its
General Partner

By: /s/ THOAMS A. PENN

Name: Thomas A. Penn
Title: *Vice President*

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VOTING AGREEMENT

This VOTING AGREEMENT (this "**Agreement**"), dated as of October , 2012, is by and between ANIP Acquisition Company, a Delaware corporation ("**ANI**"), and the undersigned stockholder ("**Stockholder**") of BioSante Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), identified on the signature page hereto.

A. The Company and ANI are entering into an Agreement and Plan of Merger (as amended from time to time, the "**Merger Agreement**"), dated as of the date hereof, providing for, among other things, the merger of ANI with and into the Company, with the Company continuing as the surviving corporation (the "**Merger**");

B. As of the date hereof, Stockholder is the Beneficial Owner (as defined below) of, and has the sole right to vote and dispose of, that number of shares of common stock and Class C Special Shares (the "**Company Shares**") of the Company set forth beside Stockholder's name on *Schedule A* hereto; and

C. Concurrently with the entry by the Company and ANI into the Merger Agreement, and as a condition and inducement to the willingness of ANI to enter into the Merger Agreement and incur the obligations set forth therein, ANI has required that Stockholder enter into this Agreement;

Accordingly, and in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

**ARTICLE I.
Definitions**

Capitalized terms used but not defined in this Agreement are used in this Agreement with the meanings given to such terms in the Merger Agreement. In addition, for purposes of this Agreement:

"**Affiliate**" means, with respect to any specified person, a person who, at the time of determination, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person. For purposes of this Agreement, with respect to Stockholder, "**Affiliate**" does not include the Company and the persons that directly, or indirectly through one or more intermediaries, are controlled by the Company. For the avoidance of doubt, no officer or director of the Company will be deemed an Affiliate of another officer or director of the Company by virtue of his or her status as an officer or director of the Company.

"**Beneficially Owned**" or "**Beneficial Ownership**" with respect to any securities means having beneficial ownership of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act, disregarding the phrase "within 60 days" in paragraph (d)(1)(i) thereof), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities, securities Beneficially Owned by a person include securities Beneficially Owned by (i) all Affiliates of such person, and (ii) all other persons with whom such person would constitute a "group" within the meaning of Section 13(d) of the Exchange Act and the rules promulgated thereunder.

"**Beneficial Owner**" with respect to any securities means a person that has Beneficial Ownership of such securities.

"**person**" has the meaning ascribed thereto in the Merger Agreement.

"**Subject Shares**" means, with respect to Stockholder, without duplication, (i) the Company Shares owned by Stockholder on the date hereof as described on *Schedule A*, and (ii) any additional Company

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Shares acquired by Stockholder or over which Stockholder acquires Beneficial Ownership from and after the date hereof, whether pursuant to existing stock option agreements or otherwise. Without limiting the other provisions of this Agreement, in the event that the Company changes the number of Company Shares issued and outstanding prior to the Expiration Date as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, combination, recapitalization, subdivision, or other similar transaction, the number of Subject Shares subject to this Agreement will be equitably adjusted to reflect such change.

"**Transfer**" means, with respect to a security, the sale, transfer, pledge, hypothecation, encumbrance, assignment or disposition of such security or the Beneficial Ownership thereof, and each option, agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing. As a verb, "**Transfer**" has a correlative meaning.

ARTICLE II.
Covenants of Stockholder

2.1 **Irrevocable Proxy.** Concurrently with the execution of this Agreement, Stockholder agrees to deliver to ANI a proxy in the form attached hereto as *Exhibit A* (the "**Proxy**"), which will be irrevocable to the extent provided in Section 212 of the Delaware General Corporation Law (the "**DGCL**"), with respect to the Subject Shares referred to therein.

2.2 **Agreement to Vote.**

(a) At any meeting of the stockholders of the Company held prior to the Expiration Date (as defined in *Section 5.14*), however called, and at every adjournment or postponement thereof prior to the Expiration Date, or in connection with any written consent of, or any other action by, the stockholders of the Company given or solicited prior to the Expiration Date, Stockholder will vote, or provide a consent with respect to, all of the Subject Shares entitled to vote or to consent thereon (i) in favor of the adoption of the Merger Agreement and approval of the issuance of shares of common stock of the Company to the stockholders of ANI pursuant to the Merger Agreement, and any actions required in furtherance thereof, including the BioSante Charter Amendment, and (ii) against any Acquisition Proposal (other than the Merger), against any amendment of the Company's certificate of incorporation or bylaws or any other proposal or transaction involving the Company, the purpose of which amendment or other proposal or transaction is to delay, prevent or nullify the Merger or the transaction contemplated by the Merger Agreement or change in any manner the voting rights of any capital stock of the Company, and against any other action or agreement that would result in a breach in any material respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement.

(b) Stockholder will not enter into any agreement with any person (other than ANI) prior to the Expiration Date (with respect to periods prior to or after the Expiration Date) directly or indirectly to vote, grant any proxy or give instructions with respect to the voting of, the Subject Shares in respect of the matters described in *Section 2.2* hereof, or the effect of which would be inconsistent with or violate any provision contained in this *Section 2.2*. Any vote or consent (or withholding of consent) by Stockholder that is not in accordance with this *Section 2.2* will be considered null and void, and the provisions of the Proxy will be deemed to take immediate effect.

2.3 **Revocation of Proxies; Cooperation.** Stockholder agrees as follows:

(a) Stockholder hereby represents and warrants that any proxies heretofore given in respect of the Subject Shares with respect to the matters described in *Section 2.2(a)* hereof are not irrevocable, and Stockholder hereby revokes any and all prior proxies with respect to such Subject Shares as they relate to such matters. Prior to the Expiration Date, Stockholder will not directly or

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indirectly grant any proxies or powers of attorney with respect to the matters set forth in *Section 2.2(a)* hereof (other than to ANI), deposit any of the Subject Shares or enter into a voting agreement (other than this Agreement) with respect to any of the Subject Shares relating to any matter described in *Section 2.2(a)*.

(b) Stockholder will (i) use all reasonable efforts to cooperate with the Company and ANI in connection with the transactions contemplated by the Merger Agreement, and (ii) provide any information reasonably requested by the Company or ANI for any regulatory application or filing sought for such transactions.

2.4 No Solicitation. Stockholder acknowledges that the Company is subject to the non-solicitation prohibitions set forth in *Section 5.4* of the Merger Agreement and that the Stockholder has read and understands the terms thereof. Stockholder will not, directly or indirectly, (a) solicit, initiate or knowingly encourage or knowingly facilitate (including by way of furnishing any non-public information relating to the Company or any of its Subsidiaries), or knowingly induce or knowingly take any other action which would reasonably be expected to lead to the making, submission or announcement of, any proposal or inquiry that constitutes, or is reasonably likely to lead to, an Acquisition Proposal; (b) other than informing Persons of the provisions contained in *Section 5.4* of the Merger Agreement, enter into, continue or participate in any discussions or any negotiations regarding any Acquisition Proposal or otherwise take any action to knowingly facilitate or knowingly induce any effort or attempt to make or implement an Acquisition Proposal (including any Acquisition Proposal received prior to the date of this Agreement); (iii) approve, endorse or recommend an Acquisition Proposal or any letter of intent, memorandum of understanding or Contract contemplating an Acquisition Proposal or requiring the Company to abandon or terminate its obligations under the Merger Agreement, or enter into any of the foregoing; or (iv) agree, resolve or commit to do any of the foregoing.

2.5 No Transfer of Subject Shares; Publicity. Stockholder agrees that:

(a) Stockholder (i) will not Transfer or agree to Transfer any of the Subject Shares or, with respect to any matter described in *Section 2.2(a)*, grant any proxy or power-of-attorney with respect to any of the Subject Shares, (ii) will take all action reasonably necessary to prevent creditors in respect of any pledge of the Subject Shares from exercising their rights under such pledge, and (iii) will not take any action that would make in a material respect any of its representations or warranties contained herein untrue or incorrect or would have the effect of preventing or disabling the Stockholder from performing any of its material obligations hereunder. Notwithstanding the foregoing, Stockholder may Transfer and agree to Transfer any of the Subject Shares provided that each person to which any such Subject Shares are Transferred has (x) executed a counterpart of this Agreement and a Proxy in the form attached hereto as *Exhibit A* (with such modifications as ANI may reasonably request), and (y) agreed in writing to hold such Subject Shares subject to all of the terms and conditions set forth in this Agreement.

(b) Unless required by Applicable Law or permitted by the Merger Agreement, Stockholder will not, and will not authorize or direct any of its Affiliates or Representatives to, make any press release or public announcement with respect to this Agreement or the Merger Agreement or the transactions contemplated hereby or thereby, without the prior written consent of ANI in each instance.

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**ARTICLE III.
Representations, Warranties and Additional Covenants of Stockholder**

Stockholder represents, warrants and covenants to ANI that:

3.1 Ownership. Stockholder is the sole Beneficial Owner and the record and legal owner of the Subject Shares identified on *Schedule A* and such shares constitute all of the capital stock of the Company Beneficially Owned by Stockholder. Stockholder has good and valid title to all of the Subject Shares, free and clear of all Liens, claims, options, proxies, voting agreements and security interests and has the sole right to such Subject Shares and there are no restrictions on rights of disposition or other Liens pertaining to such Subject Shares. None of the Subject Shares is subject to any voting trust or other contract with respect to the voting thereof, and no proxy, power of attorney or other authorization has been granted with respect to any of such Subject Shares.

3.2 Authority and Non-Contravention.

(a) Stockholder is an individual acting in such capacity and in Stockholder's capacity as trustee of a trust or other custodial capacity, and not a corporation, limited liability company, partnership or other such entity. Stockholder has all necessary legal capacity to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(b) Assuming due authorization, execution and delivery of this Agreement by ANI, this Agreement has been duly and validly executed and delivered by Stockholder and constitutes the legal, valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms except (i) to the extent limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(c) Stockholder is not nor will it be required to make any filing with or give any notice to, or to obtain any consent from, any person in connection with the execution, delivery or performance of this Agreement or obtain any permit or approval from any Government Authority for any of the transactions contemplated hereby, except to the extent required by Section 13 or Section 16 of the Exchange Act and the rules promulgated thereunder.

(d) Neither the execution and delivery of this Agreement by Stockholder nor the consummation of the transactions contemplated hereby will directly or indirectly (whether with notice or lapse of time or both) (i) conflict with, result in any violation of or constitute a default by Stockholder under any mortgage, bond, indenture, agreement, instrument or obligation to which Stockholder is a party or by which it or any of the Subject Shares are bound, or violate any permit of any Government Authority, or any Applicable Law or Order to which Stockholder, or any of the Subject Shares, may be subject, or (ii) result in the imposition or creation of any Lien upon or with respect to any of the Subject Shares; except, in each case, for conflicts, violations, defaults or Liens that would not individually or in the aggregate be reasonably expected to prevent or materially impair or delay the performance by the Stockholder of its obligations hereunder.

(e) Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Article II hereof and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Subject Shares, with no limitations, qualifications or restrictions on such rights.

3.3 Total Shares. Except as set forth on *Schedule A*, Stockholder is not the Beneficial Owner of, and does not have (whether currently, upon lapse of time, following the satisfaction of any conditions, upon the occurrence of any event or any combination of the foregoing) any right to acquire, and has

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no other interest in or voting rights with respect to, any Company Shares or any securities convertible into or exchangeable or exercisable for Company Shares.

3.4 **Reliance.** Stockholder understands and acknowledges that ANI is entering into the Merger Agreement in reliance upon Stockholder's execution, delivery and performance of this Agreement.

**ARTICLE IV.
Representations, Warranties and Covenants of ANI**

ANI represents, warrants and covenants to Stockholder that, assuming due authorization, execution and delivery of this Agreement by Stockholder, this Agreement constitutes the legal, valid and binding obligation of ANI, enforceable against ANI in accordance with its terms, except (i) to the extent limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. ANI has the corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by ANI of this Agreement and the consummation by ANI of the transactions contemplated hereby have been duly and validly authorized by ANI and no other corporate proceedings on the part of ANI are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by ANI.

**ARTICLE V.
Term and Termination**

This Agreement will become effective upon its execution by Stockholder and ANI. This Agreement will terminate upon the earliest of (a) the Effective Time (as defined in the Merger Agreement), (b) the termination of the Merger Agreement in accordance with Article VII thereof, or (c) written notice by ANI to Stockholder of the termination of this Agreement (the date of the earliest of the events described in clauses (a), (b) and (c), the "**Expiration Date**"). The Stockholder will not be liable for money damages to ANI for any breach of this Agreement and the termination of this Agreement will relieve Stockholder from any liability for any inaccuracy in or breach of any representation, warranty or covenant contained in this Agreement. Notwithstanding the foregoing, Article VI of this Agreement shall survive any termination hereof.

**ARTICLE VI.
General Provisions**

6.1 **Action in Stockholder Capacity Only.** Stockholder is entering into this Agreement solely in Stockholder's capacity as a record holder and beneficial owner, as applicable, of the Subject Shares and not in Stockholder's capacity as a director or officer of the Company. Nothing herein will limit or affect Stockholder's ability to act as an officer or director of the Company.

6.2 **No Ownership Interest.** Nothing contained in this Agreement will be deemed to vest in ANI or any of its Affiliates any direct or indirect ownership or incidents of ownership of or with respect to the Subject Shares. All rights, ownership and economic benefits of and relating to the Subject Shares will remain and belong to Stockholder, and neither ANI nor any of its Affiliates will have any authority to manage, direct, superintend, restrict, regulate, govern or administer any of the policies or operations of the Company or exercise any power or authority to direct Stockholder in the voting of any of the Subject Shares, except as otherwise expressly provided herein or in the Merger Agreement.

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6.3 Notices. All notices, consents, waivers and other communications under this Agreement must be in writing (including facsimile or similar writing) and must be given:

If to ANI, to:

ANIP Acquisition Company
210 Main Street West
Baudette, MN 56623
Attention: Arthur Przybyl
Facsimile No: (218) 634-3540

with a copy (which will not constitute notice) to:

SNR Denton US LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: Paul A. Gajer, Esq.
Facsimile No: (212) 768-6800

If to a Stockholder, to Stockholder's address set forth on *Schedule A*,

or such other address or facsimile number as a party may hereafter specify for the purpose by notice to the other parties hereto. Each notice, consent, waiver or other communication under this Agreement will be effective only (a) if given by facsimile, when the facsimile is transmitted to the facsimile number specified in this Section and the appropriate facsimile confirmation is received or (b) if given by overnight courier or personal delivery when delivered at the address specified in this Section.

6.4 Further Actions. Upon the request of any party to this Agreement, the other party will (a) furnish to the requesting party any additional information, (b) execute and deliver, at their own expense, any other documents and (c) take any other actions as the requesting party may reasonably require to more effectively carry out the intent of this Agreement. Stockholder hereby agrees that the Company and ANI may publish and disclose in the Form S-4 Registration Statement and Joint Proxy Statement/Prospectus (including all documents and schedules filed with the SEC) such Stockholder's identity and ownership of Subject Shares and the nature of such Stockholder's commitments, arrangements, and understandings under this Agreement and may further file this Agreement as an exhibit to the Form S-4 Registration Statement or in any other filing made by the Company with the SEC relating to the Merger Agreement or the transactions contemplated thereby. Stockholder agrees to notify ANI promptly of any additional shares of capital stock of the Company of which Stockholder becomes the record or beneficial owner after the date of this Agreement.

6.5 Entire Agreement and Modification. This Agreement, the Proxy and any other documents delivered by the parties in connection herewith constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, between the parties with respect to its subject matter and constitute (along with the documents delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended, supplemented or otherwise modified except by a written document executed by the party against whose interest the modification will operate. The parties will not enter into any other agreement inconsistent with the terms and conditions of this Agreement and the Proxy, or that addresses any of the subject matters addressed in this Agreement and the Proxy.

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6.6 Drafting and Representation. The parties agree that the terms and language of this Agreement were the result of negotiations between the parties and, as a result, there will be no presumption that any ambiguities in this Agreement will be resolved against any party. Any controversy over construction of this Agreement will be decided without regard to events of authorship or negotiation.

6.7 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without affecting the validity or enforceability of the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision will be interpreted to be only so broad as is enforceable.

6.8 No Third-Party Rights. Stockholder may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of ANI. ANI may not assign any of its rights or delegate any of its obligations under this Agreement with respect to Stockholder without the prior written consent of Stockholder. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of each of the respective successors, personal or legal representatives, heirs, distributees, devisees, legatees, executors, administrators and permitted assigns of Stockholder and the successors and permitted assigns of ANI. Nothing expressed or referred to in this Agreement will be construed to give any person, other than the parties to this Agreement, any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement except such rights as may inure to a successor or permitted assignee under this Section.

6.9 Enforcement of Agreement. Stockholder acknowledges and agrees that ANI could be damaged irreparably if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by Stockholder could not be adequately compensated by monetary damages. Accordingly, Stockholder agrees that, (a) it will waive, in any action for specific performance, the defense of adequacy of a remedy at law, and (b) in addition to any other right or remedy to which ANI may be entitled, at law or in equity, ANI will be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

6.10 Waiver. The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither any failure nor any delay by a party in exercising any right, power or privilege under this Agreement, the Proxy or any of the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by Applicable Law, (a) no claim or right arising out of this Agreement, the Proxy or any of the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in a written document signed by the other party, (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given, and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of that party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement, the Proxy or the documents referred to in this Agreement.

6.11 Governing Law. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto will be governed by, construed under and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts or choice of law.

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6.12 **Consent to Jurisdiction.** Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Proxy or the transactions contemplated hereby or thereby will be brought exclusively in the United States District Court for the District of Delaware or, if such court does not have jurisdiction over the subject matter of such proceeding or if such jurisdiction is not available, in the Court of Chancery of the State of Delaware, County of New Castle, and each of the parties hereby consents to the exclusive jurisdiction of those courts (and of the appropriate appellate courts therefrom) in any suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Applicable Law, any objection which it may now or hereafter have to the laying of the venue of any suit, action or proceeding in any of those courts or that any suit, action or proceeding which is brought in any of those courts has been brought in an inconvenient forum. Process in any suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any of the named courts. Without limiting the foregoing, each party agrees that service of process on it by notice as provided in Section 5.3 will be deemed effective service of process. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

6.13 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which, taken together, will constitute one and the same instrument. This Agreement may be executed by facsimile signature (including signatures in Adobe PDF or similar format).

6.14 **Expenses.** Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such expenses.

6.15 **Headings; Construction.** The headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. In this Agreement (a) words denoting the singular include the plural and vice versa, (b) "it" or "its" or words denoting any gender include all genders and (c) the word "including" means "including without limitation," whether or not expressed.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Voting Agreement to be duly executed as of the day and year first above written.

ANI:

ANIP ACQUISITION COMPANY

By:

Name:

Title:

STOCKHOLDER:

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SCHEDULE A

**NAME AND
ADDRESS OF STOCKHOLDER**

**COMPANY SHARES
BENEFICIALLY OWNED**

NAME AND ADDRESS OF STOCKHOLDER	COMPANY SHARES BENEFICIALLY OWNED
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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EXHIBIT A

IRREVOCABLE PROXY

Dated: October , 2012

From and after the date hereof and until the Expiration Date (as defined below), the undersigned stockholder ("*Stockholder*") of BioSante Pharmaceuticals, Inc., a Delaware corporation (the "*Company*"), hereby irrevocably (to the full extent permitted by Section 212 of the Delaware General Corporation Law) grants to, and appoints, ANIP Acquisition Company, a Delaware corporation ("*ANI*"), and any designee of ANI, and each of them individually, as the sole and exclusive attorney and proxy of the undersigned, with full power of substitution and resubstitution, to vote the Subject Shares (as defined in the Voting Agreement) of the Stockholder, or grant a consent or approval in respect of the Subject Shares of the Stockholder, in a manner consistent with Section 2.2 of the Voting Agreement (as defined below). Upon the undersigned's execution of this Proxy, any and all prior proxies given by the undersigned with respect to any Subject Shares relating to the voting rights expressly provided herein are hereby revoked and the undersigned agrees not to grant any subsequent proxies with respect to the Subject Shares relating to such voting rights at any time prior to the Expiration Date.

This Proxy is irrevocable, is coupled with an interest and is granted pursuant to that certain Voting Agreement (as amended from time to time, the "*Voting Agreement*") of even date herewith, by and among ANI and Stockholder, and is granted in consideration of ANI entering into the Merger Agreement (as defined in the Voting Agreement). As used herein, the term "*Expiration Date*," and all capitalized terms used herein and not otherwise defined, will have the meanings set forth in the Voting Agreement. **The Stockholder agrees that this proxy will be irrevocable until the Expiration Date and is coupled with an interest sufficient at law to support an irrevocable proxy and given to ANI as an inducement to enter into the Merger Agreement and, to the extent permitted under applicable law, will be valid and binding on any person to whom Stockholder may transfer any of his, her or its Subject Shares in breach of the Voting Agreement.** The Stockholder hereby ratifies and confirms all that such irrevocable proxy may lawfully do or cause to be done by virtue hereof.

The attorneys and proxies named above, and each of them, are hereby authorized and empowered by the undersigned, at any time prior to the Expiration Date, to act as the undersigned's attorney and proxy to vote the Subject Shares, and to exercise all voting and other rights of the undersigned with respect to the Subject Shares (including, without limitation, the power to execute and deliver written consents pursuant to Section 228 of the Delaware General Corporation Law), at every annual, special or adjourned meeting of the stockholders of the Company and in every written consent in lieu of such meeting in a manner consistent with Section 2.2 of the Voting Agreement.

This Proxy will be binding upon the heirs, estate, executors, personal representatives, successors and assigns of Stockholder (including any transferee of any of the Subject Shares), and all authority herein conferred or agreed to be conferred will survive the death or incapacity of the Stockholder.

If any provision of this Proxy or any part of any such provision is held under any circumstances to be invalid or unenforceable in any jurisdiction, then (a) such provision or part thereof will, with respect to such circumstances and in such jurisdiction, be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (b) the invalidity or unenforceability of such provision or part thereof under such circumstances and in such jurisdiction will not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (c) the invalidity or unenforceability of such provision or part thereof will not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Proxy. Each provision of this Proxy is separable from every other provision of

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this Proxy, and each part of each provision of this Proxy is separable from every other part of such provision.

(Signature of Stockholder)

(Print Name of Stockholder)

Number of Subject Shares owned of record or Beneficially Owned as
of the date of this Proxy:

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FORM OF LOCK-UP AGREEMENT

October 3, 2012

BioSante Pharmaceuticals, Inc.
111 Barclay Boulevard
Lincolnshire, Illinois 60069

Ladies and Gentlemen:

Reference is made to the Agreement and Plan of Merger (the "*Merger Agreement*"), by and between BioSante Pharmaceuticals, Inc., a Delaware corporation ("*BioSante*"), and ANIP Acquisition Company (d/b/a ANI Pharmaceuticals, Inc.), a Delaware corporation ("*ANI*"), dated as of the date hereof. Pursuant to the Merger Agreement, BioSante and ANI plan to effect a merger (the "*Merger*") in which ANI will be merging with and into BioSante, with BioSante being the surviving corporation. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Merger Agreement.

To induce both parties to continue their efforts in connection with the Merger contemplated by the Merger Agreement, the undersigned agrees that, without BioSante's prior written consent, the undersigned will not, for a period commencing on the closing date of the Merger and ending 180 days after such date (the "*Lock-Up Period*"), directly or indirectly, or publicly announce an intention to (a) offer, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, or otherwise dispose of any shares of BioSante's common stock, par value \$0.0001 per share, to be received by the undersigned in the Merger (the "*Common Stock*"), (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (a) or (b) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing restriction (i) shall not limit the right of the undersigned during the Lock-Up Period to make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any securities convertible into, exercisable for, or exchangeable for shares of Common Stock so long as there are no sales of such shares of Common Stock during the Lock-Up Period and (ii) shall include, without limitation, any securities issued to the undersigned in the Merger in exchange for securities of ANI.

Any Common Stock acquired by the undersigned in the open market on or after the closing of the Merger will not be subject to this agreement. A transfer of Common Stock to an immediate family member or a trust for the benefit of the undersigned or an immediate family member (including by will or intestacy) or a distribution to partners, members or shareholders of the undersigned may be made, provided that the transferee agrees in writing prior to such transfer to be bound by the terms of this agreement as if it were a party hereto. For purposes of this agreement, "immediate family" means any relationship by blood, marriage or adoption, not more remote than first cousin (including lineal descendants, stepchildren, father, mother, brother or sister of the undersigned or the undersigned's spouse).

The foregoing restriction shall not apply: (1) to bona fide gifts by the undersigned, provided that (a) each resulting transferee of Common Stock executes and delivers to BioSante an agreement certifying that such transferee is bound by the terms of this agreement and has been in compliance with the terms hereof since the date first above written as if it had been an original party hereto and (b) to the extent any interest in Common Stock is retained by the undersigned (or such spouse or family member), such Common Stock shall remain subject to the restrictions contained in this agreement or (2) to sale, transfer or other transaction in or relating to shares of Common Stock in connection with any merger of BioSante with or into any other entity or tender offer by BioSante or any other entity

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for the Common Stock, in each case which transaction has been approved by at least a majority of BioSante's Board of Directors.

The undersigned agrees and consents to the entry of stop transfer instructions with BioSante's transfer agent and registrar relating to the transfer of the undersigned's shares of Common Stock except in compliance with the restrictions described above and authorizes BioSante, during the Lock-Up Period, to cause BioSante's transfer agent to place a notation on book-entry notations representing the Common Stock.

The undersigned represents and warrants that the undersigned has full power and authority to enter into this agreement, and that, upon request, the undersigned will execute any additional documents reasonably necessary to carry out the transactions contemplated hereby. Any obligations created by this agreement shall be binding upon the heirs, devisees, personal representatives, successors and assigns of the undersigned.

The undersigned agrees that in the event of any breach or threatened breach by the undersigned of any covenant, obligation or other provision contained in this agreement, then BioSante shall be entitled (in addition to any other remedy that may be available to BioSante) to (a) a decree or order of specific performance to enforce the observance and performance of such covenant, obligation or other provision and (b) an injunction restraining such breach or threatened breach.

Any term or provision of this agreement that is invalid or unenforceable under applicable law, such provision shall be excluded from this agreement and the balance of this agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

The provisions of this agreement may not be amended or waived by the undersigned party without the prior written consent of BioSante.

This agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to such State's principles of conflict of laws. Delivery of a signed copy of this letter by facsimile transmission shall be effective as delivery of the original hereof.

Very truly yours,

By:

Name:

Title:

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CONTINGENT VALUE RIGHTS AGREEMENT

THIS CONTINGENT VALUE RIGHTS AGREEMENT, dated as of [], 2013 (this "**Agreement**"), is entered into by and among BioSante Pharmaceuticals, Inc., a Delaware corporation ("**BioSante**"), ANIP Acquisition Company, a Delaware corporation ("**ANI**"), Computershare Inc., a Delaware corporation, and its fully owned subsidiary Computershare Trust Company, N.A., a federally chartered trust company (collectively, the "**Rights Agent**" or individually, "**Computershare**" and the "**Trust Company**", respectively) and as initial CVR Registrar (as defined herein), and [], acting solely in his capacity as representative of the Holders (the "**Holder Representative**").

A. BioSante and ANI have entered into an Agreement and Plan of Merger dated as of October 3, 2012 (the "**Merger Agreement**"), pursuant to which ANI will merge with and into BioSante (the "**Merger**") (the surviving entity of the Merger is referred to in this Agreement as the "**Company**").

B. Prior to the effectiveness of the Merger, BioSante wishes to create and issue contingent value rights relating to the LibiGel Assets (as defined below) to the record holders of BioSante Common Stock (as hereinafter defined) as of a record date prior to the effectiveness of the Merger.

C. On [], 2013 the Board of Directors of BioSante authorized and declared a dividend of one CVR (as hereinafter defined) for each share of Common Stock outstanding at the Close of Business (as hereinafter defined) on the Record Date (as hereinafter defined).

D. BioSante has done all things necessary to make the CVRs, when issued hereunder, the valid obligations of the Company in accordance with their terms.

Accordingly, and in consideration of the premises and the consummation of the transactions referred to above, it is mutually covenanted and agreed, for the benefit of the Holders (as hereinafter defined), as follows:

**ARTICLE I.
Definitions**

1.1 Definitions.

(a) For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(i) all accounting terms used herein and not expressly defined herein have the meanings assigned to such terms in accordance with United States generally accepted accounting principles, as in effect on the date hereof;

(ii) unless the context otherwise requires, words describing the singular number include the plural and vice versa, words denoting any gender include all genders and words denoting natural Persons include corporations, partnerships and other Persons and vice versa;

(iii) the words "include" and "including" and variations thereof will not be deemed to be terms of limitation, but rather will be deemed to be followed by the words "without limitation";

(iv) the terms "hereof", "hereunder", "herein" and words of similar import refer to this Agreement as a whole and not to any particular Article, Section or provision of this Agreement; and

(v) the Article and Section headings contained in this Agreement are for reference purposes only and do not limit or otherwise affect any of the substance of this Agreement.

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(b) The following terms have the meanings ascribed to them as follows:

"**Achievement Certificate**" has the meaning set forth in *Section 2.4(a)*.

"**Affiliates**" means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person.

"**Board of Directors**" means the board of directors of the Company.

"**Board Resolution**" means a copy of a resolution certified by the secretary or an assistant secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Rights Agent and the Holder Representative.

"**Business Day**" means each day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are authorized or required by law to close.

"**Change of Control**" means (x) (i) any consolidation or merger of the Company with or into any other corporation or entity or Person or (ii) any other corporate reorganization, in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, own less than 50% of the voting power of the surviving entity immediately after such consolidation, merger or reorganization, or (y) any sale of all or substantially all of the assets of the Company.

"**Close of Business**" on any given date means 5:00 p.m., Central Time, on such date; *provided, however*, that if such date is not a Business Day it will mean 5:00 p.m., Central Time, on the next succeeding Business Day.

"**Common Stock**" means the common stock, \$0.0001 par value, of BioSante.

"**CVR Payment Amount**" means an amount equal to sixty-six percent (66%) of the Net Proceeds actually received by the Company (or any of its Subsidiaries) in connection with a LibiGel Transaction occurring after the date of the Merger Agreement and prior to the Outside Date; *provided, however*, that in no event will the aggregate amount of CVR Payment Amounts paid to the Holders pursuant to this Agreement exceed \$40,000,000. All payments of any CVR Payment Amount to any Holders pursuant to this Agreement must be made in cash, and for that purpose any property other than cash received as Net Proceeds will be either, as determined by the board of directors of the Company in its discretion within sixty (60) days of the receipt of such property, (i) valued in good faith by the board of directors of the Company and the value so determined will be treated as Net Proceeds as of the date such non-cash property was received by the Company or (ii) the non-cash property will be excluded from Net Proceeds until converted into or exchanged for or disposed of by the Company for cash.

"**CVR Payment Date**" means the date (if any and if ever) that a CVR Payment Amount is payable by the Company to the Holders, which date will be established pursuant to *Section 2.4*.

"**CVR Register**" has the meaning set forth in *Section 2.3(b)*.

"**CVR Registrar**" has the meaning set forth in *Section 2.3(b)*.

"**CVRs**" means the contingent value rights issued by BioSante pursuant to this Agreement.

"**Effective Time**" means the effective time of the Merger, pursuant to the Merger Agreement. Company shall notify the Rights Agent of the Effective Time promptly after the occurrence thereof.

"**Holder**" means a Person in whose name a CVR is registered in the CVR Register.

"**Holder Representative**" means the Holder Representative named in the first paragraph of this Agreement, until a successor Holder Representative has become such pursuant to the applicable provisions of this Agreement, and thereafter "**Holder Representative**" will mean such successor Holder Representative.

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"**LibiGel Assets**" means the intellectual property rights and know-how and related assets, that currently are or have been used in the research, development and manufacture of BioSante's LibiGel® product, a proprietary transdermal testosterone formulation subject to a license agreement with Antares Pharma Inc., including all BioSante generated regulatory filings, clinical and non-clinical safety, efficacy and pharmacokinetic data, compiled by or on behalf of BioSante in connection with the development of the LibiGel product.

"**LibiGel Transaction**" means the full or partial sale, license, transfer or other disposition entered into by the Company or any Subsidiary prior to Outside Date with any Person (other than any of the Company's Subsidiaries) with respect to the LibiGel Assets. For purposes of clarity, more than one transaction can constitute a LibiGel Transaction pursuant to this Agreement.

"**Net Proceeds**" means the aggregate payments received after the Effective Time in connection with a LibiGel Transaction, less (i) all transaction costs and expenses, such as legal and investment banker fees, incurred or payable by the Company (or any of its stockholders or Affiliates) after the Effective Time in connection with the LibiGel Transaction, (ii) all applicable sales, income and other taxes in respect of the LibiGel Transaction that are incurred or payable after the Effective Time (net of any Company tax benefits resulting from the payment of any CVR Payment Amount to Holders pursuant to this Agreement), (iii) all out-of-pocket costs incurred or payable after the Effective Time in connection with or relating to the CVRs, including the Rights Agent Fee and legal fees, reimbursement of expenses or indemnity payments payable in respect of the CVRs or the administration thereof or calculation of Net Proceeds, but excluding any fees or expenses related to the Company's internal accounting for the CVRs, (iv) all of the Company's remaining costs or liabilities (whether incurred before or after the completion of the Merger) related to the development of the LibiGel Assets or the conduct, completion or termination of any clinical trials, safety studies or other research studies associated with the LibiGel Assets (in each case, to the extent not paid prior to completion of the Merger or included pursuant to Section 2.2(a)(vii)(E) of the Merger Agreement in the calculation of Net Cash as of the Determination Date), and (v) in the case of Net Proceeds received by a Subsidiary which is not wholly owned by the Company, a percentage of such Net Proceeds equal to the percentage of the equity of such Subsidiary not owned by the Company or its wholly owned Subsidiaries. Amounts placed in escrow or earnout or other contingent payments in connection with a LibiGel Transaction will not be considered Net Proceeds unless and until (and only to the extent that) such amounts are released from escrow or otherwise paid to the Company (or any of its stockholders or Affiliates) in cash. With respect to any LibiGel Transaction that occurs prior to the Outside Date, any such escrow, earnout or other contingent payments released or paid after the Outside Date will be deemed to be Net Proceeds, so long as such amount is actually received within three years of the Outside Date. For purposes of determining any income taxes relating to a LibiGel Transaction, the tax rate used will be the highest marginal rate that would be paid by the Company in connection with similar types of income for the year in which such LibiGel Transaction occurs (taking into account all tax benefits, including net operating losses, of the Company for such period).

"**Non-Achievement Certificate**" has the meaning set forth in *Section 2.4(b)*.

"**Notice of Objection**" has the meaning set forth in *Section 2.4(c)*.

"**Objection Period**" has the meaning set forth in *Section 2.4(c)*.

"**Officer's Certificate**" means a certificate signed by the chief executive officer, president, chief financial officer or secretary of the Company, in his or her capacity as such an officer, and delivered to the Rights Agent and the Holder Representative.

"**Outside Date**" means the date that is ten (10) years after the date hereof.

"**Permitted Transfer**" means: (i) the transfer of any or all of the CVRs (upon the death of the Holder) by will or intestacy; (ii) transfer by instrument to an inter vivos or testamentary trust in which

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(b) One CVR will be issued with respect to each share of Common Stock that is outstanding as of the Close of Business on the Record Date.

(c) The Company hereby appoints the Trust Company as the Rights Agent to act as rights agent for the Company in accordance with the instructions hereinafter set forth in this Agreement, and Computershare as the service provider to the Trust Company and as processor of all payments received or made by or on behalf of Company under this Agreement, and the Trust Company and Computershare hereby accept such appointment.

2.2 Nontransferable.

The CVRs may not be sold, assigned, transferred, pledged, encumbered or in any other manner transferred or disposed of, in whole or in part, other than through a Permitted Transfer.

2.3 No Certificate; Registration; Registration of Transfer; Change of Address.

(a) The CVRs will be issued in book-entry form only and will not be evidenced by a certificate or other instrument.

(b) The Rights Agent will keep a register (the "**CVR Register**") for the registration of CVRs. The Rights Agent is hereby initially appointed "**CVR Registrar**" for the purpose of registering CVRs and transfers of CVRs as herein provided. Upon any change in the identity of the Rights Agent, the successor Rights Agent will automatically also become the successor CVR Registrar.

(c) Subject to the restrictions on transferability set forth in *Section 2.2*, every request made to transfer a CVR must be in writing and accompanied by a written instrument or instruments of transfer and any other requested documentation in a form reasonably satisfactory to the Company and the CVR Registrar, duly executed by the registered Holder or Holders thereof or by the duly appointed legal representative thereof or by a duly authorized attorney, including the evidence of authority of the party presenting the CVR for transfer which authority may include, if applicable, a signature guarantee from an eligible guarantor institution participating in a signature guarantee program approved by the Securities Transfer Association. A request for a transfer of a CVR must be accompanied by such documentation establishing that the transfer is a Permitted Transfer as may be reasonably requested by the Company and/or the CVR Registrar, if appropriate. Upon receipt of such written request and materials, the CVR Registrar will, subject to its reasonable determination that the transfer instrument is in proper form and the transfer otherwise complies with the other terms and conditions herein, register the transfer of the CVRs in the CVR Register. All duly transferred CVRs registered in the CVR Register will be the valid obligations of the Company, evidencing the same right and will entitle the transferee to the same benefits and rights under this Agreement, as those previously held by the transferor. No transfer of a CVR will be valid until registered in the CVR Register, and any transfer not duly registered in the CVR Register will be void and invalid. All costs and expenses related to any transfer or assignment of the CVRs (including the cost of any transfer tax) will be the responsibility of the transferor.

(d) A Holder (or an authorized representative thereof) may make a request to the CVR Registrar to change such Holder's address of record in the CVR Register. Upon receipt of such request, the CVR Registrar will promptly record the change of address in the CVR Register.

2.4 Payment Procedures.

(a) Promptly following the occurrence of a LibiGel Transaction as to which the Holders are entitled to receive a CVR Payment Amount, but in no event later than thirty (30) days after the occurrence of such a LibiGel Transaction, the Company will deliver to the Holder Representative and the Rights Agent a certificate (the "**Achievement Certificate**"), certifying that the Holders are entitled to receive a CVR Payment Amount (and setting forth the calculation of the CVR Payment Amount).

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No transaction described in *Section 6.1(a)* hereof will give the Holders the right to receive a CVR Payment Amount.

(b) If no LibiGel Transaction has occurred on or before the Outside Date, then, as soon as reasonably practicable after the Outside Date, but in no event later than thirty (30) days after the Outside Date, the Company will deliver to the Holder Representative and the Rights Agent a certificate (the "**Non-Achievement Certificate**"), stating that no LibiGel Transaction occurred.

(c) Within sixty (60) calendar days after distribution by the Rights Agent of a Non-Achievement Certificate (the "**Objection Period**"), the Holder Representative may deliver a written notice to the Company specifying that the Holder Representative objects to the determination of the Company that no LibiGel Transaction occurred (a "**Notice of Objection**") and stating the reason upon which the Holder Representative has determined that a LibiGel Transaction has occurred on or before the Outside Date. Any dispute arising from a Notice of Objection will be resolved in accordance with the procedure set forth in *Section 8.10*, which decision will be binding on the parties hereto and every Holder.

(d) If a Notice of Objection has not been delivered to the Company within the Objection Period, then the Holders will have no right to receive the CVR Payment Amount, and the Company and the Rights Agent will have no further obligations with respect to the CVR Payment Amount.

(e) If the Company delivers an Achievement Certificate to the Holder Representative and the Rights Agent or if the CVR Payment Amount is determined to be payable pursuant to *Section 2.4(c)* above, the Company will establish a CVR Payment Date that is the earlier of (i) one hundred (100) days after the end of the Company's fiscal year (or, if the applicable CVR Payment Date is greater than twelve million five hundred thousand dollars (\$12,500,000), fifty (50) days after the end of the Company's fiscal quarter) during which the Achievement Certificate is delivered or (ii) thirty (30) days after the date of final determination pursuant to *Section 2.4(c)* above, as applicable. At least five (5) Business Days before such CVR Payment Date, the Company will cause the CVR Payment Amount in cash to be delivered to the Rights Agent, and in turn, on the CVR Payment Date, Computershare will distribute the CVR Payment Amount to the Holders (each Holder being entitled to receive its pro rata share of the CVR Payment Amount based on the number of CVRs held (as of the date of the Achievement Certificate or the date of final determination pursuant to *Section 2.4(c)* above, as applicable) by such Holder as reflected on the CVR Register) (i) by check mailed to the address of each such respective Holder as reflected in the CVR Register as of the Close of Business on the last Business Day before such CVR Payment Date, or, (ii) with respect to any Holder who has provided the Rights Agent with wire transfer instructions meeting the Rights Agent's requirements, by wire transfer of immediately available funds to such account.

(f) The Company will be entitled to deduct and withhold, or cause to be deducted or withheld, from each CVR Payment Amount otherwise payable pursuant to this Agreement, such amounts as the Company or the applicable Affiliate of the Company is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld or paid over to or deposited with the relevant governmental entity, such withheld amounts will be treated for all purposes of this Agreement as having been paid to the Holder in respect of which such deduction and withholding was made.

(g) Subject to prior execution and delivery by the Holder Representative of a reasonable and customary confidentiality agreement, the Company will promptly furnish to the Holder Representative all information and documentation in connection with this Agreement and the CVRs that the Holder Representative may reasonably request in connection with the determination of whether the LibiGel Transaction has occurred. The Company will promptly furnish to the Rights Agent all information and documentation in connection with this Agreement and the CVRs that the Rights Agent may reasonably request in order to perform under this Agreement.

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(h) The Company acknowledges that the bank accounts maintained by Computershare in connection with the services provided under this Agreement will be in Computershare's name and that Computershare may receive investment earnings in connection with the investment at Computershare's risk and for its benefit of funds held in those accounts from time to time.

2.5 No Voting, Dividends or Interest; No Equity or Ownership Interest in the Company.

(a) The CVRs will not have any voting or dividend rights, and interest will not accrue on any amounts payable on the CVRs to any Holder.

(b) The CVRs will not represent any equity or ownership interest in the Company.

2.6 No Obligation on Company.

Notwithstanding anything else in this Agreement to the contrary, the Company's only obligation in connection with (a) any continued operation of, development of or investment in the LibiGel Assets, (b) pursuing, negotiating or entering into one or more LibiGel Transactions, and (c) the terms and conditions of any LibiGel Transaction will be to act or forbear from acting in good faith; *provided, however*, that to the extent that the Company makes a decision to pursue, engage in, negotiate or enter into a LibiGel Transaction, the Company will use commercially reasonable efforts to seek to ensure that the consideration from such LibiGel Transaction is paid to the Company in cash and prior to the Outside Date.

**ARTICLE III.
The Rights Agent**

3.1 Certain Duties and Responsibilities.

(a) The Rights Agent will not have any liability for any actions taken or not taken in connection with this Agreement, except to the extent of its willful misconduct, bad faith or gross negligence. No provision of this Agreement will require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers. Notwithstanding anything contained herein to the contrary, the Rights Agent's aggregate liability under this Agreement, or from all services provided or omitted to be provided under this Agreement, whether in contract, or in tort, or otherwise, is limited to, and shall not exceed, the amounts paid hereunder by the Company to the Rights Agent as fees and charges, but not including reimbursable expenses.

(b) The Holder Representative may direct the Rights Agent to act on behalf of the Holders in enforcing any of its or their rights hereunder, including the delivery of any Notice of Objection and negotiation or arbitration pursuant to *Section 8.10*. The Rights Agent will be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve material expense unless the Holder Representative will furnish the Rights Agent with reasonable security and indemnity for any costs and expenses that may be incurred. All rights of action under this Agreement may be enforced by the Rights Agent, and any action, suit or proceeding instituted by the Rights Agent will be brought in its name as Rights Agent, and any recovery of judgment will be for the ratable benefit of all the Holders, as their respective rights or interests may appear.

3.2 Certain Rights of Rights Agent.

The Rights Agent undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, and no implied covenants or obligations will be read into this Agreement against the Rights Agent. In addition:

(a) the Rights Agent may rely and will be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order

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or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) whenever the Rights Agent will deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Rights Agent may, in the absence of willful misconduct, bad faith or gross negligence on its part, rely upon an Officer's Certificate;

(c) the Rights Agent may engage and consult with counsel of its selection and the written advice of such counsel or any opinion of counsel will be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(d) in the event of arbitration, the Rights Agent may engage and consult with tax experts, valuation firms and other experts and third parties that it, in its sole and absolute discretion, deems appropriate or necessary to enable it to discharge its duties hereunder;

(e) the permissive rights of the Rights Agent to do things enumerated in this Agreement will not be construed as a duty;

(f) the Rights Agent will not be required to give any note or surety in respect of the execution of such powers or otherwise in respect of the premises;

(g) the Company agrees to indemnify the Rights Agent for, and hold the Rights Agent harmless against, any loss, liability, claim, demands, suits or expense (in each case pertaining to the Rights Agent's own account only) arising out of or in connection with the Rights Agent's duties under this Agreement, including the costs and expenses of defending the Rights Agent against any claims, charges, demands, suits or loss, unless such loss has been determined by a court of competent jurisdiction to be a result of the Rights Agent's willful misconduct, bad faith or gross negligence; and

(h) the Company agrees (i) to pay the fees and expenses of the Rights Agent in connection with this Agreement, as set forth on *Schedule 1* hereto, and (ii) to reimburse the Rights Agent for all taxes and governmental charges, reasonable expenses and other charges of any kind and nature incurred by the Rights Agent in the execution of this Agreement (other than taxes measured by the Rights Agent's net income). The Rights Agent will also be entitled to reimbursement from the Company for all reasonable and necessary out-of-pocket expenses (including reasonable fees and expenses of the Rights Agent's counsel and agent) paid or incurred by it in connection with the administration by the Rights Agent of its duties hereunder. An invoice for the Rights Agent Fee will be rendered a reasonable time before, and paid on, the effective date of the applicable transaction. An invoice for any out-of-pocket expenses and per item fees realized will be rendered and payable within thirty (30) calendar days after receipt by the Company. The Company agrees to pay to Rights Agent any amounts, including fees and expenses, payable in favor of the Rights Agent in connection with any dispute, resolution or arbitration arising under or in connection with the Agreement; and any fees and expenses, payable by the Company in favor of the Rights Agent or payable in favor of the Company related to such dispute, resolution or arbitration will be offset against the CVR Payment Amount, if any, or any payment to be made thereafter under this Agreement.

3.3 Resignation and Removal; Appointment of Successor.

(a) The Rights Agent may resign at any time by giving written notice thereof to the Company specifying a date when such resignation will take effect, which notice will be sent at least thirty (30) days before the date so specified.

(b) If the Rights Agent will resign, be removed or become incapable of acting, the Company, by way of a Board Resolution, will promptly appoint a qualified successor Rights Agent who may (but need not) be a Holder but will not be an officer of the Company. The successor Rights Agent so appointed will, forthwith upon its acceptance of such appointment in accordance with this *Section 3.3(b)*, become the successor Rights Agent.

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(c) The Company will give notice of each resignation and each removal of a Rights Agent and each appointment of a successor Rights Agent by mailing written notice of such event by first-class mail, postage prepaid, to the Holders as their names and addresses appear in the CVR Register and by delivering notice to the Holder Representative. Each notice will include the name and address of the successor Rights Agent. If the Company fails to send such notice within five (5) Business Days after acceptance of appointment by a successor Rights Agent, upon Company's request the successor Rights Agent will cause such notice to be mailed at the expense of the Company.

3.4 Acceptance of Appointment by Successor.

Every successor Rights Agent appointed hereunder will execute, acknowledge and deliver to the Company and to the retiring Rights Agent an instrument accepting such appointment and a counterpart of this Agreement, and thereupon such successor Rights Agent, without any further act, deed or conveyance, will become vested with all the rights, powers, trusts and duties of the retiring Rights Agent; *provided, however*, that upon the request of the Company or the successor Rights Agent, such retiring Rights Agent will cooperate in the transfer of all relevant data, including the CVR Register, to the successor Rights Agent.

**ARTICLE IV.
Covenants**

4.1 List of Holders.

The Company will furnish or cause to be furnished to the Holder Representative and the Rights Agent in such form as the Company receives from its transfer agent (or other agent performing similar services for the Company), the names, addresses and shareholdings of registered holders of Common Stock as of the Close of Business on the Record Date. The Company will promptly furnish an electronic copy of the CVR Register to the Holder Representative upon written request from the Holder Representative.

4.2 Payment of CVR Payment Amount.

The Company will duly and promptly pay the CVR Payment Amount, if any, in immediately available funds, to the Rights Agent to be distributed to the Holders in the manner provided for in *Section 2.4* and in accordance with the terms of this Agreement.

**ARTICLE V.
Amendments**

5.1 Amendments Without Consent of Holder Representative.

(a) Without the consent of the Holder Representative or the Rights Agent, the Company, when authorized by a Board Resolution, at any time and from time to time, may enter into one or more amendments hereto, for any of the following purposes:

(i) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein in a transaction contemplated by *Section 6.1* hereof; or

(ii) to evidence the termination of the CVR Registrar and the succession of another Person as a successor CVR Registrar and the assumption by any successor of the obligations of the CVR Registrar herein.

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(b) Without the consent of the Holder Representative, the Company, when authorized by a Board Resolution, together with the Rights Agent, in the Rights Agent's sole and absolute discretion, may at any time and from time to time, enter into one or more amendments hereto:

(i) to evidence the succession of another Person as a successor Rights Agent and the assumption by any successor of the covenants and obligations of the Rights Agent herein;

(ii) to add to the covenants of the Company such further covenants, restrictions, conditions or provisions as the Board of Directors and the Rights Agent will consider to be for the protection of the Holders;

(iii) to cure any ambiguity, to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein; *provided, however*, that in each case, such provisions will not materially adversely affect the interests of the Holders; or

(iv) to add, eliminate or change any provision of this Agreement unless such addition, elimination or change is adverse to the interests of the Holders.

(c) Promptly after the execution by the Company and the Rights Agent of any amendment pursuant to the provisions of this *Section 5.1*, the Company will deliver a notice thereof to the Holder Representative, setting forth in general terms the substance of such amendment.

5.2 Amendments with Consent of Holder Representative.

Subject to *Section 5.1* (which amendments pursuant to *Section 5.1* may be made without the consent of the Holder Representative), the Company, when authorized by a Board Resolution, and the Rights Agent and the Holder Representative may enter into one or more amendments hereto for the purpose of adding, eliminating or changing any or all provisions of this Agreement.

5.3 Execution of Amendments.

In executing any amendment permitted by this *Article V*, the Rights Agent will be entitled to receive, and will be fully protected in relying upon, an opinion of counsel of the Company, at Company's sole expense, stating that the execution of such amendment is authorized or permitted by this Agreement. The Rights Agent may, but is not obligated to, enter into any such amendment that affects the Rights Agent's own rights, privileges, covenants or duties under this Agreement or otherwise.

5.4 Effect of Amendments.

Upon the execution of any amendment under this *Article V*, this Agreement will be modified in accordance therewith, such amendment will form a part of this Agreement for all purposes and every Holder will be bound thereby.

5.5 Amendment Prior to Effective Time.

This Agreement may not be amended prior to the Effective Time without the prior written consent of ANI.

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**ARTICLE VI.
Consolidation, Merger, Sale or Conveyance**

6.1 The Company May Consolidate, Etc.

(a) Except as contemplated by the Merger, the Company will not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:

(i) the Person formed by such consolidation or into which the Company is merged or the Person that acquires by conveyance or transfer, or that leases, the properties and assets of the Company substantially as an entirety (the "**Surviving Person**") will expressly assume payment (if and to the extent required hereunder) of amounts on all the CVRs and the performance of every duty and covenant of this Agreement on the part of the Company to be performed or observed; and

(ii) the Company has delivered to the Holder Representative and the Rights Agent an Officer's Certificate, stating that such consolidation, merger, conveyance, transfer or lease complies with this Article VI and that all conditions precedent herein provided for relating to such transaction have been complied with.

(b) In the event the Company conveys, transfers or leases its properties and assets substantially as an entirety in accordance with the terms and conditions of this *Section 6.1*, the Surviving Person will be liable for the payment of the CVR Payment Amount and the performance of every duty and covenant of this Agreement on the part of the Company to be performed or observed.

(c) Notwithstanding the foregoing, in the event the Company conveys, transfers or leases its properties and assets substantially as an entirety in accordance with the terms and conditions of this *Section 6.1* or a Change of Control shall occur, then the Company will have the right to purchase all, but not less than all, of the outstanding CVRs for an amount equal to their then fair market value as determined in good faith by an independent third party appraisal firm retained by the Company; provided, however, that such right may not be exercised by the Company or the Surviving Person prior to the fifth anniversary of the Effective Time. Within sixty (60) calendar days after distribution by the Rights Agent of the purchase price for the CVRs as determined in accordance with the terms of this Section 6.1(c), the Holder Representative may deliver a written notice to the Company specifying that the Holder Representative objects to the determination of the purchase price for the CVRs as determined in accordance with the terms of this this Section 6.1(c). Any dispute arising from such an objection will be resolved in accordance with the procedure set forth in Section 8.10, which decision will be binding on the parties hereto and every Holder (including the Holders not participating therein).

6.2 Successor Substituted.

Upon any consolidation of or merger by the Company with or into any other Person, or any conveyance, transfer or lease of the properties and assets substantially as an entirety to any Person in accordance with *Section 6.1*, the Surviving Person will succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement with the same effect as if the Surviving Person had been named as the Company herein, and thereafter the predecessor Person will be relieved of all obligations and covenants under this Agreement and the CVRs.

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**ARTICLE VII.
The Holder Representative**

7.1 Appointment.

Effective upon the issuance of the CVRs under this terms of this Agreement, and without any further act of any of Holders, the Holder Representative is appointed as the representative of the Holders and as the attorney-in-fact and agent for and on behalf of each Holder for purposes of this Agreement and will take such actions to be taken by the Holder Representative under this Agreement and such other actions on behalf of such Holders as it may deem necessary or appropriate in connection with or to consummate the transactions contemplated hereby, including (i) executing and delivering this Agreement and any other ancillary documents and negotiating and executing any amendments, modifications, waivers or changes thereto as to which the Holder Representative, in its sole discretion, has consented (provided that any waiver or amendment that adversely and disproportionately affects the rights or obligations of one or more Holders as compared to other Holders will require the prior written consent of a majority in interest of the disproportionately affected Holders), (ii) agreeing to, negotiating, entering into settlements and compromises of, complying with orders of courts with respect to, and otherwise administering and handling any claims under this Agreement on behalf of such Holders, and (iii) taking all other actions that are either necessary or appropriate in the judgment of the Holder Representative for the accomplishment of the foregoing or contemplated by the terms of this Agreement. The Holder Representative hereby accepts such appointment and agrees to serve as such without compensation. The appointment of the Holder Representative as each Holder's attorney-in-fact revokes any power of attorney heretofore granted that authorized any other Person to represent such Holder with regard to this Agreement and any other agreements or documents executed or delivered in connection with this Agreement. The Holder Representative is the sole and exclusive representative of each of the Holders for any purpose provided for by this Agreement.

7.2 Actions of Holder Representative.

(a) A decision, act, consent or instruction of the Holder Representative hereunder will constitute a decision, act, consent or instruction of all Holders and will be final, binding and conclusive upon each such Holder, and the Company and the Rights Agent may rely upon any such decision, act, consent or instruction of the Holder Representative as being the decision, act, consent or instruction of each and every such Holder. The Company and the Rights Agent will be relieved from any liability to any Person for any acts done by them in accordance with such decision, act, consent or instruction of the Holder Representative.

(b) The Holder Representative will incur no liability with respect to any action taken or suffered by any Holder in reliance upon any notice, direction, instruction, consent, statement or other document believed by such Holder Representative to be genuine and to have been signed by such Holder (and will have no responsibility to determine the authenticity thereof), nor for any other action or inaction, except the gross negligence, bad faith or willful misconduct of the Holder Representative. In all questions arising under this Agreement, the Holder Representative may rely on the advice of outside counsel, and the Holder Representative will not be liable to any Holder for anything done, omitted or suffered in good faith by Holder Representative based on such advice.

(c) The Holders will severally (on a pro rata basis, based on the number of CVRs held by each Holder) but not jointly indemnify the Holder Representative and hold the Holder Representative harmless against any loss, liability or expense incurred without gross negligence, bad faith or willful misconduct on the part of the Holder Representative and arising out of or in connection with the acceptance or administration of the Holder Representative's duties hereunder, including the reasonable fees and expenses of any legal counsel or other advisors reasonably retained by the Holder Representative.

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(d) In connection with providing services under this Agreement, the Holder Representative (i) will be compensated by the Company at the rate of \$[] per hour for such services and (ii) will be reimbursed by the Company for all reasonable fees and expenses incurred in providing such services. Any such compensation and fees and expenses will be paid by the Company within thirty (30) days of the receipt of an invoice from the Holder Representative and will be offset against the CVR Payment Amount, if any.

7.3 Removal; Appointment of Successor.

(a) At any time Holders representing at least a majority of the outstanding CVRs may, by written consent, appoint another Person as Holder Representative. Notice together with a copy of the written consent appointing such Person and bearing the signatures of Holders of at least a majority of the outstanding CVRs must be delivered to the Company and the Rights Agent not less than ten (10) days prior to such appointment. Such appointment will be effective upon the later of the date indicated in the consent or the date ten (10) days after such consent is received by the Company and the Rights Agent.

(b) If the Holder Representative becomes unable or unwilling to continue in his or its capacity as the Holder Representative, or if the Holder Representative resigns as a Holder Representative, the Holder Representative may appoint a new representative as the Holder Representative. If the Holder Representative is unable or unwilling to appoint a successor Holder Representative, then [] will serve as the Holder Representative. Notice and a copy of the written consent appointing such new representative must be delivered to the Company and the Rights Agent. Such appointment will be effective upon the later of the date indicated in the consent or the date ten (10) days after such consent is received by the Company and the Rights Agent.

7.4 Grant of Authority.

The grant of authority provided for in this Article VII (i) is coupled with an interest and will be irrevocable and survive the death, incompetency, bankruptcy or liquidation of any Holder, and (ii) will survive the consummation of the Merger. The provisions of this Article III will be binding upon the executors, heirs, legal representatives, successors and assigns of each Holder, and any references in this Agreement to any Holder or the Holders will mean and include the successors to such Holder's rights hereunder, whether pursuant to testamentary disposition, the laws of descent and distribution or otherwise.

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any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder will affect the sufficiency of such notice with respect to other Holders.

8.3 Assignment; Third Party Beneficiaries.

Neither this Agreement nor any right, interest or obligation hereunder may be assigned by any of the parties hereto without the prior written consent of the other parties hereto; *provided, however*, that the Rights Agent may, without further consent of the other parties hereto, assign any of its rights and obligations hereunder to any affiliated transfer agent registered under Rule 17Ac2-1 promulgated under the Securities Exchange Act of 1934, as amended. This Agreement will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, will give to any Person (other than the parties hereto, the Holders and their permitted successors and assigns hereunder) any benefit or any legal or equitable right, remedy or claim under this Agreement or under any covenant or provision herein contained, all such covenants and provisions being for the sole benefit of the parties hereto, the Holders and their permitted successors and assigns. The Holders will not have any rights or remedies with respect to the CVRs except as expressly set forth herein.

8.4 Governing Law.

This Agreement and the CVRs will be governed by the laws of the State of Delaware without reference to principles of conflicts of laws that would result in the application of the laws of any other jurisdiction.

8.5 Legal Holidays.

If a CVR Payment Date is not a Business Day, then, notwithstanding any provision of this Agreement to the contrary, any payment required to be made in respect of the CVRs on such date need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the CVR Payment Date.

8.6 Severability Clause.

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions of this Agreement or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If a final judgment of a court of competent jurisdiction declares that any term or provision of this Agreement is invalid or unenforceable, the parties hereto agree that the court making such determination will have the power to limit such term or provision, to delete specific words or phrases or to replace such term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement will be valid and enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term or provision.

8.7 Counterparts.

This Agreement may be executed in any number of counterparts and by facsimile signatures, any one of which need not contain the signatures of more than one party and each of which will be an original, but all such counterparts taken together will constitute one and the same instrument. The exchange of copies of this Agreement or amendments thereto and of signature pages by facsimile transmission or by e-mail transmission in portable digital format (or similar format) will constitute effective execution and delivery of such instrument(s) as to the parties and may be used in lieu of the

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original Agreement or amendment for all purposes. Signatures of the parties transmitted by facsimile or by e-mail transmission in portable digital format (or similar format) will be deemed to be their original signatures for all purposes.

8.8 Termination.

This Agreement will terminate and be of no further force or effect, and the parties hereto will have no liability hereunder, upon the earliest to occur of (a) the payment of the last possible CVR Payment Amount due hereunder, (b) if a Notice of Objection is not delivered within the Objection Period, the expiration of the Objection Period or (c) in the event of the delivery of a Notice of Objection, either (i) the final determination in accordance with this Agreement that no LibiGel Transaction has been achieved or (ii) the fulfillment of any payment obligation required pursuant to a final determination made in accordance with this Agreement.

8.9 Entire Agreement.

This Agreement represents the entire understanding of the parties hereto with reference to the CVRs and this Agreement supersedes any and all other oral or written agreements made with respect to the CVRs.

8.10 Arbitration.

(a) Before any arbitration pursuant to *Section 8.10(b)*, the Company, the Rights Agent and the Holder Representative will negotiate in good faith for a period of thirty (30) days to resolve any controversy or claim arising out of or relating to this Agreement or the breach thereof.

(b) Any claim which the Holders have the right to assert hereunder (including any claims brought by the Holder Representative on behalf of the Holders) will be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The Company, the Rights Agent and/or the Holder Representative may initiate an arbitration for any matter relating to this Agreement. However, in the event of a dispute arising from the delivery of a Notice of Objection, the sole matter to be settled by arbitration will be whether a LibiGel Transaction has occurred on or before the Outside Date. The number of arbitrators will be one, and such arbitrator will be selected by the American Arbitration Association. The place of the arbitration will be Chicago, Illinois. The arbitrator will be a lawyer or retired judge or accountant with experience in the pharmaceutical industry and with mergers and acquisitions. Except as may be required by law, neither a party nor the arbitrator may disclose the existence, content or results of any arbitration hereunder without the prior written consent of the other parties (provided that the Holder Representative may disclose to the Holders any such information without the consent of the Company). Any award payable in favor of the Holders or the Rights Agent as a result of arbitration will be distributed to the Holders on a pro rata basis, based on the number of CVRs held by each Holder. The Company will pay all fees and expenses of the arbitration, including the costs and expenses billed by the arbitrator in connection with the performance of its duties described herein; *provided, however*, that if the arbitrator rules in favor of the Company, the arbitrator's fees and expenses will be offset against the CVR Payment Amount, if any, or any payment to be made thereafter hereunder. Each party will be responsible for its own attorney fees, expenses and costs of investigation.

8.11 Survival.

Notwithstanding anything in this Agreement to the contrary, all provisions regarding indemnification, warranty, liability and limits thereon, and confidentiality and protection of proprietary rights and trade secrets shall survive the termination or expiration of this Agreement.

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8.12 **Force Majeure.**

Notwithstanding anything to the contrary contained herein, the Rights Agent shall not be liable for any delays or failures in performance resulting from acts beyond its reasonable control including, without limitation, acts of God, terrorist acts, shortage of supply, breakdowns or malfunctions, interruptions or malfunctions of computer facilities, or loss of data due to power failures or mechanical difficulties with information storage or retrieval systems, labor difficulties, war or civil unrest.

8.13 **Confidentiality**

(a) *Definition.* "**Confidential Information**" shall mean any and all technical or business information relating to a party, including, without limitation, financial, marketing and product development information, stockholder information (including any non-public information of such stockholder), and proprietary information that is disclosed or otherwise becomes known to the other party or its affiliates, agents or representatives before or during the term of this Agreement. Confidential Information constitutes trade secrets and is of great value to the owner (or its affiliates). Confidential Information shall not include any information that is: (a) already known to the other party or its affiliates at the time of the disclosure, provided that such prior knowledge can be substantiated by the written records of such party; (b) publicly known at the time of the disclosure or becomes publicly known through no wrongful act or failure of the other party; (c) subsequently disclosed to the other party or its affiliates on a non-confidential basis by a third party not having a confidential relationship with the owner and which rightfully acquired such information; or (d) independently developed by one party without access to the Confidential Information of the other, provided that such independent development can be substantiated by the written records of such party. This Agreement, including all of its terms and conditions, will not be deemed to be Confidential Information and may be publicly disclosed by BioSante and ANI.

(b) *Use and Disclosure.* All Confidential Information of a party will be held in confidence by the other party with at least the same degree of care as such party protects its own confidential or proprietary information of like kind and import, but not less than a reasonable degree of care. Neither party will disclose in any manner Confidential Information of the other party in any form to any person or entity without the other party's prior consent. However, each party may disclose relevant aspects of the other party's Confidential Information to its officers, affiliates, agents, subcontractors and employees to the extent reasonably necessary to perform its duties and obligations under this Agreement. Without limiting the foregoing, each party will implement such physical and other security measures and controls as are necessary to protect (a) the security and confidentiality of Confidential Information; (b) against any threats or hazards to the security and integrity of Confidential Information; and (c) against any unauthorized access to or use of Confidential Information. To the extent that a party delegates any duties and responsibilities under this Agreement to an agent or other subcontractor, the party ensures that such agent and subcontractor are contractually bound to confidentiality terms consistent with the terms of this *Section 8.13*.

(c) *Required or Permitted Disclosure.* In the event that any requests or demands are made for the disclosure of Confidential Information, other than requests to Rights Agent for stockholder records pursuant to standard subpoenas from state or federal government authorities (e.g., divorce and criminal actions), the party receiving such request will promptly notify the other party to secure instructions from an authorized officer of such party as to such request and to enable the other party the opportunity to obtain a protective order or other confidential treatment, unless such notification is otherwise prohibited by law or court order. Each party expressly reserves the right, however, to disclose Confidential Information to any person whenever it is advised by counsel that it may be held liable for the failure to disclose such Confidential Information or if required by law or court order.

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(d) *Unauthorized Disclosure.* As may be required by law and without limiting any party's rights in respect of a breach of this *Section 8.13*, each party will promptly:

(i) notify the other party in writing of any unauthorized possession, use or disclosure of the other party's Confidential Information by any person or entity that may become known to such party;

(ii) furnish to the other party full details of the unauthorized possession, use or disclosure; and

(iii) use commercially reasonable efforts to prevent a recurrence of any such unauthorized possession, use or disclosure of Confidential Information.

(e) *Costs.* Each party will bear the costs it incurs as a result of compliance with this *Section 8.13*.

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IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by its duly authorized officers as of the day and year first above written.

BIOSANTE PHARMACEUTICALS, INC.

By: _____

Name:

Title:

ANIP ACQUISITION COMPANY

By: _____

Name:

Title:

**COMPUTERSHARE TRUST COMPANY, N.A. AND
COMPUTERSHARE INC.**

(ON BEHALF OF BOTH ENTITIES)

By: _____

Name:

Title:

[HOLDER REPRESENTATIVE]

By: _____

Name:

Title:

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ANNEX G

October 3, 2012

The Board of Directors
BioSante Pharmaceuticals, Inc.
111 Barclay Boulevard
Lincolnshire, IL 60069

Members of the Board:

You have asked Oppenheimer & Co. Inc. ("*Oppenheimer*") to render a written opinion ("*Opinion*") to the Board of Directors of BioSante Pharmaceuticals, Inc. (the "*Company*") as to the fairness, from a financial point of view, to the Company, of the Exchange Ratios, as defined in the draft of the Agreement and Plan of Merger, dated as of October 2, 2012 (the "*Agreement*"), to be entered into between the Company and ANIP Acquisition Company ("*ANI*"). The Agreement provides for, among other things, the merger of ANI with and into the Company (the "*Merger*"), pursuant to which each outstanding share of the series D convertible preferred stock, par value \$0.10 per share, of ANI ("*ANI Series D Preferred Stock*") will be converted into the right to receive the number of shares of common stock, par value \$0.0001 per share, of the Company (the "*Company Common Stock*") equal to the Series D Exchange Ratio (as defined in the Agreement). Further, pursuant to the Agreement under certain circumstances, holders of (i) series C convertible preferred stock, par value \$0.10 per share, of ANI, (ii) series B convertible preferred stock, par value \$0.10 per share, of ANI and (iii) series A convertible preferred stock, par value \$0.10 per share, of ANI may receive shares of Company Common Stock equal to the applicable Exchange Ratio (as defined in the Agreement).

In arriving at our Opinion, we:

- (a) reviewed the draft, dated October 2, 2012, of the Agreement;
- (b) reviewed publicly available financial statements of the Company for the fiscal years ended December 31, 2010 and 2011, and unaudited financial statements of the Company for the six months ended June 30, 2012;
- (c) reviewed audited financial statements of ANI for the fiscal years ended December 31, 2010 and 2011, and unaudited financial statements of ANI for the eight months ended August 31, 2012, and other relevant financial and operating data furnished to Oppenheimer by ANI;
- (d) reviewed financial forecasts and estimates relating to the Company prepared by the management of the Company;
- (e) reviewed financial forecasts and estimates relating to ANI prepared by the management of ANI;
- (f) held discussions with the senior managements of the Company and ANI with respect to the businesses and prospects of the Company and ANI, respectively;
- (g) reviewed the historical market prices and trading volumes of Company Common Stock;
- (h) reviewed and analyzed certain publicly available financial data for companies we deemed relevant in evaluating ANI;
- (i) analyzed the estimated present value of the future cash flows of ANI based on financial forecasts and estimates prepared by the management of ANI;
- (j)

Explanation of Responses:

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reviewed other public information concerning the Company; and

(k)

performed such other analyses, reviewed such other information and considered such other factors as we deemed appropriate.

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In rendering our Opinion, we relied upon and assumed, without independent verification or investigation, the accuracy and completeness of all of the financial and other information publicly available or provided to or discussed with us by the Company and ANI and their respective employees, representatives and affiliates or otherwise reviewed by us. With respect to the respective financial forecasts and estimates relating to the Company and ANI referred to above, we have assumed, at the direction of the respective management of each of the Company and ANI and with the Company's consent, without independent verification or investigation, that such forecasts and estimates were reasonably prepared on bases reflecting the best available information, estimates and judgments of the respective managements of the Company and ANI as to the future financial condition and operating results of the Company and ANI and the other matters covered thereby and that the financial results reflected in such forecasts and estimates will be achieved at the times and in the amounts projected. At the direction of representatives of the Company, we also assumed that the final terms of the Agreement will not vary materially from those set forth in the draft reviewed by us. We have assumed, with the consent of the Company, that the Merger will qualify for federal income tax purposes as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended. We also have assumed, with the consent of the Company, that the Merger will be consummated in accordance with its terms without waiver, modification or amendment of any material term, condition or agreement and in compliance with all applicable laws and other requirements and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the Merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Company or the contemplated benefits of the Merger. We have neither made nor obtained any independent evaluations or appraisals of the assets or liabilities, contingent or otherwise, of the Company or ANI.

We are not expressing any opinion as to the underlying valuation, future performance or long term viability of the Company or ANI, the actual value of Company Common Stock when issued in the Merger or the price at which Company Common Stock will trade at any time. We express no view as to, and our Opinion does not address, any terms or other aspects or implications of the Merger (other than the Exchange Ratios to the extent expressly specified herein) or any aspect or implication of any other agreement, arrangement or understanding entered into in connection with the Merger or otherwise, including, without limitation, the fairness of the amount or nature of the compensation resulting from the Merger to any individual officers, directors or employees of the Company, or class of such persons, relative to the Exchange Ratios. Notably, we express no view as to, and our Opinion does not address, the right of the Company to issue to the holders of Company Common Stock a dividend prior to the consummation of the Merger of contingent value rights with respect to certain payments arising from the sale, transfer, license or a similar transaction relating to the Company's LibiGel program in accordance with the terms of a form of Contingent Value Rights Agreement in the form agreed to by the Company and ANI.

In addition, we express no view as to, and our Opinion does not address, the underlying business decision of the Company to proceed with or effect the Merger nor does our Opinion address the relative merits of the Merger as compared to any alternative business strategies that might exist for the Company or the effect of any other transaction in which the Company might engage. Our Opinion is necessarily based on the information available to us and general economic, financial and stock market conditions and circumstances as they exist and can be evaluated by us on the date hereof. It should be understood that, although subsequent developments may affect this Opinion, we do not have any obligation to update, revise or reaffirm the Opinion.

We are not legal, tax, regulatory or accounting advisors and have relied on the assessments made by the Company and its advisors with respect to such issues. This Opinion does not address any legal, tax, regulatory or accounting matters. In addition, this Opinion does not constitute a solvency opinion

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or a fair value opinion, and we have not evaluated the solvency or fair value of the Company under any federal or state laws relating to bankruptcy, insolvency or similar matters.

The issuance of this Opinion was approved by an authorized committee of Oppenheimer. As part of our investment banking business, we are regularly engaged in valuations of businesses and securities in connection with acquisitions and mergers, underwritings, secondary distributions of securities, private placements and valuations for other purposes.

We have acted as financial advisor to the Company in connection with the Merger and will receive a fee for our services, a portion of which will be payable upon delivery of this Opinion and a portion of which is contingent upon consummation of the Merger. In the two years prior to the date hereof, we have provided financial advisory services for the Company unrelated to the Merger and have received fees from the Company in connection with certain of such services. During the same period, we provided certain private placement and/or arranger services for ANI unrelated to the Merger; however, the proposed transaction was not consummated and we did not receive any compensation therefor. We may also seek to provide financial advisory services to the Company in the future and expect to receive fees for the rendering of these services. In the ordinary course of business, we and our affiliates may actively trade securities of the Company for our and our affiliates' own accounts and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities. In addition, a senior member of the Oppenheimer Investment Banking team assisting the Company in connection with the Merger currently owns approximately 1,400 shares of Company Common Stock, which were acquired in 2009.

Based upon and subject to the foregoing, and such other factors as we deemed relevant, it is our opinion that, as of the date hereof, the Exchange Ratios provided for in the Agreement are fair, from a financial point of view, to the Company. This Opinion is for the use of the Board of Directors of the Company in its evaluation of the Merger and may not be used for any other purpose without our prior written consent, except that a copy of this Opinion may be included in its entirety in any filing that the Company is required to make with the Securities and Exchange Commission in connection with the Merger if such inclusion is required by law. In addition, this Opinion does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to any matters relating to the Merger.

Very truly yours,

OPPENHEIMER & CO. INC.

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SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW

§ 262. Appraisal rights.

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to § 228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in 1 or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to § 251 (other than a merger effected pursuant to § 251(g) of this title), § 252, § 254, § 255, § 256, § 257, § 258, § 263 or § 264 of this title:

(1) Provided, however, that no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act upon the agreement of merger or consolidation, were either (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in § 251(f) of this title.

(2) Notwithstanding paragraph (b)(1) of this section, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§ 251, 252, 254, 255, 256, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a. and b. of this section; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2)a., b. and c. of this section.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under § 253 or § 267 of this title is not owned by the parent immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

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(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting (or such members who received notice in accordance with § 255(c) of this title) with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to § 228, § 253, or § 267 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of § 114 of this title. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give

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either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder.

(h) After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the

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fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

**FORM OF
CERTIFICATE OF AMENDMENT
OF THE
RESTATED CERTIFICATE OF INCORPORATION
OF BIOSANTE PHARMACEUTICALS, INC.**

BioSante Pharmaceuticals, Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware (the "Corporation"), pursuant to the provisions of the General Corporation Law of the State of Delaware (the "DGCL"), DOES HEREBY CERTIFY that:

FIRST: The Board of Directors of the Corporation (the "Board of Directors"), at meetings held on [], 201[] and [], duly adopted resolutions setting forth proposed amendments of the Restated Certificate of Incorporation of the Corporation, as amended, declaring said amendments to be advisable and proposing that said amendments be submitted to the stockholders of the Corporation for their consideration and approval. The resolutions setting forth the proposed amendments are substantially as follows:

RESOLVED, that the Board of Directors declares that it is advisable to amend Article IV of the Restated Certificate of Incorporation of the Corporation, as amended, as follows:

Amend Article IV by adding the following at the end of the second paragraph of Article IV:

Effective upon the later of (i) the filing with the Secretary of State of the State of Delaware of this Certificate of Amendment or (ii) [], Eastern Time, on [] (the "Effective Date"), each [] ([]) [to be filled in prior to filing with the appropriate split number, between two and five] shares of Common Stock of the Corporation issued and outstanding immediately prior to the Effective Date, shall automatically be reclassified, without any action on the part of the holder thereof, into one fully paid and nonassessable share of Common Stock, and each [] ([]) [to be filled in prior to filing with the appropriate split number, between two and five] shares of Class C Special Stock of the Corporation issued and outstanding immediately prior to the Effective Date, shall automatically be reclassified, without any action on the part of the holder thereof, into one fully paid and nonassessable share of Class C Special Stock (the "Reverse Split"). The Corporation shall not issue fractional shares to the stockholders entitled to a fractional interest in a share of Common Stock or Class C Special Stock issued pursuant to the Reverse Split. In lieu of any fractional share of Common Stock to which a stockholder otherwise would be entitled as a result of the Reverse Split, the Corporation shall pay a cash amount equal to the fair value of the fractional share of Common Stock as of the Effective Date of the Reverse Split which shall be equal to a proportionate interest of the value of a whole share based on the closing sale price of the Common Stock on the NASDAQ Stock Market on the Effective Date. In lieu of any fractional share of Class C Special Stock to which a stockholder otherwise would be entitled as a result of the Reverse Split, the Corporation shall pay a cash amount equal to the fair value of the fractional share of Class C Special Stock as of the Effective Date of the Reverse Split which shall be equal to a proportionate interest of the value of a whole share based on the closing sale price of a share of Common Stock on the NASDAQ Stock Market on the Effective Date minus \$15.00.

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RESOLVED FURTHER, that the Board of Directors declares that it is advisable to amend Article IV(3)(a) of the Restated Certificate of Incorporation of the Corporation, as amended, as follows:

Amend Article IV(3)(a) in its entirety to state as follows:

A holder of Class C Special Stock shall be entitled, in accordance with the provisions hereof, to acquire Common Stock of the Corporation as the same may then be constituted by tendering any of the Class C Special Stock held and registered in such holder's name together with \$[] [to be filled in prior to filing with a number equal to the product of (i) 15.00, multiplied by (ii) the appropriate split ratio, between two and five] per share as a result of the Reverse Split (the "Common Stock Purchase Price") on the basis of one share of Common Stock for each share of Class C Special Stock and \$[] [to be filled in prior to filing with a number equal to the product of (i) 15.00, multiplied by (ii) the appropriate split ratio, between two and five] as a result of the Reverse Split. The purchase right herein provided shall be exercised by notice in writing given to the Corporation which notice shall specify the number of shares of Class C Special Stock that the holder desires to have applied to the purchase price of Common Stock. If any shares of Class C Special Stock are applied to the purchase of Common Stock pursuant to this paragraph, the holder of such shares of Class C Special Stock shall surrender the certificate or certificates representing the shares of Class C Special Stock so applied to the registered office of the Corporation, or to the transfer agent of the Corporation at the time of purchase together with cash or a certified cheque in the amount of \$[] [to be filled in prior to filing with a number equal to the product of (i) 15.00, multiplied by (ii) the appropriate split ratio, between two and five] per share of Common Stock being acquired, and the Corporation shall thereupon issue to such holder certificates representing the number of shares of Common Stock to which the holder became entitled upon such purchase.

SECOND: The stockholders of the Corporation duly approved and adopted such amendments in accordance with the provisions of Section 242 of the DGCL.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by Stephen M. Simes, its Vice Chairman, President and Chief Executive Officer, thereunto duly authorized, this [] day of [].

BIOSANTE PHARMACEUTICALS, INC.

By:

Stephen M. Simes

Vice Chairman, President and Chief Executive Officer

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**FORM OF
CERTIFICATE OF AMENDMENT
OF THE
RESTATED CERTIFICATE OF INCORPORATION
OF BIOSANTE PHARMACEUTICALS, INC.**

BioSante Pharmaceuticals, Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware (the "Corporation"), pursuant to the provisions of the General Corporation Law of the State of Delaware (the "DGCL"), DOES HEREBY CERTIFY that:

FIRST: The Board of Directors of the Corporation (the "Board of Directors"), at meetings held on [], 201[] and [], duly adopted resolutions setting forth a proposed amendment of the Restated Certificate of Incorporation of the Corporation, as amended, declaring said amendment to be advisable and proposing that said amendment be submitted to the stockholders of the Corporation for their consideration and approval. The resolution setting forth the proposed amendment is substantially as follows:

RESOLVED, that the Board of Directors declares that it is advisable to amend Article I of the Restated Certificate of Incorporation of the Corporation, as amended, in its entirety to state as follows:

The name of the Corporation is ANI Pharmaceuticals, Inc.

SECOND: The stockholders of the Corporation duly approved and adopted such amendment in accordance with the provisions of Section 242 of the DGCL.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by Stephen M. Simes, its Vice Chairman, President and Chief Executive Officer, thereunto duly authorized, this [] day of [].

BIOSANTE PHARMACEUTICALS, INC.

By:

Stephen M. Simes
*Vice Chairman, President and
Chief Executive Officer*

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PART II
INFORMATION NOT REQUIRED IN JOINT PROXY STATEMENT/PROSPECTUS

Item 20. Indemnification of Directors and Officers

BioSante's certificate of incorporation limits the liability of its directors to the fullest extent permitted by the Delaware General Corporation Law. Specifically, Article VII of BioSante's certificate of incorporation provides that no director of BioSante shall be personally liable to BioSante or its stockholders for monetary damages for any breach of fiduciary duty by such a director as a director, except to the extent provided by applicable law (i) for any breach of the director's duty of loyalty to BioSante or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which such director derived an improper personal benefit. If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of BioSante shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law as so amended. No amendment to or repeal of Article VII shall apply to or have any effect on the liability or alleged liability of any director of BioSante for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

BioSante's certificate of incorporation provides for indemnification of BioSante's directors and officers. Specifically, Article VI provides that BioSante shall indemnify, to the fullest extent authorized or permitted by law, as the same exists or may thereafter be amended, any person who was or is made or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of BioSante), by reason of the fact that such person is or was a director or officer of BioSante, or is or was serving at the request of BioSante as a director, officer, employee or agent of any other company, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise; provided, however, that BioSante shall not indemnify any director or officer in connection with any action by such director or officer against BioSante unless BioSante shall have consented to such action. BioSante may, to the extent authorized from time to time by the BioSante board of directors, provide rights to indemnification to employees and agents of BioSante similar to those conferred in Article VI to directors and officers of BioSante. No amendment or repeal of Article VI shall apply to or have any effect on any right to indemnification provided thereunder with respect to any acts or omission occurring prior to such amendment or repeal.

The merger agreement provides that the combined company will continue to indemnify and hold harmless each present and former director or officer of BioSante, with respect to acts or omissions occurring or alleged to have occurred at or prior to completion of the merger, including advancing expenses, to the fullest extent permitted under applicable law and BioSante's certificate of incorporation or bylaws. The merger agreement also provides that the combined company will honor all indemnification agreements in place with each present and former director or officer of BioSante. The merger agreement provides that the combined company will continue to indemnify and hold harmless each present and former director, officer, or employee of ANI, with respect to acts or omissions occurring or alleged to have occurred at or prior to completion of the merger, including advancing expenses, to the fullest extent allowed by applicable law. In addition, all rights to indemnification with respect to acts or omissions occurring at or prior to completion of the merger existing in favor of each present and former director, officer, or employee of ANI as provided in ANI's certificate of incorporation, ANI's bylaws, or indemnification agreements will remain in effect. The merger agreement also provides that, prior to completion of the merger, BioSante will purchase and maintain for a period of six years following completion of the merger, a directors' and officers' liability "tail" insurance policy covering the present and former directors and officers of BioSante and ANI for events

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occurring prior to completion of the merger. Such policy must contain terms no less favorable than the policies maintained by BioSante and ANI prior to completion of the merger.

BioSante has entered into agreements with its directors and officers regarding indemnification, in addition to indemnification provided for in BioSante's certificate of incorporation, bylaws and the Delaware General Corporation Law and intends to enter into indemnification agreements with any new directors and officers in the future. Under these agreements, BioSante is required to indemnify its current and former directors and officers against expenses, judgments, penalties, fines, settlements and other amounts actually and reasonably incurred, including expenses of a derivative action, in connection with an actual or threatened proceeding if any of them may be made a party because he or she is or was one of BioSante's directors or officers. BioSante will be obligated to pay these amounts only if the director or officer acted in good faith and in a manner that he or she reasonably believed to be in or not opposed to BioSante's best interests. With respect to any criminal proceeding, BioSante will be obligated to pay these amounts only if the director or officer had no reasonable cause to believe his or her conduct was unlawful. The indemnification agreements also set forth procedures that will apply in the event of a claim for indemnification.

BioSante maintains an insurance policy for its directors and officers pursuant to which its directors and officers are insured against liability for certain actions in their capacity as directors and officers of BioSante.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to BioSante's directors, officers or persons controlling BioSante pursuant to the foregoing provisions, BioSante is aware that in the opinion of the Securities and Exchange Commission that this indemnification is against public policy as expressed in the Securities Act of 1933 and is therefore unenforceable.

Item 21. Exhibits and Financial Statement Schedules

(a) *Exhibits Index.*

See exhibit index which is incorporated herein by reference.

(b) *Financial Statement Schedules.*

Not applicable.

Item 22. Undertakings

(a)

The undersigned registrant hereby undertakes:

(1)

To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i)

to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii)

to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more

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than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference into the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) The undersigned registrant undertakes as follows:

(1) that prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(2) that every prospectus (i) that is filed pursuant to paragraph (1) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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- (e) The undersigned registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first-class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

- (f) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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Name and Signature	Title	Date
*		
_____ John T. Potts, Jr., M.D.	Director	January 18, 2013
*		
_____ Edward C. Rosenow, III, M.D.	Director	January 18, 2013
*		
_____ Stephen A. Sherwin, M.D.	Director	January 18, 2013
*By:		
_____ /s/ STEPHEN M. SIMES	Attorney-in-Fact	January 18, 2013
Stephen M. Simes		

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**BIOSANTE PHARMACEUTICALS, INC.
EXHIBIT INDEX TO REGISTRATION STATEMENT ON FORM S-4
EXHIBIT INDEX**

Exhibit No.	Exhibit	Method of Filing
1.1	Placement Agent Agreement dated as of August 13, 2009 between BioSante Pharmaceuticals, Inc. and Rodman & Renshaw, LLC	Incorporated by reference to Exhibit 1.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on August 14, 2009 (File No. 001-31812)
1.2	Placement Agent Agreement dated as of March 4, 2010 between BioSante Pharmaceuticals, Inc. and Rodman & Renshaw, LLC	Incorporated by reference to Exhibit 1.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 5, 2010 (File No. 001-31812)
1.3	Placement Agent Agreement dated as of June 20, 2010 between BioSante Pharmaceuticals, Inc. and Rodman & Renshaw, LLC	Incorporated by reference to Exhibit 1.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 21, 2010 (File No. 001-31812)
1.4	Placement Agent Agreement dated as of December 27, 2010 between BioSante Pharmaceuticals, Inc. and Rodman & Renshaw, LLC	Incorporated by reference to Exhibit 1.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on December 29, 2010 (File No. 001-31812)
1.5	Placement Agent Agreement dated March 3, 2011 between BioSante Pharmaceuticals, Inc. and Rodman & Renshaw, LLC	Incorporated by reference to Exhibit 1.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 4, 2011 (File No. 001-31812)
1.6	Underwriting Agreement, dated July 28, 2011 by and between BioSante Pharmaceuticals, Inc. and Jefferies & Company, Inc., as Representative of the Several Underwriters Named in Schedule A Thereto	Incorporated by reference to Exhibit 1.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on July 28, 2011 (File No. 001-31812)
1.7	Placement Agent Agreement dated August 16, 2012 between BioSante Pharmaceuticals, Inc. and Rodman & Renshaw, LLC	Incorporated by reference to Exhibit 1.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on August 17, 2012 (File No. 001-31812)
2.1	Agreement and Plan of Merger dated as of October 3, 2012 by and between BioSante Pharmaceuticals, Inc. and ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc.(1)	Incorporated by reference to Exhibit 2.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on October 4, 2012 (File No. 001-31812)

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Exhibit No.	Exhibit	Method of Filing
2.2	Amendment No. 1 to Agreement and Plan of Merger dated as of November 13, 2012 by and between BioSante Pharmaceuticals, Inc. and ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc.(1)	Previously filed
2.3	Agreement and Plan of Merger dated as of June 29, 2009 by and between BioSante Pharmaceuticals, Inc. and Cell Genesys, Inc.(1)	Incorporated by reference to Exhibit 2.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 30, 2009 (File No. 001-31812)
3.1	Restated Certificate of Incorporation of BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 3.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on October 14, 2009 (File No. 001-31812)
3.2	Amendment to Restated Certificate of Incorporation of BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 3.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 1, 2012 (File No. 001-31812)
3.3	Form of Proposed Amendment to Restated Certificate of Incorporation to Effect Reverse Stock Split	Included as Annex I to the joint proxy statement/prospectus forming part of this Registration Statement and incorporated herein by reference
3.4	Form of Proposed Amendment to Restated Certificate of Incorporation to Effect Name Change	Included as Annex J to the joint proxy statement/prospectus forming part of this Registration Statement and incorporated herein by reference
3.5	Amended and Restated Bylaws of BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 3.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 11, 2010 (File No. 001-31812)
4.1	Indenture, dated as of June 24, 2009, between Cell Genesys, Inc. and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to Cell Genesys's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 29, 2009 (File No. 000-19986)
4.2	Supplemental Indenture dated as of October 14, 2009 to Indenture dated as of June 24, 2009, by and between BioSante Pharmaceuticals, Inc. and U.S. Bank National Association, Relating to Cell Genesys, Inc. 3.125% Convertible Senior Subordinated Notes due 2013	Incorporated by reference to Exhibit 4.2 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on October 14, 2009 (File No. 001-31812)

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Exhibit No.	Exhibit	Method of Filing
4.3	Warrant dated December 15, 2008 issued by BioSante Pharmaceuticals, Inc. to Kingsbridge Capital Limited	Incorporated by reference to Exhibit 4.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on December 18, 2008 (File No. 001-31812)
4.4	Form of Common Stock Purchase Warrant issued by BioSante Pharmaceuticals, Inc. to Investors and the Placements Agent in the August 2009 Registered Direct Offering	Incorporated by reference to Exhibit 4.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on August 14, 2009 (File No. 001-31812)
4.5	Form of Replacement Warrant issued to Investors in Cell Genesys, Inc.'s April 2007 Registered Direct Offering	Incorporated by reference to Exhibit 4.9 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (File No. 001-31812)
4.6	Form of Common Stock Purchase Warrant issued by BioSante Pharmaceuticals, Inc. to Investors and the Placements Agent in the March 2010 Registered Direct Offering	Incorporated by reference to Exhibit 4.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 5, 2010 (File No. 001-31812)
4.7	Form of Common Stock Purchase Warrant issued by BioSante Pharmaceuticals, Inc. to the Investors and the Placements Agent in the June 2010 Registered Direct Offering	Incorporated by reference to Exhibit 4.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 21, 2010 (File No. 001-31812)
4.8	Form of Common Stock Purchase Warrant issued by BioSante Pharmaceuticals, Inc. to the Investors and the Placements Agent in the December 2010 Registered Direct Offering	Incorporated by reference to Exhibit 4.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on December 29, 2010 (File No. 001-31812)
4.9	Form of Common Stock Purchase Warrant issued by BioSante Pharmaceuticals, Inc. to the Investors and the Placement Agent in the March 2011 Registered Direct Offering	Incorporated by reference to Exhibit 4.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 4, 2011 (File No. 001-31812)
4.10	Form of Common Stock Purchase Warrant issued by BioSante Pharmaceuticals, Inc. to the Investors in the August 2012 Registered Direct Offering	Incorporated by reference to Exhibit 4.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on August 17, 2012 (File No. 001-31812)
5.1	Opinion of Oppenheimer Wolff & Donnelly LLP regarding validity of the shares of BioSante common stock registered hereunder	Previously filed
8.1	Opinion of Oppenheimer Wolff & Donnelly LLP regarding certain federal income tax matters	Previously filed

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Exhibit No.	Exhibit	Method of Filing
8.2	Opinion of SNR Denton US LLP regarding certain federal income tax matters	Previously filed
10.1	Amended and Restated Employment Letter Agreement dated July 16, 2008 between BioSante Pharmaceuticals, Inc. and Stephen M. Simes(4)	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on July 18, 2008 (File No. 001-31812)
10.2	Amended and Restated Employment Letter Agreement dated July 16, 2008 between BioSante Pharmaceuticals, Inc. and Phillip B. Donenberg(4)	Incorporated by reference to Exhibit 10.2 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on July 18, 2008 (File No. 001-31812)
10.3	Offer Letter dated April 1, 2008 to Michael C. Snabes from BioSante Pharmaceuticals, Inc.(4)	Incorporated by reference to Exhibit 10.3 contained in BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 001-31812)
10.4	Change in Control and Severance Agreement effective as of July 16, 2008 between BioSante Pharmaceuticals, Inc. and Michael C. Snabes(4)	Incorporated by reference to Exhibit 10.4 contained in BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 001-31812)
10.5	BioSante Pharmaceuticals, Inc. Officer Severance Policy(4)	Incorporated by reference to Exhibit 10.5 contained in BioSante's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011 (File No. 001-31812)
10.6	BioSante Pharmaceuticals, Inc. Performance Incentive Plan(4)	Incorporated (by reference to Exhibit 10.4 contained in BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on May 27, 2011 (File No. 001-31812)
10.7	BioSante Pharmaceuticals, Inc. Third Amended and Restated 2008 Stock Incentive Plan(4)	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 1, 2012 (File No. 001-31812)
10.8	Form of Incentive Stock Option Agreement under the BioSante Pharmaceuticals, Inc. Third Amended and Restated 2008 Stock Incentive Plan(4)	Incorporated by reference to Exhibit 10.2 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 1, 2012 (File No. 001-31812)

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Exhibit No.	Exhibit	Method of Filing
10.9	Form of Non-Statutory Stock Option Agreement under the BioSante Pharmaceuticals, Inc. Third Amended and Restated 2008 Stock Incentive Plan(4)	Incorporated by reference to Exhibit 10.3 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 1, 2012 (File No. 001-31812)
10.10	Form of Non-Statutory Stock Option Agreement between BioSante Pharmaceuticals, Inc. and its Directors Under the BioSante Pharmaceuticals, Inc. 2008 Stock Incentive Plan(4)	Incorporated by reference to Exhibit 10.4 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 13, 2008 (File No. 001-31812)
10.11	BioSante Pharmaceuticals, Inc. Amended and Restated 1998 Stock Plan(4)	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 12, 2006 (File No. 001-31812)
10.12	Form of Stock Option Agreement between BioSante Pharmaceuticals, Inc. and each of BioSante's Executive Officers Under the BioSante Pharmaceuticals, Inc. Amended and Restated 1998 Stock Plan(4)	Incorporated by reference to Exhibit 10.5 to BioSante's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2001 (File No. 0-28637)
10.13	Form of Stock Option Agreement between BioSante Pharmaceuticals, Inc. and each of BioSante's Executive Officers Under the BioSante Pharmaceuticals, Inc. Amended and Restated 1998 Stock Plan(4)	Incorporated by reference to Exhibit 10.30 to BioSante's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003 (File No. 001-31812)
10.14	Form of Stock Option Agreement between BioSante Pharmaceuticals, Inc. and each of BioSante's Directors Under the BioSante Pharmaceuticals, Inc. Amended and Restated 1998 Stock Plan(4)	Incorporated by reference to Exhibit 10.31 to BioSante's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003 (File No. 001-31812)
10.15	Form of Indemnification Agreement between BioSante Pharmaceuticals, Inc. and each of its Directors and Executive Officers(4)	Incorporated by reference to Exhibit 10.30 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (File No. 001-31812)
10.16	Description of Non-Employee Director Compensation Arrangements(4)	Incorporated by reference to Exhibit 10.16 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (File No. 001-31812)
10.17	Cell Genesys, Inc. 2005 Equity Incentive Plan, as amended(4)	Incorporated by reference to Exhibit 10.3 to Cell Genesys's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007 (File No. 000-19986)

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Exhibit No.	Exhibit	Method of Filing
10.18	Cell Genesys, Inc. Amended and Restated 1998 Incentive Stock Plan(4)	Incorporated by reference to Exhibit 10.2 to Cell Genesys's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 000-19986)
10.19	Office Lease, dated December 19, 2003, between BioSante and LaSalle National Bank Association, as successor trustee to American National Bank and Trust Company of Chicago	Incorporated by reference to Exhibit 10.29 to BioSante's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003 (File No. 001-31812)
10.20	First Amendment to Lease, dated February 26, 2004, between BioSante and LaSalle National Bank Association, as successor trustee to American National Bank and Trust Company of Chicago	Incorporated by reference to Exhibit 10.1 to BioSante's Quarterly Report on Form 10-QSB for the fiscal quarter ended March 31, 2004 (File No. 001-31812)
10.21	Second Amendment to Lease dated as of January 4, 2005, by and between BioSante Pharmaceuticals, Inc. and LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 6, 2005 (File No. 001-31812)
10.22	Third Amendment to Lease dated as of January 27, 2006 by and between BioSante Pharmaceuticals, Inc. and LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on February 1, 2006 (File No. 001-31812)
10.23	Fourth Amendment to Lease dated as of March 7, 2007 by and between BioSante Pharmaceuticals, Inc. and LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 7, 2007 (File No. 001-31812)
10.24	Fifth Amendment to Lease dated as of November 2, 2007 by and between BioSante Pharmaceuticals, Inc. and LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago.	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on November 6, 2007 (File No. 001-31812)
10.25	Sixth Amendment to Lease dated as of April 18, 2008 by and between BioSante Pharmaceuticals, Inc. and LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on April 21, 2008 (File No. 001-31812)

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Exhibit No.	Exhibit	Method of Filing
10.26	Seventh Amendment to Lease dated as of November 17, 2008 by and between BioSante Pharmaceuticals, Inc. and LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago	Incorporated by reference to Exhibit 10.22 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (File No. 001-31812)
10.27	Eighth Amendment to Lease dated as of September 8, 2009 by and between BioSante Pharmaceuticals, Inc. and LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago	Incorporated by reference to Exhibit 10.23 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (File No. 001-31812)
10.28	Ninth Amendment to Lease dated as of January 19, 2011 by and between 111 Barclay Associates, the sole beneficiary under Chicago Title Land Trust Company, as successor trustee to LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago and BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on January 27, 2011 (File No. 001-31812)
10.29	License Agreement, dated June 13, 2000, between Permateg Technologie, AG (now known as Antares Pharma, Inc.) and BioSante Pharmaceuticals, Inc.(2)	Incorporated by reference to Exhibit 10.27 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 001-31812)
10.30	Amendment No. 1 to the License Agreement, dated May 20, 2001, between Antares Pharma IPL AG and BioSante Pharmaceuticals, Inc.(2)	Incorporated by reference to Exhibit 10.28 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 001-31812)
10.31	Amendment No. 2 to the License Agreement, dated July 5, 2001, between Antares Pharma IPL AG and BioSante Pharmaceuticals, Inc.(2)	Incorporated by reference to Exhibit 10.19 to BioSante's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2001 (File No. 0-28637)
10.32	Amendment No. 3 to the License Agreement, dated August 30, 2001, between Antares Pharma IPL AG and BioSante Pharmaceuticals, Inc.(2)	Incorporated by reference to Exhibit 10.30 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 001-31812)
10.33	Amendment No. 4 to the License Agreement, dated August 8, 2002, between Antares Pharma IPL AG and BioSante Pharmaceuticals, Inc.(2)	Incorporated by reference to Exhibit 10.31 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 001-31812)

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Exhibit No.	Exhibit	Method of Filing
10.34	Amendment No. 5 to the License Agreement, dated December 30, 2002 between Antares Pharma IPL AG and BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 10.32 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 001-31812)
10.35	Amendment No. 6 to the License Agreement, dated October 20, 2006 between Antares Pharma IPL AG and BioSante Pharmaceuticals, Inc.(2)	Incorporated by reference to Exhibit 10.33 to BioSante's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (File No. 001-31812)
10.36	License Agreement dated December 3, 2008 between BioSante Pharmaceuticals, Inc. and Azur Pharma International II, Limited(2)	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K/A as filed with the Securities and Exchange Commission on June 7, 2010 (File No. 001-31812)
10.37	Amendment No. 1 to License Agreement and Asset Purchase Agreement dated December 7, 2009 between BioSante Pharmaceuticals, Inc. and Azur Pharma International II, Limited(2)	Incorporated by reference to Exhibit 10.2 to BioSante's Current Report on Form 8-K/A as filed with the Securities and Exchange Commission on June 7, 2010 (File No. 001-31812)
10.38	Development and License Agreement dated December 27, 2002 between BioSante Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc.	Incorporated by reference to Exhibit 10.1 to BioSante's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012 (File No. 001-31812)
10.39	First Amendment to Development and License Agreement dated March 13, 2003 between BioSante Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc.	Incorporated by reference to Exhibit 10.2 to BioSante's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012 (File No. 001-31812)
10.40	Letter Agreement dated June 4, 2007 between BioSante Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc. Regarding Development and License Agreement dated December 27, 2002 between BioSante Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc.	Incorporated by reference to Exhibit 10.3 to BioSante's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012 (File No. 001-31812)
10.41	Third Amendment to Development and License Agreement dated as of October 17, 2012 between BioSante Pharmaceuticals, Inc. and Teva Pharmaceuticals USA, Inc.	Incorporated by reference to Exhibit 10.4 to BioSante's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2012 (File No. 001-31812)

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Exhibit No.	Exhibit	Method of Filing
10.42	Registration Rights Agreement dated as of December 15, 2008 between BioSante Pharmaceuticals, Inc. and Kingsbridge Capital Limited	Incorporated by reference to Exhibit 10.2 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on December 18, 2008 (File No. 001-31812)
10.43	Amendment to Registration Rights Agreement dated as of dated as of June 26, 2009 between BioSante Pharmaceuticals, Inc. and Kingsbridge Capital Limited	Incorporated by reference to Exhibit 10.3 to BioSante's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2009 (File No. 001-31812)
10.44	Form of Securities Purchase Agreement, dated August 13, 2009, between BioSante Pharmaceuticals, Inc. and each of the investors in the offering	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on August 14, 2009 (File No. 001-31812)
10.45	Form of Securities Purchase Agreement, dated March 4, 2010, between BioSante Pharmaceuticals, Inc. and each of the investors in the offering	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 5, 2010 (File No. 001-31812)
10.46	Form of Securities Purchase Agreement, dated June 20, 2010, between BioSante Pharmaceuticals, Inc. and each of the investors in the June 2010 registered direct offering	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on June 21, 2010 (File No. 001-31812)
10.47	Form of Securities Purchase Agreement, dated December 27, 2010, between BioSante Pharmaceuticals, Inc. and each of the investors in the December 2010 registered direct offering	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on December 29, 2010 (File No. 001-31812)
10.48	Form of Securities Purchase Agreement, dated March 3, 2011, between BioSante Pharmaceuticals, Inc. and each of the investors in the March 2011 registered direct offering	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on March 4, 2012 (File No. 001-31812)
10.49	Form of Securities Purchase Agreement, dated August 16, 2012, between BioSante Pharmaceuticals, Inc. and each of the investors in the August 2012 registered direct offering	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on August 17, 2012 (File No. 001-31812)
10.50	Form of Voting Agreement dated as of October 3, 2012 between certain stockholders of ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc. and BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 10.1 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on October 4, 2012 (File No. 001-31812)

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Exhibit No.	Exhibit	Method of Filing
10.51	Form of Voting Agreement dated as of October 3, 2012 between Meridian Venture Partners II, L.P. and BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 10.2 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on October 4, 2012 (File No. 001-31812)
10.52	Form of Voting Agreement dated as of October 3, 2012 between certain stockholders, directors and officers of BioSante Pharmaceuticals, Inc. and ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 10.3 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on October 4, 2012 (File No. 001-31812)
10.53	Form of Lock-Up Agreement dated as of October 3, 2012 between the chief executive officer and chief financial officer and certain stockholders of ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc. and BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 10.4 to BioSante's Current Report on Form 8-K as filed with the Securities and Exchange Commission on October 4, 2012 (File No. 001-31812)
10.54	Department of Veterans Affairs Federal Supply Schedule Contract Award, effective July 15, 2012, and Amendment 1 thereto, dated August 22, 2012	Previously filed
10.55	Sublicense Agreement, dated as of October 30, 2009, by and between Jazz Pharmaceuticals, Inc. and ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc.(2)	Previously filed
10.56	Supplier Agreement Multisource and Onestop Generics Program, dated as of November 1, 2010, between McKesson Corporation and ANIP Acquisition Company(2)	Previously filed
10.57	Master Product Development and Collaboration Agreement, dated as of July 11, 2011, between ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc. and RiconPharma LLC(2)	Filed herewith
10.58	Amended and Restated Manufacturing and Supply Agreement, dated as of June 10, 2008, between ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc. and Alaven Pharmaceuticals, LLC., Addendum No. 1 thereto, dated as of December 1, 2010, and Addendum No. 2 thereto, dated as of July 10, 2012(2)	Previously filed

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Exhibit No.	Exhibit	Method of Filing
10.59	Generic Wholesale Service Agreement, dated as of May 1, 2006, between ANI Pharmaceuticals, Inc. and Cardinal Health, Amendment No. 1 thereto assigning the agreement to ANIP Acquisition Company, d/b/a ANI Pharmaceuticals, Inc., dated as of July 1, 2008, Letter from Cardinal Health dated December 22, 2008, and Amendment No. 2 to the agreement, dated as of April 1, 2012(2)	Previously filed
10.60	Development, Manufacturing and Supply Agreement, dated as of February 5, 2009, by and between ANI Pharmaceuticals, Inc. and County Line Pharmaceuticals, LLC, and Addendum thereto, dated March 10, 2010(2)	Previously filed
10.61	Manufacturing Transfer and Supply Agreement, dated March 31, 2010, by and between ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc. and County Line Pharmaceuticals, LLC, and Addendum thereto dated as of June 12, 2012(2)	Previously filed
10.62	Employment Agreement, dated February 25, 2009, by and between ANIP Acquisition Company and Arthur Przybyl(4)	Previously filed
10.63	Employment Agreement, dated May 6, 2009, by and between ANIP Acquisition Company and Charlotte Arnold(4)	Previously filed
10.64	Employment Agreement, dated May 1, 2007, by and between ANIP Acquisition Company and James Marken(4)	Previously filed
10.65	Transaction Bonus Agreement, dated September 22, 2012, by and between ANIP Acquisition Company and Arthur Przybyl(4)	Previously filed
10.66	Transaction Bonus Agreement, dated September 22, 2012, by and between ANIP Acquisition Company and Charlotte Arnold(4)	Previously filed
10.67	Transaction Bonus Agreement, dated September 22, 2012, by and between ANIP Acquisition Company and James Marken(4)	Previously filed
10.68	Transaction Bonus Agreement, dated September 22, 2012, by and between ANIP Acquisition Company and Robert Jamnick(4)	Previously filed
10.69	Agreement regarding fee payment, dated as of October 3, 2012, by and between ANIP Acquisition Company and MVP Management Company	Previously filed

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Exhibit No.	Exhibit	Method of Filing
10.70	Agreement regarding fee payment, dated as of October 3, 2012, by and between ANIP Acquisition Company and Healthcare Value Capital LLC	Previously filed
10.71	Loan and Security Agreement, dated June 6, 2012, between Alostair Bank of Commerce and ANIP Acquisition Company	Previously filed
10.72	Note Purchase Agreement, dated January 28, 2011, between ANIP Acquisition Company, Meridian Venture Partners II, L.P. and the other parties thereto	Previously filed
10.73	Amendment No. 1 to Transaction Bonus Agreement, dated December 28, 2012, by and between ANIP Acquisition Company and Arthur Przybyl	Filed herewith
10.74	Amendment No. 1 to Transaction Bonus Agreement, dated December 28, 2012, by and between ANIP Acquisition Company and Charlotte Arnold	Filed herewith
14.1	Code of Conduct and Ethics	Incorporated by reference to Exhibit 14.1 to BioSante's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2003 (File No. 001-31812)
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm with respect to BioSante Pharmaceuticals, Inc.	Filed herewith
23.2	Consent of Stout, Causey & Horning, P.A., Independent Registered Public Accounting Firm with respect to ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc.	Filed herewith
23.3	Consent of Oppenheimer Wolff & Donnelly LLP	Included in Exhibit 5.1
23.4	Consent of Oppenheimer Wolff & Donnelly LLP	Included in Exhibit 8.1
23.5	Consent of SNR Denton US LLP	Included in Exhibit 8.2
24.1	Power of Attorney	Previously filed
99.1	Consent of Oppenheimer & Co. Inc.	Previously filed
99.2	Consent of Robert E. Brown, Jr.	Previously filed
99.3	Consent of Arthur S. Przybyl	Previously filed
99.4	Consent of Tracy L. Marshbanks, Ph.D.	Previously filed
99.5	Consent of Thomas A. Penn	Previously filed
99.6	Consent of Robert Schrepfer	Previously filed

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Exhibit No.	Exhibit	Method of Filing
99.7	Form of Proxy Card for the BioSante Pharmaceuticals, Inc. Special Meeting of Stockholders	Filed herewith
99.8	Form of Proxy Card for the ANIP Acquisition Company d/b/a ANI Pharmaceuticals, Inc. Special Meeting of Stockholders	Filed herewith
101	The following financial statements of BioSante Pharmaceuticals, Inc., formatted in XBRL (Extensible Business Reporting Language): (i) Balance Sheets as of December 31, 2011 and 2010, (ii) Statements of Operations for the years ended December 31, 2011, 2010 and 2009, (iii) Statements of Stockholders' Equity for the years ended December 31, 2011, 2010 and 2009, (iv) Statements of Cash Flows for the years ended December 31, 2011, 2010 and 2009, (v) unaudited Condensed Balance Sheets as of September 30, 2012, (vi) unaudited Condensed Statements of Operations for the nine months ended September 30, 2012 and 2011, (vii) unaudited Condensed Statements of Cash Flows for the nine months ended September 30, 2012 and 2011 and (viii) Notes to Financial Statements(5)	Furnished herewith

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- (1) All exhibits and schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. BioSante will furnish the omitted exhibits and schedules to the Securities and Exchange Commission upon request by the Securities and Exchange Commission.
- (2) Confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended, has been granted with respect to designated portions of this document.
- (3) Intentionally omitted.
- (4) Management contract or compensatory plan or arrangement required to be filed as an exhibit to this form.
- (5) Pursuant to Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Registration Statement on Form S-4 shall be deemed to be not filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed part of a registration statement, prospectus or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filings