

# **Hemispherx Biopharma, Inc. Stock Ownership Guidelines For Directors and Officers**

as of April 2005

## **Stock Ownership Guidelines for Directors**

The Board of Directors believes that Directors more effectively represent Hemispherx's stockholders, whose interests they are charged with protecting, if they are stockholders themselves. The Board believes it is good practice to periodically review the guidelines and revise them, if appropriate.

Therefore, non-officer Directors should, upon the later of (a) five years after May 1, 2005 or, (b) within five years of joining the Board, own, and continue to own while a Director, that number of shares of common stock or common stock equivalents equal to the lesser of (a) that number of shares having a value at least two times the annual Director retainer or, (b) 100,000 shares of common stock or common stock equivalents ("Target Ownership"). Directors should own twenty percent (20%) of the Target Ownership upon the later of (a) May 1, 2006 or, (b) within one year of joining the Board..

The following will be counted in determining Target Ownership:

1. Shares purchased on the open market.
2. Shares obtained through option exercises.
3. Shares held pursuant to the Directors' Stock Plan.
4. Shares owned jointly with, or separately by spouse and/or minor children.
5. Vested and "in the money" unexercised stock options, provided that these shares may not represent more than 40% of the Target Ownership).
6. Shares beneficially owned in partnerships.

## Stock Ownership Requirements for Officers

Share ownership by our Officers is very important for Hemispherx. It shows the investing public, the financial press and the rest of our employees, senior management's commitment to our Company. In 2005, we established Officer stock ownership requirements. Upon the later of (a) five years after May 1, 2005 or, (b) within five years of becoming an Officer, each Officer is expected to own, and continue to own while an Officer, , the lesser of (a) that number of shares of common stock or common stock equivalents set forth for that Officer in the Target Share Table below or, (b) that number of shares of common stock or common stock equivalents having a value equal to the product obtained by multiplying that Officer's base salary by the Base Salary Multiple for that Officer set forth in the Target Share Table below ("Target Ownership"). Officers should own twenty percent (20%) of the Target Ownership upon the later of (a) May 1, 2006 or, (b) within one year of becoming an Officer.

TARGET SHARE TABLE

<b>Officers</b>	<b>Number of Shares</b>	<b>Base Salary Multiple</b>
Chief Executive Officer	150,000	2.0 x
President and Chief Operating Officer	100,000	1.5 x
Chief Financial Officer	50,000	1.0 x
Other Corporate Officers	25,000	0.5 x

The following will be counted in determining Target Ownership.

- Shares purchased on the open market
- Shares owned jointly with or separately by spouse and/or children
- Shares obtained through stock option exercise
- Vested and "in the money" unexercised stock options provided that these shares may not exceed 40% of the requirement total

Failure to meet, or in unique circumstances to show sustained progress toward meeting, Target Ownership, may result in a reduction in future long-term incentive grants and/or payment of future annual and/or long-term incentive payouts.

Officers will be notified each year where they stand with regard to Target Ownership.