

CURRENT REPORT OF
TNI BIOTECH, INC.
(OTC: TNIB)

Date of Report: April 30, 2013

Name of Company: TNI BioTech, Inc.

State of Incorporation: Florida

Address of Principal Office: 6701 Democracy Blvd., Suite 300, Bethesda, Maryland 20817

TNI BioTech, Inc. (the “Company”) hereby discloses the following events and actions:

TNI BioTech, Inc. enters into a Consulting Agreement appointing Dr. Joseph Fortunak as a Strategic Consultant to the Company.

The Company entered into a Consulting Agreement (the “Agreement”) with Dr. Joseph Fortunak, effective March 1, 2013. Dr. Fortunak shall serve as a member of the Company’s Scientific Advisory Board for an initial term of One (1) year, subject to the terms and conditions of the Agreement.

Dr. Fortunak is the former Director and Head of Global Chemical Development at Abbott Laboratories Corporation, where he managed more than Three Hundred Fifty (350) scientists and technical experts. He additionally served as a Senior Research Investigator and Assistant Director at SmithKline Beecham (GlaxoSmithKline) and Executive Director at DuPont Pharmaceutical Company.

Dr. Fortunak has made significant contributions to Fifteen (15) new chemical entities for the treatment of HIV/AIDS, malaria, cancer, and various cardiovascular and central nervous system indications. He also contributed to approximately Twenty (20) new generic drug launches.

The Consulting Agreement is attached hereto.

The Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TNI BioTech, Inc.

By: /s/ Noreen Griffin
Noreen Griffin
Chief Executive Officer

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is made as of the 1 day of March, 2013 between Dr Joseph Fortunak ("Employee") located at [redacted] and TNI BioTech, Inc., hereinafter referred to as ("TNIB" or the "Company"), a Florida corporation, with offices 6701 Democracy Blvd. Suite 300 Bethesda, MD 20817 who are hereinafter sometimes collectively referred to as "the parties".

WITNESSETH

WHEREAS TNIB desires to memorialize the terms and conditions of Consulting by TNIB of Employee upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. **Consulting Services.** TNIB hereby agrees to employ the Consultant as a member of the Scientific Advisory Board and Consultant hereby accepts such positions under the terms and conditions set forth herein. Consultant shall be subject to all the usual and customary office policies and procedures of the Company as may from time to time be established for persons of similar grade and position.

2. **Duties.** Consultant shall be retained by TNIB. Consultant shall carry out all assignments as directed by TNIB. In addition, Consultant shall be responsible for such other duties as are usual and typical for an individual in similar positions and for the faithful discharge of such different or additional duties as may be reasonably established by management or the Board of Directors including but not limited to duties set forth on the Scope of Work attached hereto as Exhibit A.

3. **Term.** The term of the consulting shall be for a One (1) year period commencing March 1, 2013 (the "Initial Term"), unless sooner terminated by mutual consent or pursuant to the provision of Section 6 below. Unless notice of intention to terminate this Agreement at the end of the Initial Term is given in writing by consultant to TNIB, at least Sixty (60) days prior to the end of the Initial Term, or any extension period, and provided that Consultant has not breached in any material fashion any of the terms of conditions of their Agreement, then this Agreement shall automatically be renewed and extended for additional One (1) year periods at the election of the Board of Directors upon the terms and conditions set forth herein, unless different terms are agreed to between the parties in writing.

4. **Extent of Services.** The Consultant shall devote substantial time, attention and energy to the affairs of TNIB and/or its subsidiaries and shall use his best efforts to promote the business of TNIB and/or its subsidiaries during the term of this Agreement and shall have such duties, responsibilities and authority as shall be the character and dignity appropriate and consistent with the position and title described herein or such responsibility or authority as from time to time additionally authorized by the Board of Directors. The Consultant may engage in other activities, such activities including serving on the Board of Directors of other corporations/organizations, and/or advising other corporations/organizations in each case to the extent that such activities do not materially detract from or limit the performance of the Consultant's duties under this Agreement, or inhibit in any material way the business of TNIB and/or its subsidiaries. The Consultant will engage in no activity, paid or otherwise, for a competitor of TNIB so long as this Agreement is in effect.

Consultant may invest his assets in such manner as will not require any services to be performed on his part in the operation or affairs of the companies in which such investments are made, but only if such investments are consistent with this Agreement. The Consultant shall perform all duties in a professional, ethical and businesslike manner.

5. Compensation and Benefits. As compensation for his services hereunder, during the term of the Agreement, TNIB agrees:

- a) To pay Consultant or his assigns, omitted for confidentiality for the first six months for twenty five (25%) of his time, and either staying the same or increasing to an amount that is proportionally increased according to the same schedule throughout the first year, if Dr. Fortunak is able to increase this time commitment to TNI BioTech. per year for the Term. Payments to Consultant or his assigns will be made monthly.
- b) To pay annual bonuses, which shall be determined by the Company, in its sole discretion, in an amount and upon such other performance criteria as shall be fixed by the board of directors based upon the performance of the Consultant and the Company during the same period.
- c) Consultant shall be included in any pension plan in effect as of the date of this Agreement or affected thereafter. Consultant participation as described in the sentence immediately preceding shall be in relation to Consultant's annual compensation as compared to any other individual's participation based upon his annual compensation at the time of this agreement.
- d) To provide Officer and Director Insurance for Consultant in his capacity an officer and director of TNIB.
- e) Consultant or his assigns will receive omitted for confidentiality shares of common stock upon the signing of the Agreement as a signing bonus.
- f) Consultant will be included in any stock options plan.

6. Termination. This Agreement shall be terminated upon the happening of any of the following:

- a) at the cessation of TNIB business activities except as a result of a sale or merger;
- b) upon the mutual consent of the parties hereto;
- c) upon the death of Consultant;
- d) Upon notice to the Consultant in the event of illness or other disability which has incapacitated him from performing his duties for Twelve (12) consecutive months as determined in good faith by the Board.
- e) at the resignation of the Consultant;

- f) For cause, at any time upon written notice to Consultant. Consultant's termination shall be "with cause" or "for cause" due to any of the following:
- (i) Consultant's dishonesty;
 - (ii) An act of gross negligence, misappropriation or theft of Company funds or conviction of state or federal offenses which would prevent the Consultant from performance of his duties or breach of material provisions of this Agreement by the Consultant.
 - (iii) Failure by the Consultant to perform to minimum standards of his position as determined by a Two-Thirds (2/3) vote of the Board of Directors.

If this Agreement is terminated pursuant to Sections 6(a) hereof as a result of a sale or merger of the Company, Consultant shall be entitled to receive One Hundred Percent (100%) of the Consultant's salary and incentives including bonus, for the greater of the balance of the term of the Agreement or Six (6) months.

If this Agreement is terminated pursuant to Sections 6(c) or 6(d) hereof, Consultant or his estate shall be entitled to receive One Hundred Percent (100%) of the Consultant's salary and incentives for the balance of the term of the Agreement, together with bonus and other incentives as provided for in this Agreement.

If this Agreement is terminated pursuant to Section 6(f)(i) and (ii) above, Consultant's rights and the Company's obligations hereunder shall forthright terminate except as expressly provided in this Agreement. With respect to any termination for cause by the Company, the specifics of the cause shall be communicated to the Consultant in writing at least Thirty (30) days prior to the date on which the termination is proposed to take effect. The Consultant shall be given the opportunity to correct or respond to such cause, however, the Company is under no obligation to reinstate Consultant.

If this Agreement is terminated pursuant to Section 6(f)(iii) above, the Consultant shall be granted a severance payment subject to mutual releases, payable within Thirty (30) days of the date of such termination equal to an amount that is Three (3) months compensation including bonus and benefits as provided in Section 5 hereof, plus any vested stock options and common stock and restricted stock granted by the Company to the Consultant under this Agreement as of the termination date.

7. Consequences of Breach by the Company. If this Agreement is terminated pursuant to Section 6 hereof, or if the Company shall terminate the Consultant or the Consultant's duties under this Agreement, or if the Company breaches this Agreement, the following shall apply:

- a) The Consultant shall receive a cash payment that is equal to the present value of the Consultant's Base Salary hereunder for the remainder of the term, payable within Thirty (30) days of the date of such termination.

- b) The Consultant shall be entitled to receive the Bonus and other benefits as provided in Section 5 hereof calculated until a period extending to Six (6) months next following the term of this Agreement.

All stock options and common stock and restricted stock granted by the Company to the Consultant under this Agreement shall accelerate and become immediately vested and exercisable.

8. Covenant not to Compete. Consultant hereby covenants and agrees that during the term of this Agreement and for a period of One (1) year after termination of such Agreement hereunder:

- a) Consultant will not in anyway, directly or indirectly, solicit, divert, take away or accept, the business of any of the customers of TNIB during the term of this Agreement for the purpose of selling to or servicing for any such customer any product or service which was provided or offered by during the term of this Agreement hereof; and
- b) Consultant will not directly or indirectly, attempt or seek to cause any of the foregoing customers of TNIB to refrain from maintaining or acquiring from or through TNIB any products, which were provided or offered by TNIB during the term hereof, and will not assist any other person or persons to do so. Consultant agrees that telephonic or written communication by him to any of the customers described above shall constitute activity by Consultant for the purposes of this Agreement.
- c) Consultant will not in any way, directly or indirectly solicit divert, take away or accept, the business of any of the suppliers (including the Company's manufacturers) which were handled by TNIB or its subsidiaries during the term of this Agreement.
- d) Consultant will not, directly or indirectly, attempt to seek to cause any of the foregoing suppliers of TNIB to refrain from selling to or supplying TNIB with any product which was provided or offered to TNIB during the term hereof, and will not assist any other person or persons to do so. Consultant agrees that telephonic or written communication by him to any of the suppliers described above shall constitute activity by Consultant for the purposes of this Agreement.

9. Non – Disclosure. Consultant acknowledges that, in order for Consultant to effectively perform his duties hereunder TNIB will disclose to Consultant certain valuable trade secrets and confidential business information that have been created, discovered or developed by, or that otherwise have become known to TNIB as a result of substantial effort, expense and time incurred by TNIB, or its' subsidiaries or which have been assigned or otherwise conveyed. In light of such acknowledgement, Consultant hereby agrees as follows:

- a) **Trade Secrets.** Consultant hereby acknowledges that certain processes, formulas and mechanisms used by TNIB in its operation of its business, are not generally known to the public or to other persons engaged in businesses similar to its business and, as such constitute its trade secrets. Consultant hereby agrees never to directly or indirectly disclose or use, or assist anyone else in disclosing or using such trade

secrets to any person or entity other than as authorized in the regular course of the performance of this Agreement.

- b) **Confidential Information.** Consultant hereby agrees that during the term of this Agreement and for a period of One (1) year following termination of such employment, Consultant will not divulge, disclose or make accessible to any person or entity the following confidential business information of TNIB, or its subsidiaries (i) marketing plans, strategies and forecasts; (ii) financial statements, budgets, prices, costs and financial projections; (iii) customer names, addresses and contact persons; and (iv) suppliers and the details of their business agreements.

10. Property of TNIB. Consultant agrees that upon termination of this Agreement, he will promptly deliver to TNIB all written and other materials in his possession or control which contain any of the trade secrets and confidential business information described in Section 9 hereof and all other property of TNIB in his possession or control at such time, which was obtained from TNIB or compiled or produced for TNIB during the terms of this Agreement, including, but not limited to, records, data, plans, programs, program listings, flow charts, record layouts, computer printouts, magnetic tapes, diskettes, disks, card decks, letters and customer lists with exception of personal diaries.

11. Non-solicitation of Consultants. During the term of this Agreement and for One (1) year thereafter, Consultant shall not hire or solicit for employment directly or through or on behalf of any party, any persons who are then Consultants of TNIB or its subsidiaries.

12. Relations with Third Parties and Representations of the Parties.

- a) Consultant agrees that TNIB may make known to others, either during or subsequent to the term of this Agreement, the existence of this Agreement and the provisions of all or any part hereof.
- b) Consultant represents and warrants that:
 - i) He is not in violation of any term of any employment contract, patent or other proprietary information disclosure agreement of any other contract, agreement or any judgment, decree or order of any court or administrative agency relating to or affecting his right to be retained by TNIB because of the nature of this business conducted or proposed to be conducted by TNIB or for any other reasons;
 - ii) No such term, judgment, decree or order conflicts with his obligation to use his best efforts to promote the interests of TNIB nor does the execution and delivery of this Agreement, nor the carrying on of TNIB business conflict with any such term, judgment, decrees or order; and
 - iii) Neither he nor any of his affiliates (as that term is defined under the Securities Act of 1933) are a party to any transaction, agreement or understanding to which TNIB is also a party except this Agreement or any agreement executed

hereunder, nor does he or any of his affiliates have any interest in any person or entity with whom TNIB does or intends to do business.

- c) TNIB hereby makes the following representations in connection with this Agreement:
- i) TNIB is a corporation duly organized and validly existing by virtue of the laws of the state of Florida and is in good standing under the laws thereof.
 - ii) The execution of this Agreement by TNIB and the performance by it of the covenants and undertakings hereunder have been duly authorized by all requisite corporate action, and approved by the Board of Directors and TNIB has the corporate power and authority to enter into this Agreement and perform the covenants and undertakings to be performed by it hereunder and is under no other impediment which would adversely affect its ability to consummate or prohibit it from meeting its obligation hereunder.
 - iii) This Agreement has been duly authorized, executed and delivered by TNIB and constitutes a valid and legally binding obligation of TNIB enforceable in accordance with its terms.

13. Remedies, Survival, and Severability.

- a) TNIB and Consultant agree that in the event of breach of any of the covenants, agreements or obligations under Sections 6, 7, 8, 9, 10 and 11 thereof, remedies at law would be inadequate and either party may seek injunctive relief as well as damages.
- b) The covenants, agreements, representations, warranties and obligations contained in Sections 6, 7, 8, 9, 10 and 11 hereof shall survive the termination of this Agreement for the periods herein set forth.
- c) Each of the covenants, agreements and obligations contained in Sections 6, 7, 8, 9, 10 and 11 hereof shall be independent and severable from the others and should any be for any reason held illegal, invalid or unenforceable in whole or in part, said illegality, invalidity or unenforceability shall not affect the other covenants, agreements and obligations in said Sections.
- d) In the enforcement of their rights hereunder, TNIB and Consultant shall return all of their rights under law or in equity to enforce the obligations of the other party hereunder or otherwise, and to seek relief for the acts of the other party subject to the terms of this Agreement.

14. Miscellaneous.

- a) This Agreement embodies the entire agreement of the parties hereto relating to the subject matter hereof. No amendment, modification, waiver or attempted waiver of this Agreement or any part hereof shall be valid of binding unless made in writing and signed by the party to be bound.
- b) The validity and effect of this Agreement shall be governed by and construed and enforced in accordance with the laws of New York.
- c) This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. It is further acknowledged and agreed that any amounts outstanding to the Consultant under prior Agreements shall be converted to stock of TNIB and are thereby to be satisfied and considered paid in full as of the effective date of this Agreement. This Agreement may only be modified in writing duly executed by both parties.
- d) Any notice required or permitted to be given pursuant to this Agreement shall be sufficiently given when delivered or if sent by Certified mail postage prepaid, return receipt requested, on the third day after such mailing, to the following address:

If to TNIB:

6701 Democracy Blvd.
Suite 300
Bethesda, MD 20817

With a copy to TNIB's counsel:

Brinen & Associates, LLC
7 Dey Street, Suite 1503
New York, New York 10007

If to Consultant:
Dr Joseph Fortunak

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties pursuant to the terms of this section.

- e) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be original, but all of which together shall constitute one and the same instrument.
- f) The headings of the sections and subsections hereof have been inserted as a matter of convenience and shall not be used in the interpretation of any provisions of this Agreement.

- g) The failure of either party hereto in any one or more instances to insist upon the performance of any of the terms or conditions of this Agreement, or to exercise any rights or privileges conferred in this Agreement or the waiver by either party of any breach of any of the terms, covenants or conditions of this Agreement shall not be construed as thereafter waiving any such terms, conditions, rights, privileges or covenants, and the same shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under their seals as of the date and year first written above.

The Company:
TNI BioTech, Inc.

The Consultant:
Dr Joseph Fortunak

By: /s/ Noreen Griffin
Noreen Griffin
Chief Executive Officer

By: /s/ Dr. Joseph Fortunak
Dr Joseph Fortunak

Address:

Exhibit A

SCOPE OF WORK

omitted for confidentiality