

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 31, 2012

Sucampo Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	001-33609	30-0520478
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
4520 East-West Highway, 3 rd Floor Bethesda, Maryland		20814
(Address of Principal Executive Offices)		(Zip Code)

Registrant's telephone number, including area code: (301) 961-3400

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))Z
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Amendments to Employment Agreements with Certain Executive Officers, Indemnification Agreements for Certain Executive Officers and Amendments to Indemnification Agreements with Directors

On December 31, 2012, Sucampo Pharmaceuticals, Inc. (“Company”) and the following executive officers of the Company entered into revised employment agreements (the “Executive Officer Employment Agreements”) with the Company: Ryuji Ueno, the Company’s Chairman, Chief Executive Officer, and Chief Scientific Officer; Gayle Dolecek, the Company’s Executive Advisor, R&D; Cary Claiborne, the Company’s Chief Financial Officer; Stanley Miele, the Company’s Senior Vice President, Sales & Marketing; and Thomas Knapp, the Company’s Executive Vice President, Chief Legal Officer & Corporate Secretary.

The purpose of entering into the revised employment agreements was to modify the Executive Officer Employment Agreements to make certain administrative changes and ensure that certain provisions comply with Section 409A (“Section 409A”) of the Internal Revenue Code of 1986, as amended. The revised employment agreements did not increase any amounts to which any of the named executive officers are entitled under their respective Executive Officer Employment Agreement but did adjust the timing of certain severance payments that may be made to such individual under his respective Executive Officer Employment Agreement to comply with Section 409A.

The foregoing description of the revised employment agreements does not purport to be a complete description and is qualified in its entirety by reference to the full texts of the revised employment agreements, which are filed herewith as Exhibits 99.1-99.5, and are incorporated herein by reference.

On December 31, 2012, the same named executive officers entered into indemnification agreements with the Company and the independent directors of the Board of Directors (“Board”) of the Company entered into revised indemnification agreements with the Company. The indemnification agreements entered into with the named executive officers generally provide that the Company will indemnify the named executive officers for costs, expenses and liabilities the named executive officer may incur as a result of serving as a named executive officer of the Company or another entity at the request of the Company including for claims relating to breaches of the duty of care to the maximum extent permissible under Delaware law and as provided in the Company’s certificate of incorporation. The revised indemnification agreements make only certain administrative changes to the existing indemnification agreements with the independent directors and are in substantially the same form as the named executive officers’ indemnification agreements.

The foregoing description of the indemnification agreements and revised indemnification agreements does not purport to be a complete description and is qualified in its entirety by reference to the full texts of the indemnification agreements and revised indemnification agreements, the form of which is filed herewith as Exhibit 99.6, and are incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

During the week of January 7, 2013, the Company will make corporate update presentations at one-on-one meetings with analysts and investors in San Francisco, CA. On January 8, 2013, the Company will make a corporate update presentation via webcast at an investor conference in San Francisco, CA at the Biotech Showcase™ 2013 conference. All meetings will include written communication comprised of slides. Some or all of these slides will be part of the meetings and are being furnished as Exhibit 99.7 to this Current Report on Form 8-K.

The information in this Item 7.01 and Exhibit 99.7 to this Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

- 99.1 Ryuji Ueno employment agreement dated December 31, 2012.
 - 99.2 Gayle Dolecek employment agreement dated December 31, 2012.
 - 99.3 Cary Claiborne employment agreement dated December 31, 2012.
 - 99.4 Stanley Miele employment agreement dated December 31, 2012.
 - 99.5 Thomas Knapp employment agreement dated December 31, 2012.
 - 99.6 The form of indemnification agreement dated December 31, 2012.
 - 99.7 The corporate update presentation slides dated January 7, 2013.
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SUCAMPO PHARMACEUTICALS, INC.

Date: January 7, 2013

By: /s/ Thomas J. Knapp

Name: Thomas J. Knapp

Title: EVP, Chief Legal Officer and
Corporate Secretary

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of December 31, 2012, is hereby entered into in the State of Maryland by and between SUCAMPO PHARMACEUTICALS, INC., a Delaware corporation (the "Company"), and Ryuji Ueno, M.D., Ph.D., Ph.D. ("Executive").

WHEREAS, Executive has been employed by the Company under a certain Employment Agreement dated November 20, 2008;

WHEREAS, Executive has entered into a Non-Competition Agreement dated December 23, 2010;

WHEREAS, Executive has been the Chief Executive Officer and Chief Scientific Officer of the Company since December 6, 1996;

WHEREAS, Executive possesses certain skills, experience or expertise which will be of use to the Company;

WHEREAS, the parties acknowledge that Executive's abilities and services are unique and will significantly enhance the business prospects of the Company; and

WHEREAS, in light of the foregoing, the Company desires to continue to employ Executive as the Chief Executive Officer and Chief Scientific Officer as of January 1, 2013 (the "Effective Date") and Executive desires to continue such employment.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, the Company and Executive hereby agree as follows:

Article 1. Employment Agreement

1.1 Employment and Duties

The Company offers and Executive hereby accepts employment with the Company for the Term (as hereinafter defined) as its Chief Executive Officer and Chief Scientific Officer, and in connection therewith, to perform such duties as Executive shall reasonably be assigned by Executive's supervisor and/or by the Company's Board of Directors. Executive hereby warrants and represents that Executive has no contractual commitments or other obligations to third parties inconsistent with Executive's acceptance of this employment and performance of the obligations set forth in this Agreement. Executive shall perform such duties and carry out Executive's responsibilities hereunder faithfully and to the best of Executive's ability, and shall devote Executive's full business time and best efforts to the business and affairs of the Company during normal business hours (exclusive of periods of vacation, sickness, disability, or other leaves to which Executive is entitled). Executive will perform all of Executive's responsibilities in compliance with all applicable laws and will ensure that the operations that Executive manages are in compliance with all applicable laws.

Article 2. Employment Term

2.1 Term

The term of Executive's employment hereunder (the "Term") shall be deemed to commence on January 1, 2013 and shall end on June 1, 2014, unless sooner terminated as hereinafter provided; provided, however, that the Term shall be automatically renewed and extended for an additional period of one (1) year on each date on which it would otherwise expire unless either party gives a Notice of Termination (as defined below) to the other party at least sixty (60) days prior to such expiration date.

2.2 Survival on Merger or Acquisition

In the event the Company is acquired during the Term, or is the non-surviving party in a merger, or sells all or substantially all of its assets, this Agreement shall not automatically be terminated, and the Company agrees to use its best efforts to ensure that the transferee or surviving company shall assume and be bound by the provisions of this Agreement.

Article 3. Compensation and Benefits

3.1 Compensation

(a) Base Salary. The Company shall pay Executive a salary at an annual rate that is not less than Five Hundred and Eighty-Six Thousand Seven Hundred Ten and 28/100 dollars (\$586,710.28), to be paid in bi-weekly installments, in arrears (the "Base Salary"). After 2013, the Base Salary will be reviewed by the Compensation Committee of the Board of Directors ("Compensation Committee") at least annually, and the Committee's recommendation shall be reviewed and approved by the Board of Directors. The Base Salary may, in the sole discretion of the Board of Directors, be increased, but not decreased (unless either mutually agreed by Executive and the Company, or established as part of across-the-board salary reductions that apply equally to all similarly situated officers as a percentage reduction in their salaries).

(b) Stock Compensation. At least annually for the Term of this Agreement, Executive shall be eligible for consideration to receive restricted stock grants, incentive stock options or other awards in accordance with the Amended and Restated 2006 Stock Incentive Plan. Recommendations concerning the decision to make an award pursuant to that Plan and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors. In the event that, during the Term (i) the Company terminates Executive's employment by not renewing this Agreement, without Cause or Executive resigns for Good Reason, and in any of these cases on or after the Company is acquired or is the non-surviving party in a merger, or the Company sells all or substantially all of its assets, or (ii) there is the death of Executive, all unvested restricted stock awards and incentive stock options having previously been awarded to Executive shall immediately vest and may be exercised in accordance with the terms of the Plan and the Executive's grant award.

(c) Bonuses. Executive shall be eligible to receive an annual bonus award in recognition of Executive's contributions to the success of the Company pursuant to the Company's management incentive bonus program as it may be amended or modified from time to time. Recommendations concerning the decision to make an award and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors.

(d) Taxes. Executive acknowledges and agrees that Executive shall be solely responsible for the satisfaction of any applicable taxes that may arise pursuant to this Agreement (including taxes arising under Code Section 409A (regarding deferred compensation) or 4999 (regarding golden parachute excise taxes), and that neither the Company nor any of its employees, officers, directors, or agents shall have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold Executive harmless from any or all of such taxes. For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. All compensation due to Executive shall be paid subject to withholding by the Company to ensure compliance with all applicable laws and regulations.

3.2 Participation in Benefit Plans

Executive shall be entitled to participate in all employee benefit plans or programs of the Company offered to other employees to the extent that Executive's position, tenure, salary, and other qualifications make Executive eligible to participate in accordance with the terms of such plans. The Company does not guarantee the continuance of any particular employee benefit plan or program during the Term, and Executive's participation in any such plan or program shall be subject to all terms, provisions, rules and regulations applicable thereto.

3.3 Expenses

The Company will pay or reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by Executive in the performance of Executive's duties under this Agreement. Executive shall provide to the Company detailed and accurate records of such expenses for which payment or reimbursement is sought, and Company payments shall be in accordance with the regular policies and procedures maintained by the Company from time to time, and all reimbursements due under this Agreement shall be separately requested and paid not later than one year after Executive incurs the underlying expense.

3.4 Professional Organizations

During the Term, Executive shall be reimbursed by the Company for the annual dues payable for membership in professional societies associated with subject matter related to the Company's interests. New memberships for which reimbursement will be sought shall be approved by the Company in advance.

3.5 Parking

During the Term and where Executive uses an automobile to commute to work, the Company shall either provide parking for Executive's automobile at the Company's expense or reimburse Executive for such expense.

Article 4. Termination of Employment

4.1 Definitions

As used in Article 4 of this Agreement, the following terms shall have the meaning set forth for each below:

(a) "Benefit Period" shall mean the six (6) month period commencing on the Date of Termination which occurs in connection with a termination of employment described in the first sentence of Section 4.4(a), or a period ending when Executive becomes eligible for group medical benefits coverage from another source, whichever is shorter.

(b) "Cause" shall mean any of the following:

(i) the gross neglect or willful failure or refusal of Executive to perform Executive's duties hereunder (other than as a result of Executive's death or Disability);

(ii) perpetration of an intentional and knowing fraud against or affecting the Company or any customer, supplier, client, agent or employee thereof;

(iii) any willful or intentional act that could reasonably be expected to injure the reputation, financial condition, business or business relationships of the Company or Executive's reputation or business relationships;

(iv) conviction (including conviction on a *nolo contendere* plea) of a felony or any crime involving fraud, dishonesty or moral turpitude;

(v) the material breach by Executive of this Agreement (including, without limitation, the Employment Covenants set forth in Article 5 of this Agreement); or

(vi) the failure or continued refusal to carry out the directives of Executive's supervisor or the Board of Directors that are consistent with Executive's duties and responsibilities under this Agreement which is not cured within thirty (30) days after receipt of written notice from the Company specifying the nature of such failure or refusal; provided, however, that Cause shall not exist if such refusal arises from Executive's reasonable, good faith belief that such failure or refusal is required by law.

(c) "Date of Termination" shall mean the date specified in the Notice of Termination (as hereinafter defined) (except in the case of Executive's death, in which case the Date of Termination shall be the date of death); provided, however, that if Executive's employment is terminated by the Company other than for Cause, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to Executive.

(d) "Notice of Termination" shall mean a written notice from the Company to Executive that indicates Section 2 or the specific provision of Section 4 of this Agreement relied upon as the reason for such termination or nonrenewal, the Date of Termination, and, in the case of termination or non-renewal by the Company for Cause, in reasonable detail, the facts and circumstances claimed to provide a basis for termination or nonrenewal.

(e) "Good Reason" shall mean:

- (i) Company effects a material diminution of Executive's position, authority or duties;
- (ii) any requirement that Executive, without his/her consent, move his/her regular office to a location more than fifty (50) miles from Company's executive offices;

(iii) the material failure by Company, or its successor, if any, to pay compensation or provide benefits or perquisites to Executive as and when required by the terms of this Agreement; or

(iv) any material breach by Company of this Agreement.

The Executive shall have Good Reason to terminate Executive's employment if (i) within twenty-one (21) days following Executive's actual knowledge of the event which Executive determines constitutes Good Reason, Executive notifies the Company in writing that Executive has determined a Good Reason exists and specifies the event creating Good Reason, and (ii) following receipt of such notice, the Company fails to remedy such event within thirty (30) days, and Executive resigns within sixty (60) days thereafter. If any of these conditions is not met, Executive shall not have a Good Reason to terminate Executive's employment.

(f) "Change in Control" shall mean:

(i) the acquisition by any person of beneficial ownership of fifty percent (50%) or more of the outstanding shares of the Company's voting securities; or

(ii) the Company is the non-surviving party in a merger; or

(iii) the Company sells all or substantially all of its assets; provided, however, that no "Change in Control" shall be deemed to have occurred merely as the result of a refinancing by the Company or as a result of the Company's insolvency or the appointment of a conservator; or

(iv) the Board of the Company, in its sole and absolute discretion, determines that there has been a sufficient change in the share ownership or ownership of the voting power of the Company's voting securities to constitute a change of effective ownership or control of the Company.

4.2 Termination Upon Death or Disability

This Agreement and Executive's employment hereunder, shall terminate automatically and without the necessity of any action on the part of the Company upon the death of Executive. In addition, if at any time during the Term, Executive shall become physically or mentally disabled (as determined by an independent physician competent to assess the condition at issue), whether totally or partially, so that Executive is unable substantially to perform Executive's duties and services hereunder, with or without reasonable accommodation, for either (i) a period of sixty (60) consecutive calendar days, or (ii) ninety (90) consecutive or non-consecutive calendar days during any consecutive five (5) month period (the "Disability Date"), the Company may terminate this Agreement and Executive's employment hereunder by written notice to Executive after the Disability Date (but before Executive has recovered from such disability).

4.3 Company's and Executive's Right to Terminate

This Agreement and Executive's employment hereunder may be terminated at any time by the Company for Cause or, if without Cause, upon thirty (30) days prior written notice to Executive. In the event the Company should give Executive notice of termination without Cause, the Company may, at its option, elect to provide Executive with thirty (30) days' salary in lieu of Executive's continued active employment during the notice period. This Agreement and Executive's employment hereunder may be terminated by Executive at any time for Good Reason and, if without Good Reason, upon thirty (30) days prior written notice to the Company.

4.4 Compensation Upon Termination

(a) **Severance.** In the event the Company terminates Executive's employment without Cause or pursuant to Section 4.2 due to the disability of Executive, or elects not to renew this Agreement under circumstances where Executive is willing and able to execute a new agreement providing terms and conditions substantially similar to those in this Agreement, or in the event Executive terminates employment for Good Reason, Executive shall be entitled to receive: (i) Executive's Base Salary through the Date of Termination, (ii) reimbursement of any COBRA continuation premium payments made by Executive for the Benefit Period, and (iii) a lump sum severance payment equal to six (6) months of Executive's then current Base Salary to be made not later than sixty (60) days following Executive's Date of Termination; provided however that each of the benefits provided under clauses (ii) and (iii) hereof are absolutely contingent on Executive's execution of the Release (as provided in Section 4.4(c) below) without any revocation having occurred. Notwithstanding the foregoing, the Company shall, to the extent necessary and only to the extent necessary, modify the timing of delivery of severance benefits to Executive if the Company reasonably determines that the timing would subject the severance benefits to any additional tax or interest assessed under Section 409A of the Internal Revenue Code. In such event, the payments will be made as soon as practicable without causing the severance benefits to trigger such additional tax or interest under Section 409A of the Internal Revenue Code. If any amounts that become due under Section 4.4 constitute "nonqualified deferred compensation" within the meaning of Section 409A, payment of such amounts shall not commence until Executive incurs a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h). If, at the time of Executive's separation from service, Executive is a "specified employee" (under Internal Revenue Code Section 409A), any benefit as to which Section 409A penalties could be assessed that becomes payable to Executive on account of Executive's "separation from service" (including any amounts payable pursuant to the preceding sentence) shall be paid, without interest thereon, on the date six months and one day after such separation from service. In no event shall Executive be entitled to the continuation of any compensation, bonuses or benefits provided hereunder, or any other payments following the Date of Termination, other than Base Salary earned through such Date of Termination and any other benefits payable under Section 4.4(a).

(b) Change in Control. In the event that Executive is terminated other than for "Cause" within twelve (12) months following the occurrence of a "Change in Control" of the Company, then Executive shall be entitled to a severance payment, in lieu of the benefits due under Section 4.4(a), in an amount that is two (2) times the amount specified in Section 4.4(a), clause (iii) above (the "Change in Control Severance Payment"). In the event that Executive shall become entitled to a Change in Control Severance Payment as provided herein, the Company shall cause its independent auditors promptly to review, at the Company's sole expense, the applicability to those payments of Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"). If the auditors determine that any payment of the Change in Control Severance Payment would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax, then such payment owed to Executive shall be reduced by an amount calculated to provide to Executive the maximum Change in Control Severance Payment which will not trigger application of Sections 280G and 4999 of the Code, with any such reduction being made last with respect to benefits that are not exempt from Code §409A.

(c) Release. Anything to the contrary contained herein notwithstanding, as a condition to Executive receiving severance benefits to be paid pursuant to this Section 4.4, Executive shall execute and deliver to the Company a general release in the form attached hereto as Exhibit A not later than forty-five (45) days after Executive's Date of Termination. The Company shall have no obligation to provide any severance benefits to Executive until it has received the general release from Executive within the time specified in the preceding sentence, and any revocation or rescission period applicable to the Release shall have expired without revocation or rescission.

Article 5. Employment Covenants

5.1 Definitions

As used in this Article 5 of the Agreement, the following terms shall have the meaning set forth for each below:

(a) "Affiliate" shall mean a person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or under common control with another person or entity, including current and former directors and officers of such an entity.

(b) "Confidential Information" shall mean all confidential and proprietary information of the Company, its Predecessors and Affiliates, whether in written, oral, electronic or other form, including but not limited to trade secrets; technical, scientific or business information; processes; works of authorship; Inventions; discoveries; developments; systems; chemical compounds; computer programs; code; algorithms; formulae; methods; ideas; test data; know how; functional and technical specifications; designs; drawings; passwords; analyses; business plans; information regarding actual or demonstrably anticipated business, research or development; marketing, sales and pricing strategies; and information regarding the Company's current and prospective consultants, customers, licensors, licensees, investors and personnel, including their names, addresses, duties and other personal characteristics. Confidential Information does not include information that (i) is in the public domain, other than as a result of an act of misappropriation or breach of an obligation of confidentiality by any person; (ii) Executive can verify by written records kept in the ordinary course of business was in Executive's lawful possession prior to its disclosure to Executive; (iii) is received by Executive from a third party without a breach of an obligation of confidentiality owed by the third party to the Company and without the requirement that Executive keep such information confidential; or (iv) Executive is required to disclose by applicable law, regulation or order of a governmental agency or a court of competent jurisdiction. If Executive is required to make disclosure pursuant to clause (iv) of the preceding sentence as a result of the issuance of a court order or other government process, Executive shall (a) promptly, but in no event more than 72 hours after learning of such court order or other government process, notify, pursuant to Section 6.1 below, the Company; (b) at the Company's expense, take all reasonable necessary steps requested by the Company to defend against the enforcement of such court order or other government process, and permit the Company to intervene and participate with counsel of its choice in any proceeding relating to the enforcement thereof; and (c) if such compelled disclosure is required, Executive shall disclose only that portion of the Confidential Information that is necessary to meet the minimum legal requirement imposed on Executive.

(c) "Executive Work Product" shall mean all Confidential Information and Inventions conceived of, created, developed or prepared by Executive (whether individually or jointly with others) before or during Executive's employment with the Company, during or outside of working hours, which relate in any manner to the actual or demonstrably anticipated business, research or development of the Company, or result from or are suggested by any task assigned to Executive or any work performed by Executive for or on behalf of the Company or any of its Affiliates.

(d) "Invention" shall mean any apparatus, biological processes, cell line, chemical compound, creation, data, development, design, discovery, formula, idea, improvement, innovation, know-how, laboratory notebook, manuscript, process or technique, whether or not patentable or protectable by copyright, or other intellectual property in any form.

(e) "Predecessor" shall mean an entity, the major portion of the business and assets of which was acquired by another entity in a single transaction or in a series of related transactions.

(f) "Trade Secrets," as used in this Agreement, will be given its broadest possible interpretation under the law applicable to this Agreement.

5.2 Nondisclosure and Nonuse

Executive acknowledges that prior to and during Executive's employment with the Company, Executive had and will have occasion to create, produce, obtain, gain access to or otherwise acquire, whether individually or jointly with others, Confidential Information. Accordingly, during the term of Executive's employment with the Company and at all times thereafter, Executive shall keep secret and shall not, except for the Company's benefit, disclose or otherwise make available to any person or entity or use, reproduce or commercialize, any Confidential Information, unless specifically authorized in advance by the Company in writing.

5.3 Other Confidentiality Obligations

Executive acknowledges that the Company may, from time to time, have agreements with other persons or entities or with the U.S. Government or governments of other countries, or agencies thereof, which impose confidentiality obligations or other restrictions on the Company. Executive hereby agrees to be bound by all such obligations and restrictions and shall take all actions necessary to discharge the obligations of the Company thereunder, including, without limitation, signing any confidentiality or other agreements required by such third parties.

5.4 Return of Confidential Information

At any time during Executive's employment with the Company, upon the Company's request, and in the event of Executive's termination of employment with the Company for any reason whatsoever, Executive shall immediately surrender and deliver to the Company all records, materials, notes, equipment, drawings, documents and data of any nature or medium, and all copies thereof, relating to any Confidential Information (collectively the "the Company Materials") which is in Executive's possession or under Executive's control. Executive shall not remove any of the Company Materials from the Company's business premises or deliver any of the Company Materials to any person or entity outside of the Company, except as required in connection with Executive's duties of employment. In the event of the termination of Executive's employment for any reason whatsoever, Executive shall promptly sign and deliver to the Company a Termination Certificate in the form of Exhibit B attached hereto.

5.5 Confidential Information of Others

Executive represents that Executive's performance of all the terms of this Agreement and Executive's employment with the Company do not and will not breach any agreement to keep in confidence proprietary information, knowledge or data with regard to which Executive has obligations of confidentiality or nonuse, and Executive shall not disclose to the Company or cause the Company to use any such confidential proprietary information, knowledge or data belonging to any previous employer of Executive or other person. Executive represents that Executive has not brought and will not bring to the Company or use at the Company any confidential materials or documents of any former employer or other person that are not generally available to the public, unless express written authorization for their possession and use has been obtained from such former employer or other person. Executive agrees not to enter into any agreement, whether written or oral, that conflicts with these obligations.

5.6 Other Obligations

The terms of this Section 5 are in addition to, and not in lieu of, any statutory or other contractual or legal obligation to which Executive may be subject relating to the protection of Confidential Information.

5.7 Assignment of Confidential Information and Inventions; Works Made for Hire

Executive hereby assigns to the Company all right, title and interest in all intellectual property, including any patent applications, trade secrets, know how, copyrights, software, or trademarks associated with the Executive Work Product and Confidential Information. Executive hereby acknowledges and agrees that all Executive Work Product subject to copyright protection constitutes "work made for hire" under United States copyright laws (17 U.S.C. § 101) and is owned exclusively by the Company. To the extent that title to any Executive Work Product subject to copyright protection does not constitute a "work for hire," and to the extent title to any other Executive Work Product does not, by operation of law or otherwise, vest in the Company, all right, title, and interest therein, including, without limitation, all copyrights, patents and trade secrets, and all copyrightable or patentable subject matter, are hereby irrevocably assigned to the Company. Executive shall promptly disclose to the Company in writing all Executive Work Product. Executive shall, without any additional compensation, execute and deliver all documents or instruments and give the Company all assistance it requires to transfer all right, title, and interest in any Executive Work Product to the Company; to vest in the Company good, valid and marketable title to such Executive Work Product; to perfect, by registration or otherwise, trademark, copyright and patent protection of the Company with respect to such Executive Work Product; and otherwise to protect the Company's trade secret and proprietary interest in such Executive Work Product. Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agents and attorneys-in-fact to act for and on Executive's behalf, and to execute and file any documents and to do all other lawfully permitted acts to further the purposes of this Section 5.7 with the same legal force and effect as if executed by Executive.

5.8 Representations

Executive represents that, to the best of his or her knowledge, none of the Inventions will violate or infringe upon any right, patent, copyright, trademark or right of privacy, or constitute libel or slander against or violate any other rights of any person, firm or corporation, and that Executive will not knowingly create any Invention which causes any such violation.

5.9 Inventions, Intellectual Property and Equipment Not Transferred

Executive has set forth on Exhibit C attached hereto a complete list and brief description of all Inventions, intellectual property and equipment located at the Company which is owned directly or indirectly by Executive and which shall not be transferred to the Company pursuant to this Agreement. Except as so listed, Executive agrees that he or she will not assert any rights under any intellectual property as having been made or acquired by Executive prior to being employed by the Company. The Company may, at its discretion, require detailed disclosures and materials demonstrating ownership of the intellectual property so listed.

5.10 Exclusivity of Employment

During the Term, and without prior approval of the Board of Directors, Executive shall not directly or indirectly engage in any activity competitive with or adverse to the Company's business or welfare or render a material level of services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise.

5.11 Covenant Not to Compete

Executive acknowledges that his services to the Company involve a unique level of trust, of skills, and of access to Confidential Information and other business and strategic insights about the Company, and accordingly Executive agrees to be bound and abide by the following covenant not to compete:

(a) Term and Scope. During Executive's employment with the Company and for a period of twelve (12) months after the Term, Executive will not render to any Conflicting Organization (as hereinafter defined), services, directly or indirectly, anywhere in the world in connection with any Conflicting Product (as hereunder defined), except that Executive may accept employment with a Conflicting Organization whose business is diversified (and which has separate and distinct divisions) if Executive first certifies to the Company in writing that such prospective employer is a separate and distinct division of the Conflicting Organization and that Executive will not render services directly or indirectly in respect of any Conflicting Product. Such twelve (12) month time period shall be tolled during any period that Executive is engaged in activity in violation of this covenant.

(b) Judicial Construction. Executive and the Company agree that, if the period of time or the scope of this Covenant Not to Compete shall be adjudged unreasonably overbroad in any court proceeding, then the period of time and/or scope shall be modified accordingly, so that this covenant may be enforced with respect to such services or geographic areas and during such period of time as is judged by the court to be reasonable.

(c) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Conflicting Product" means any product, method or process, system or service of any person or organization other than the Company that is the same as, similar to or interchangeable with any product, method or process, system or service that was provided or under development by the Company or any of its Affiliates at the time Executive's employment with the Company terminates, or about which Executive acquired any Confidential Information or developed any Executive Work Product.

"Conflicting Organization" means any person or organization which is engaged in research on or development, production, marketing, licensing, selling or servicing of any Conflicting Product.

5.12 Non-Solicitation

For a period of twelve (12) months after termination of employment with the Company for any reason, Executive shall not directly or indirectly solicit or hire, or assist any other person in soliciting or hiring, any person employed by the Company (as of the date of Executive's termination) or any person who, as of the date of Executive's termination, was in the process of being recruited by the Company, or induce any such employee to terminate his or her employment with the Company.

5.13 Judicial Enforcement

In the event of a breach or violation of any provision of this Article 5 by Executive, the parties agree that, in addition to any other remedies it may have, the Company shall be entitled to equitable relief for specific performance, and Executive hereby agrees and acknowledges that the Company has no adequate remedy at law for the breach of the employment covenants contained herein.

Article 6. Miscellaneous

6.1 Notices

All notices or other communications which are required or permitted hereunder shall be deemed to be sufficient if contained in a written instrument given by personal delivery, air courier or registered or certified mail, postage prepaid, return receipt requested, addressed to such party at the address set forth below or such other address as may thereafter be designated in a written notice from such party to the other party:

To Company: Sucampo Pharmaceuticals, Inc.
4520 East West Highway, Third Floor
Bethesda, Maryland 20814
Attention: Vice President Global Human Resources

Copy to: Corporate Secretary

To Executive: Ryuji Ueno, M.D., Ph.D., Ph.D.
27 Stanmore Court
Potomac, MD 20854

All such notices, advances and communications shall be deemed to have been delivered and received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of air courier, on the business day after the date when sent and (iii) in the case of mailing, on the third business day following such mailing.

6.2 Headings

The headings of the articles and sections of this Agreement are inserted for convenience only and shall not be deemed a part of or affect the construction or interpretation of any provision hereof.

6.3 Modifications; Waiver

No modification of any provision of this Agreement or waiver of any right or remedy herein provided shall be effective for any purpose unless specifically set forth in a writing signed by the party to be bound thereby. No waiver of any right or remedy in respect of any occurrence or event on one occasion shall be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.

6.4 Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, heretofore made with respect thereto including, without limitation, the Employment Agreement between Executive and the Company dated November 20, 2008. In the event there is any conflict between the provisions of Article 5 of this Agreement and the Non-Competition Agreement dated December 23, 2010 ("Non-Competition Agreement"), the Non-Competition Agreement controls.

6.5 Severability

Any provision of this Agreement that may be prohibited by, or unlawful or unenforceable under, any applicable law of any jurisdiction shall, as to such jurisdiction, be ineffective without affecting any other provision hereof. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived, to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

6.6 Controlling Law

This Agreement has been entered into by the parties in the State of Maryland and shall be continued and enforced in accordance with the laws of Maryland.

6.7 Arbitration

Any controversy, claim, or breach arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration in the State of Maryland in accordance with the rules of the American Arbitration Association for commercial disputes and the judgment upon the award rendered shall be entered by consent in any court having jurisdiction thereof; provided, however, that this provision shall not preclude the Company from seeking injunctive or similar relief from the courts to enforce its rights under the Employment Covenants set forth in Article 5 of this Agreement. It is understood and agreed that, in the event the Company gives notice to Executive of termination for Cause and it should be finally determined in a subsequent arbitration that Executive's termination was not for Cause as defined in this Agreement, then the remedy awarded to Executive shall be limited to such compensation and benefits as Executive would have received in the event of Executive's termination other than for Cause at the same time as the original termination.

6.8 Assignments

Subject to obtaining Executive's prior approval, which shall not be unreasonably withheld or delayed, the Company shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder to any entity that controls the Company, that the Company controls or that may be the result of the merger, consolidation, acquisition or reorganization of the Company and another entity. Executive agrees that this Agreement is personal to Executive and Executive's rights and interest hereunder may not be assigned, nor may Executive's obligations and duties hereunder be delegated (except as to delegation in the normal course of operation of the Company), and any attempted assignment or delegation in violation of this provision shall be void.

6.9 Read and Understood

Executive has read this Agreement carefully and understands each of its terms and conditions. Executive has sought independent legal counsel of Executive's choice to the extent Executive deemed such advice necessary in connection with the review and execution of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first indicated above.

SUCAMPO PHARMACEUTICALS, INC.

By: /s/ Thomas Knapp
Thomas Knapp, Executive VP, Chief Legal Officer,
& Corporate Secretary

/s/ Ryuji Ueno
RYUJI UENO, M.D., Ph.D., Ph.D.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of December 31, 2012, is hereby entered into in the State of Maryland by and between SUCAMPO PHARMACEUTICALS, INC., a Delaware corporation (the "Company"), and GAYLE DOLECEK ("Executive").

WHEREAS, Executive has been employed by the Company under a certain Employment Agreement dated September 2, 2011;

WHEREAS, Executive has been the Executive Advisor of R&D Affairs of the Company since May 1, 2006;

WHEREAS, Executive possesses certain skills, experience or expertise which will be of use to the Company;

WHEREAS, the parties acknowledge that Executive's abilities and services are unique and will significantly enhance the business prospects of the Company; and

WHEREAS, in light of the foregoing, the Company desires to continue to employ Executive as the Executive Advisor of R&D Affairs as of January 1, 2013 (the "Effective Date") and Executive desires to continue such employment.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, the Company and Executive hereby agree as follows:

Article 1. Employment Agreement

1.1 Employment and Duties

The Company offers and Executive hereby accepts employment with the Company for the Term (as hereinafter defined) as its Executive Advisor of R&D Affairs, and in connection therewith, to perform such duties as Executive shall reasonably be assigned by Executive's supervisor and/or by the Company's Board of Directors. Executive hereby warrants and represents that Executive has no contractual commitments or other obligations to third parties inconsistent with Executive's acceptance of this employment and performance of the obligations set forth in this Agreement. Executive shall perform such duties and carry out Executive's responsibilities hereunder faithfully and to the best of Executive's ability, and shall devote Executive's full business time and best efforts to the business and affairs of the Company during normal business hours (exclusive of periods of vacation, sickness, disability, or other leaves to which Executive is entitled). Executive will perform all of Executive's responsibilities in compliance with all applicable laws and will ensure that the operations that Executive manages are in compliance with all applicable laws.

Article 2. Employment Term

2.1 Term

The term of Executive's employment hereunder (the "Term") shall be deemed to commence on January 1, 2013 and shall end on June 1, 2014, unless sooner terminated as hereinafter provided; provided, however, that the Term shall be automatically renewed and extended for an additional period of one (1) year on each date on which it would otherwise expire unless either party gives a Notice of Termination (as defined below) to the other party at least sixty (60) days prior to such expiration date.

2.2 Survival on Merger or Acquisition

In the event the Company is acquired during the Term, or is the non-surviving party in a merger, or sells all or substantially all of its assets, this Agreement shall not automatically be terminated, and the Company agrees to use its best efforts to ensure that the transferee or surviving company shall assume and be bound by the provisions of this Agreement.

Article 3. Compensation and Benefits

3.1 Compensation

(a) Base Salary. The Company shall pay Executive a salary at an annual rate that is not less than One Hundred and Ninety-Two Thousand One Hundred Twenty-Eight and 66/100 dollars (\$192,128.66), to be paid in bi-weekly installments, in arrears (the "Base Salary"). After 2013, the Base Salary will be reviewed by the Compensation Committee of the Board of Directors ("Compensation Committee") at least annually, and the Committee's recommendation shall be reviewed and approved by the Board of Directors. The Base Salary may, in the sole discretion of the Board of Directors, be increased, but not decreased (unless either mutually agreed by Executive and the Company, or established as part of across-the-board salary reductions that apply equally to all similarly situated officers as a percentage reduction in their salaries).

(b) Stock Compensation. At least annually for the Term of this Agreement, Executive shall be eligible for consideration to receive restricted stock grants, incentive stock options or other awards in accordance with the Amended and Restated 2006 Stock Incentive Plan. Recommendations concerning the decision to make an award pursuant to that Plan and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors. In the event that, during the Term (i) the Company terminates Executive's employment by not renewing this Agreement, without Cause or Executive resigns for Good Reason, and in any of these cases on or after the Company is acquired or is the non-surviving party in a merger, or the Company sells all or substantially all of its assets, or (ii) there is the death of Executive, all unvested restricted stock awards and incentive stock options having previously been awarded to Executive shall immediately vest and may be exercised in accordance with the terms of the Plan and the Executive's grant award.

(c) Bonuses. Executive shall be eligible to receive an annual bonus award in recognition of Executive's contributions to the success of the Company pursuant to the Company's management incentive bonus program as it may be amended or modified from time to time. Recommendations concerning the decision to make an award and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors.

(d) Taxes. Executive acknowledges and agrees that Executive shall be solely responsible for the satisfaction of any applicable taxes that may arise pursuant to this Agreement (including taxes arising under Code Section 409A (regarding deferred compensation) or 4999 (regarding golden parachute excise taxes), and that neither the Company nor any of its employees, officers, directors, or agents shall have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold Executive harmless from any or all of such taxes. For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. All compensation due to Executive shall be paid subject to withholding by the Company to ensure compliance with all applicable laws and regulations.

3.2 Participation in Benefit Plans

Executive shall be entitled to participate in all employee benefit plans or programs of the Company offered to other employees to the extent that Executive's position, tenure, salary, and other qualifications make Executive eligible to participate in accordance with the terms of such plans. The Company does not guarantee the continuance of any particular employee benefit plan or program during the Term, and Executive's participation in any such plan or program shall be subject to all terms, provisions, rules and regulations applicable thereto.

3.3 Expenses

The Company will pay or reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by Executive in the performance of Executive's duties under this Agreement. Executive shall provide to the Company detailed and accurate records of such expenses for which payment or reimbursement is sought, and Company payments shall be in accordance with the regular policies and procedures maintained by the Company from time to time, and all reimbursements due under this Agreement shall be separately requested and paid not later than one year after Executive incurs the underlying expense.

3.4 Professional Organizations

During the Term, Executive shall be reimbursed by the Company for the annual dues payable for membership in professional societies associated with subject matter related to the Company's interests. New memberships for which reimbursement will be sought shall be approved by the Company in advance.

3.5 Parking

During the Term and where Executive uses an automobile to commute to work, the Company shall either provide parking for Executive's automobile at the Company's expense or reimburse Executive for such expense.

Article 4. Termination of Employment

4.1 Definitions

As used in Article 4 of this Agreement, the following terms shall have the meaning set forth for each below:

(a) "Benefit Period" shall mean the six (6) month period commencing on the Date of Termination which occurs in connection with a termination of employment described in the first sentence of Section 4.4(a), or a period ending when Executive becomes eligible for group medical benefits coverage from another source, whichever is shorter.

(b) "Cause" shall mean any of the following:

(i) the gross neglect or willful failure or refusal of Executive to perform Executive's duties hereunder (other than as a result of Executive's death or Disability);

(ii) perpetration of an intentional and knowing fraud against or affecting the Company or any customer, supplier, client, agent or employee thereof;

(iii) any willful or intentional act that could reasonably be expected to injure the reputation, financial condition, business or business relationships of the Company or Executive's reputation or business relationships;

(iv) conviction (including conviction on a *nolo contendere* plea) of a felony or any crime involving fraud, dishonesty or moral turpitude;

(v) the material breach by Executive of this Agreement (including, without limitation, the Employment Covenants set forth in Article 5 of this Agreement); or

(vi) the failure or continued refusal to carry out the directives of Executive's supervisor or the Board of Directors that are consistent with Executive's duties and responsibilities under this Agreement which is not cured within thirty (30) days after receipt of written notice from the Company specifying the nature of such failure or refusal; provided, however, that Cause shall not exist if such refusal arises from Executive's reasonable, good faith belief that such failure or refusal is required by law.

(c) "Date of Termination" shall mean the date specified in the Notice of Termination (as hereinafter defined) (except in the case of Executive's death, in which case the Date of Termination shall be the date of death); provided, however, that if Executive's employment is terminated by the Company other than for Cause, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to Executive.

(d) "Notice of Termination" shall mean a written notice from the Company to Executive that indicates Section 2 or the specific provision of Section 4 of this Agreement relied upon as the reason for such termination or nonrenewal, the Date of Termination, and, in the case of termination or non-renewal by the Company for Cause, in reasonable detail, the facts and circumstances claimed to provide a basis for termination or nonrenewal.

(e) "Good Reason" shall mean:

- (i) Company effects a material diminution of Executive's position, authority or duties;
- (ii) any requirement that Executive, without his/her consent, move his/her regular office to a location more than fifty (50) miles from Company's executive offices;

(iii) the material failure by Company, or its successor, if any, to pay compensation or provide benefits or perquisites to Executive as and when required by the terms of this Agreement; or

(iv) any material breach by Company of this Agreement.

The Executive shall have Good Reason to terminate Executive's employment if (i) within twenty-one (21) days following Executive's actual knowledge of the event which Executive determines constitutes Good Reason, Executive notifies the Company in writing that Executive has determined a Good Reason exists and specifies the event creating Good Reason, and (ii) following receipt of such notice, the Company fails to remedy such event within thirty (30) days, and Executive resigns within sixty (60) days thereafter. If any of these conditions is not met, Executive shall not have a Good Reason to terminate Executive's employment.

(f) "Change in Control" shall mean:

(i) the acquisition by any person of beneficial ownership of fifty percent (50%) or more of the outstanding shares of the Company's voting securities; or

(ii) the Company is the non-surviving party in a merger; or

(iii) the Company sells all or substantially all of its assets; provided, however, that no "Change in Control" shall be deemed to have occurred merely as the result of a refinancing by the Company or as a result of the Company's insolvency or the appointment of a conservator; or

(iv) the Board of the Company, in its sole and absolute discretion, determines that there has been a sufficient change in the share ownership or ownership of the voting power of the Company's voting securities to constitute a change of effective ownership or control of the Company.

4.2 Termination Upon Death or Disability

This Agreement and Executive's employment hereunder, shall terminate automatically and without the necessity of any action on the part of the Company upon the death of Executive. In addition, if at any time during the Term, Executive shall become physically or mentally disabled (as determined by an independent physician competent to assess the condition at issue), whether totally or partially, so that Executive is unable substantially to perform Executive's duties and services hereunder, with or without reasonable accommodation, for either (i) a period of sixty (60) consecutive calendar days, or (ii) ninety (90) consecutive or non-consecutive calendar days during any consecutive five (5) month period (the "Disability Date"), the Company may terminate this Agreement and Executive's employment hereunder by written notice to Executive after the Disability Date (but before Executive has recovered from such disability).

4.3 Company's and Executive's Right to Terminate

This Agreement and Executive's employment hereunder may be terminated at any time by the Company for Cause or, if without Cause, upon thirty (30) days prior written notice to Executive. In the event the Company should give Executive notice of termination without Cause, the Company may, at its option, elect to provide Executive with thirty (30) days' salary in lieu of Executive's continued active employment during the notice period. This Agreement and Executive's employment hereunder may be terminated by Executive at any time for Good Reason and, if without Good Reason, upon thirty (30) days prior written notice to the Company.

4.4 Compensation Upon Termination

(a) **Severance.** In the event the Company terminates Executive's employment without Cause or pursuant to Section 4.2 due to the disability of Executive, or elects not to renew this Agreement under circumstances where Executive is willing and able to execute a new agreement providing terms and conditions substantially similar to those in this Agreement, or in the event Executive terminates employment for Good Reason, Executive shall be entitled to receive: (i) Executive's Base Salary through the Date of Termination, (ii) reimbursement of any COBRA continuation premium payments made by Executive for the Benefit Period, and (iii) a lump sum severance payment equal to six (6) months of Executive's then current Base Salary to be made not later than sixty (60) days following Executive's Date of Termination; provided however that each of the benefits provided under clauses (ii) and (iii) hereof are absolutely contingent on Executive's execution of the Release (as provided in Section 4.4(c) below) without any revocation having occurred. Notwithstanding the foregoing, the Company shall, to the extent necessary and only to the extent necessary, modify the timing of delivery of severance benefits to Executive if the Company reasonably determines that the timing would subject the severance benefits to any additional tax or interest assessed under Section 409A of the Internal Revenue Code. In such event, the payments will be made as soon as practicable without causing the severance benefits to trigger such additional tax or interest under Section 409A of the Internal Revenue Code. If any amounts that become due under Section 4.4 constitute "nonqualified deferred compensation" within the meaning of Section 409A, payment of such amounts shall not commence until Executive incurs a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h). If, at the time of Executive's separation from service, Executive is a "specified employee" (under Internal Revenue Code Section 409A), any benefit as to which Section 409A penalties could be assessed that becomes payable to Executive on account of Executive's "separation from service" (including any amounts payable pursuant to the preceding sentence) shall be paid, without interest thereon, on the date six months and one day after such separation from service. In no event shall Executive be entitled to the continuation of any compensation, bonuses or benefits provided hereunder, or any other payments following the Date of Termination, other than Base Salary earned through such Date of Termination and any other benefits payable under Section 4.4(a).

(b) Change in Control. In the event that Executive is terminated other than for "Cause" within twelve (12) months following the occurrence of a "Change in Control" of the Company, then Executive shall be entitled to a severance payment, in lieu of the benefits due under Section 4.4(a), in an amount that is two (2) times the amount specified in Section 4.4(a), clause (iii) above (the "Change in Control Severance Payment"). In the event that Executive shall become entitled to a Change in Control Severance Payment as provided herein, the Company shall cause its independent auditors promptly to review, at the Company's sole expense, the applicability to those payments of Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"). If the auditors determine that any payment of the Change in Control Severance Payment would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax, then such payment owed to Executive shall be reduced by an amount calculated to provide to Executive the maximum Change in Control Severance Payment which will not trigger application of Sections 280G and 4999 of the Code, with any such reduction being made last with respect to benefits that are not exempt from Code §409A.

(c) Release. Anything to the contrary contained herein notwithstanding, as a condition to Executive receiving severance benefits to be paid pursuant to this Section 4.4, Executive shall execute and deliver to the Company a general release in the form attached hereto as Exhibit A not later than forty-five (45) days after Executive's Date of Termination. The Company shall have no obligation to provide any severance benefits to Executive until it has received the general release from Executive within the time specified in the preceding sentence, and any revocation or rescission period applicable to the Release shall have expired without revocation or rescission.

Article 5. Employment Covenants

5.1 Definitions

As used in this Article 5 of the Agreement, the following terms shall have the meaning set forth for each below:

(a) "Affiliate" shall mean a person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or under common control with another person or entity, including current and former directors and officers of such an entity.

(b) "Confidential Information" shall mean all confidential and proprietary information of the Company, its Predecessors and Affiliates, whether in written, oral, electronic or other form, including but not limited to trade secrets; technical, scientific or business information; processes; works of authorship; Inventions; discoveries; developments; systems; chemical compounds; computer programs; code; algorithms; formulae; methods; ideas; test data; know how; functional and technical specifications; designs; drawings; passwords; analyses; business plans; information regarding actual or demonstrably anticipated business, research or development; marketing, sales and pricing strategies; and information regarding the Company's current and prospective consultants, customers, licensors, licensees, investors and personnel, including their names, addresses, duties and other personal characteristics. Confidential Information does not include information that (i) is in the public domain, other than as a result of an act of misappropriation or breach of an obligation of confidentiality by any person; (ii) Executive can verify by written records kept in the ordinary course of business was in Executive's lawful possession prior to its disclosure to Executive; (iii) is received by Executive from a third party without a breach of an obligation of confidentiality owed by the third party to the Company and without the requirement that Executive keep such information confidential; or (iv) Executive is required to disclose by applicable law, regulation or order of a governmental agency or a court of competent jurisdiction. If Executive is required to make disclosure pursuant to clause (iv) of the preceding sentence as a result of the issuance of a court order or other government process, Executive shall (a) promptly, but in no event more than 72 hours after learning of such court order or other government process, notify, pursuant to Section 6.1 below, the Company; (b) at the Company's expense, take all reasonable necessary steps requested by the Company to defend against the enforcement of such court order or other government process, and permit the Company to intervene and participate with counsel of its choice in any proceeding relating to the enforcement thereof; and (c) if such compelled disclosure is required, Executive shall disclose only that portion of the Confidential Information that is necessary to meet the minimum legal requirement imposed on Executive.

(c) "Executive Work Product" shall mean all Confidential Information and Inventions conceived of, created, developed or prepared by Executive (whether individually or jointly with others) before or during Executive's employment with the Company, during or outside of working hours, which relate in any manner to the actual or demonstrably anticipated business, research or development of the Company, or result from or are suggested by any task assigned to Executive or any work performed by Executive for or on behalf of the Company or any of its Affiliates.

(d) "Invention" shall mean any apparatus, biological processes, cell line, chemical compound, creation, data, development, design, discovery, formula, idea, improvement, innovation, know-how, laboratory notebook, manuscript, process or technique, whether or not patentable or protectable by copyright, or other intellectual property in any form.

(e) "Predecessor" shall mean an entity, the major portion of the business and assets of which was acquired by another entity in a single transaction or in a series of related transactions.

(f) "Trade Secrets," as used in this Agreement, will be given its broadest possible interpretation under the law applicable to this Agreement.

5.2 Nondisclosure and Nonuse

Executive acknowledges that prior to and during Executive's employment with the Company, Executive had and will have occasion to create, produce, obtain, gain access to or otherwise acquire, whether individually or jointly with others, Confidential Information. Accordingly, during the term of Executive's employment with the Company and at all times thereafter, Executive shall keep secret and shall not, except for the Company's benefit, disclose or otherwise make available to any person or entity or use, reproduce or commercialize, any Confidential Information, unless specifically authorized in advance by the Company in writing.

5.3 Other Confidentiality Obligations

Executive acknowledges that the Company may, from time to time, have agreements with other persons or entities or with the U.S. Government or governments of other countries, or agencies thereof, which impose confidentiality obligations or other restrictions on the Company. Executive hereby agrees to be bound by all such obligations and restrictions and shall take all actions necessary to discharge the obligations of the Company thereunder, including, without limitation, signing any confidentiality or other agreements required by such third parties.

5.4 Return of Confidential Information

At any time during Executive's employment with the Company, upon the Company's request, and in the event of Executive's termination of employment with the Company for any reason whatsoever, Executive shall immediately surrender and deliver to the Company all records, materials, notes, equipment, drawings, documents and data of any nature or medium, and all copies thereof, relating to any Confidential Information (collectively the "the Company Materials") which is in Executive's possession or under Executive's control. Executive shall not remove any of the Company Materials from the Company's business premises or deliver any of the Company Materials to any person or entity outside of the Company, except as required in connection with Executive's duties of employment. In the event of the termination of Executive's employment for any reason whatsoever, Executive shall promptly sign and deliver to the Company a Termination Certificate in the form of Exhibit B attached hereto.

5.5 Confidential Information of Others

Executive represents that Executive's performance of all the terms of this Agreement and Executive's employment with the Company do not and will not breach any agreement to keep in confidence proprietary information, knowledge or data with regard to which Executive has obligations of confidentiality or nonuse, and Executive shall not disclose to the Company or cause the Company to use any such confidential proprietary information, knowledge or data belonging to any previous employer of Executive or other person. Executive represents that Executive has not brought and will not bring to the Company or use at the Company any confidential materials or documents of any former employer or other person that are not generally available to the public, unless express written authorization for their possession and use has been obtained from such former employer or other person. Executive agrees not to enter into any agreement, whether written or oral, that conflicts with these obligations.

5.6 Other Obligations

The terms of this Section 5 are in addition to, and not in lieu of, any statutory or other contractual or legal obligation to which Executive may be subject relating to the protection of Confidential Information.

5.7 Assignment of Confidential Information and Inventions; Works Made for Hire

Executive hereby assigns to the Company all right, title and interest in all intellectual property, including any patent applications, trade secrets, know how, copyrights, software, or trademarks associated with the Executive Work Product and Confidential Information. Executive hereby acknowledges and agrees that all Executive Work Product subject to copyright protection constitutes "work made for hire" under United States copyright laws (17 U.S.C. § 101) and is owned exclusively by the Company. To the extent that title to any Executive Work Product subject to copyright protection does not constitute a "work for hire," and to the extent title to any other Executive Work Product does not, by operation of law or otherwise, vest in the Company, all right, title, and interest therein, including, without limitation, all copyrights, patents and trade secrets, and all copyrightable or patentable subject matter, are hereby irrevocably assigned to the Company. Executive shall promptly disclose to the Company in writing all Executive Work Product. Executive shall, without any additional compensation, execute and deliver all documents or instruments and give the Company all assistance it requires to transfer all right, title, and interest in any Executive Work Product to the Company; to vest in the Company good, valid and marketable title to such Executive Work Product; to perfect, by registration or otherwise, trademark, copyright and patent protection of the Company with respect to such Executive Work Product; and otherwise to protect the Company's trade secret and proprietary interest in such Executive Work Product. Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agents and attorneys-in-fact to act for and on Executive's behalf, and to execute and file any documents and to do all other lawfully permitted acts to further the purposes of this Section 5.7 with the same legal force and effect as if executed by Executive.

5.8 Representations

Executive represents that, to the best of his or her knowledge, none of the Inventions will violate or infringe upon any right, patent, copyright, trademark or right of privacy, or constitute libel or slander against or violate any other rights of any person, firm or corporation, and that Executive will not knowingly create any Invention which causes any such violation.

5.9 Inventions, Intellectual Property and Equipment Not Transferred

Executive has set forth on Exhibit C attached hereto a complete list and brief description of all Inventions, intellectual property and equipment located at the Company which is owned directly or indirectly by Executive and which shall not be transferred to the Company pursuant to this Agreement. Except as so listed, Executive agrees that he or she will not assert any rights under any intellectual property as having been made or acquired by Executive prior to being employed by the Company. The Company may, at its discretion, require detailed disclosures and materials demonstrating ownership of the intellectual property so listed.

5.10 Exclusivity of Employment

During the Term, and without prior approval of the Board of Directors, Executive shall not directly or indirectly engage in any activity competitive with or adverse to the Company's business or welfare or render a material level of services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise.

5.11 Covenant Not to Compete

Executive acknowledges that his services to the Company involve a unique level of trust, of skills, and of access to Confidential Information and other business and strategic insights about the Company, and accordingly Executive agrees to be bound and abide by the following covenant not to compete:

(a) Term and Scope. During Executive's employment with the Company and for a period of twelve (12) months after the Term, Executive will not render to any Conflicting Organization (as hereinafter defined), services, directly or indirectly, anywhere in the world in connection with any Conflicting Product (as hereunder defined), except that Executive may accept employment with a Conflicting Organization whose business is diversified (and which has separate and distinct divisions) if Executive first certifies to the Company in writing that such prospective employer is a separate and distinct division of the Conflicting Organization and that Executive will not render services directly or indirectly in respect of any Conflicting Product. Such twelve (12) month time period shall be tolled during any period that Executive is engaged in activity in violation of this covenant.

(b) Judicial Construction. Executive and the Company agree that, if the period of time or the scope of this Covenant Not to Compete shall be adjudged unreasonably overbroad in any court proceeding, then the period of time and/or scope shall be modified accordingly, so that this covenant may be enforced with respect to such services or geographic areas and during such period of time as is judged by the court to be reasonable.

(c) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Conflicting Product" means any product, method or process, system or service of any person or organization other than the Company that is the same as, similar to or interchangeable with any product, method or process, system or service that was provided or under development by the Company or any of its Affiliates at the time Executive's employment with the Company terminates, or about which Executive acquired any Confidential Information or developed any Executive Work Product.

"Conflicting Organization" means any person or organization which is engaged in research on or development, production, marketing, licensing, selling or servicing of any Conflicting Product.

5.12 Non-Solicitation

For a period of twelve (12) months after termination of employment with the Company for any reason, Executive shall not directly or indirectly solicit or hire, or assist any other person in soliciting or hiring, any person employed by the Company (as of the date of Executive's termination) or any person who, as of the date of Executive's termination, was in the process of being recruited by the Company, or induce any such employee to terminate his or her employment with the Company.

5.13 Judicial Enforcement

In the event of a breach or violation of any provision of this Article 5 by Executive, the parties agree that, in addition to any other remedies it may have, the Company shall be entitled to equitable relief for specific performance, and Executive hereby agrees and acknowledges that the Company has no adequate remedy at law for the breach of the employment covenants contained herein.

Article 6. Miscellaneous

6.1 Notices

All notices or other communications which are required or permitted hereunder shall be deemed to be sufficient if contained in a written instrument given by personal delivery, air courier or registered or certified mail, postage prepaid, return receipt requested, addressed to such party at the address set forth below or such other address as may thereafter be designated in a written notice from such party to the other party:

To Company: Sucampo Pharmaceuticals, Inc.
 4520 East West Highway, Third Floor
 Bethesda, Maryland 20814
 Attention: Vice President Global Human Resources

 Copy to: Corporate Secretary

To Executive: Gayle Dolecek
 10280 Shaker Drive
 Columbia, MD 21046

All such notices, advances and communications shall be deemed to have been delivered and received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of air courier, on the business day after the date when sent and (iii) in the case of mailing, on the third business day following such mailing.

6.2 Headings

The headings of the articles and sections of this Agreement are inserted for convenience only and shall not be deemed a part of or affect the construction or interpretation of any provision hereof.

6.3 Modifications; Waiver

No modification of any provision of this Agreement or waiver of any right or remedy herein provided shall be effective for any purpose unless specifically set forth in a writing signed by the party to be bound thereby. No waiver of any right or remedy in respect of any occurrence or event on one occasion shall be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.

6.4 Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, heretofore made with respect thereto including, without limitation, the Employment Agreement between Executive and the Company dated September 2, 2011.

6.5 Severability

Any provision of this Agreement that may be prohibited by, or unlawful or unenforceable under, any applicable law of any jurisdiction shall, as to such jurisdiction, be ineffective without affecting any other provision hereof. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived, to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

6.6 Controlling Law

This Agreement has been entered into by the parties in the State of Maryland and shall be continued and enforced in accordance with the laws of Maryland.

6.7 Arbitration

Any controversy, claim, or breach arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration in the State of Maryland in accordance with the rules of the American Arbitration Association for commercial disputes and the judgment upon the award rendered shall be entered by consent in any court having jurisdiction thereof; provided, however, that this provision shall not preclude the Company from seeking injunctive or similar relief from the courts to enforce its rights under the Employment Covenants set forth in Article 5 of this Agreement. It is understood and agreed that, in the event the Company gives notice to Executive of termination for Cause and it should be finally determined in a subsequent arbitration that Executive's termination was not for Cause as defined in this Agreement, then the remedy awarded to Executive shall be limited to such compensation and benefits as Executive would have received in the event of Executive's termination other than for Cause at the same time as the original termination.

6.8 Assignments

Subject to obtaining Executive's prior approval, which shall not be unreasonably withheld or delayed, the Company shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder to any entity that controls the Company, that the Company controls or that may be the result of the merger, consolidation, acquisition or reorganization of the Company and another entity. Executive agrees that this Agreement is personal to Executive and Executive's rights and interest hereunder may not be assigned, nor may Executive's obligations and duties hereunder be delegated (except as to delegation in the normal course of operation of the Company), and any attempted assignment or delegation in violation of this provision shall be void.

6.9 Read and Understood

Executive has read this Agreement carefully and understands each of its terms and conditions. Executive has sought independent legal counsel of Executive's choice to the extent Executive deemed such advice necessary in connection with the review and execution of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first indicated above.

SUCAMPO PHARMACEUTICALS, INC.

By: /s/ Ryuji Ueno
Dr. Ryuji Ueno, Chairman, Chief Executive Officer
and Chief Scientific Officer

/s/ Gayle Dolecek
GAYLE DOLECEK

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of December 31, 2012, is hereby entered into in the State of Maryland by and between SUCAMPO PHARMACEUTICALS, INC., a Delaware corporation (the "Company"), and CARY CLAIBORNE ("Executive").

WHEREAS, Executive has been employed by the Company under a certain Employment Agreement dated October 24, 2011;

WHEREAS, Executive has been the Chief Financial Officer of the Company since October 17, 2011;

WHEREAS, Executive possesses certain skills, experience or expertise which will be of use to the Company;

WHEREAS, the parties acknowledge that Executive's abilities and services are unique and will significantly enhance the business prospects of the Company; and

WHEREAS, in light of the foregoing, the Company desires to continue to employ Executive as the Chief Financial Officer as of January 1, 2013 (the "Effective Date") and Executive desires to continue such employment.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, the Company and Executive hereby agree as follows:

Article 1. Employment Agreement

1.1 Employment and Duties

The Company offers and Executive hereby accepts employment with the Company for the Term (as hereinafter defined) as its Chief Financial Officer, and in connection therewith, to perform such duties as Executive shall reasonably be assigned by Executive's supervisor and/or by the Company's Board of Directors. Executive hereby warrants and represents that Executive has no contractual commitments or other obligations to third parties inconsistent with Executive's acceptance of this employment and performance of the obligations set forth in this Agreement. Executive shall perform such duties and carry out Executive's responsibilities hereunder faithfully and to the best of Executive's ability, and shall devote Executive's full business time and best efforts to the business and affairs of the Company during normal business hours (exclusive of periods of vacation, sickness, disability, or other leaves to which Executive is entitled). Executive will perform all of Executive's responsibilities in compliance with all applicable laws and will ensure that the operations that Executive manages are in compliance with all applicable laws.

Article 2. Employment Term

2.1 Term

The term of Executive's employment hereunder (the "Term") shall be deemed to commence on January 1, 2013 and shall end on June 1, 2014, unless sooner terminated as hereinafter provided; provided, however, that the Term shall be automatically renewed and extended for an additional period of one (1) year on each date on which it would otherwise expire unless either party gives a Notice of Termination (as defined below) to the other party at least sixty (60) days prior to such expiration date.

2.2 Survival on Merger or Acquisition

In the event the Company is acquired during the Term, or is the non-surviving party in a merger, or sells all or substantially all of its assets, this Agreement shall not automatically be terminated, and the Company agrees to use its best efforts to ensure that the transferee or surviving company shall assume and be bound by the provisions of this Agreement.

Article 3. Compensation and Benefits

3.1 Compensation

(a) Base Salary. The Company shall pay Executive a salary at an annual rate that is not less than Three Hundred and Thirty-Two Thousand Two Hundred Nine and 50/100 dollars (\$332,209.50), to be paid in bi-weekly installments, in arrears (the "Base Salary"). After 2013, the Base Salary will be reviewed by the Compensation Committee of the Board of Directors ("Compensation Committee") at least annually, and the Committee's recommendation shall be reviewed and approved by the Board of Directors. The Base Salary may, in the sole discretion of the Board of Directors, be increased, but not decreased (unless either mutually agreed by Executive and the Company, or established as part of across-the-board salary reductions that apply equally to all similarly situated officers as a percentage reduction in their salaries).

(b) Stock Compensation. At least annually for the Term of this Agreement, Executive shall be eligible for consideration to receive restricted stock grants, incentive stock options or other awards in accordance with the Amended and Restated 2006 Stock Incentive Plan. Recommendations concerning the decision to make an award pursuant to that Plan and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors. In the event that, during the Term (i) the Company terminates Executive's employment by not renewing this Agreement, without Cause or Executive resigns for Good Reason, and in any of these cases on or after the Company is acquired or is the non-surviving party in a merger, or the Company sells all or substantially all of its assets, or (ii) there is the death of Executive, all unvested restricted stock awards and incentive stock options having previously been awarded to Executive shall immediately vest and may be exercised in accordance with the terms of the Plan and the Executive's grant award.

(c) Bonuses. Executive shall be eligible to receive an annual bonus award in recognition of Executive's contributions to the success of the Company pursuant to the Company's management incentive bonus program as it may be amended or modified from time to time. Recommendations concerning the decision to make an award and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors.

(d) Taxes. Executive acknowledges and agrees that Executive shall be solely responsible for the satisfaction of any applicable taxes that may arise pursuant to this Agreement (including taxes arising under Code Section 409A (regarding deferred compensation) or 4999 (regarding golden parachute excise taxes), and that neither the Company nor any of its employees, officers, directors, or agents shall have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold Executive harmless from any or all of such taxes. For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. All compensation due to Executive shall be paid subject to withholding by the Company to ensure compliance with all applicable laws and regulations.

3.2 Participation in Benefit Plans

Executive shall be entitled to participate in all employee benefit plans or programs of the Company offered to other employees to the extent that Executive's position, tenure, salary, and other qualifications make Executive eligible to participate in accordance with the terms of such plans. The Company does not guarantee the continuance of any particular employee benefit plan or program during the Term, and Executive's participation in any such plan or program shall be subject to all terms, provisions, rules and regulations applicable thereto.

3.3 Expenses

The Company will pay or reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by Executive in the performance of Executive's duties under this Agreement. Executive shall provide to the Company detailed and accurate records of such expenses for which payment or reimbursement is sought, and Company payments shall be in accordance with the regular policies and procedures maintained by the Company from time to time, and all reimbursements due under this Agreement shall be separately requested and paid not later than one year after Executive incurs the underlying expense.

3.4 Professional Organizations

During the Term, Executive shall be reimbursed by the Company for the annual dues payable for membership in professional societies associated with subject matter related to the Company's interests. New memberships for which reimbursement will be sought shall be approved by the Company in advance.

3.5 Parking

During the Term and where Executive uses an automobile to commute to work, the Company shall either provide parking for Executive's automobile at the Company's expense or reimburse Executive for such expense.

Article 4. Termination of Employment

4.1 Definitions

As used in Article 4 of this Agreement, the following terms shall have the meaning set forth for each below:

(a) "Benefit Period" shall mean the six (6) month period commencing on the Date of Termination which occurs in connection with a termination of employment described in the first sentence of Section 4.4(a), or a period ending when Executive becomes eligible for group medical benefits coverage from another source, whichever is shorter.

(b) "Cause" shall mean any of the following:

(i) the gross neglect or willful failure or refusal of Executive to perform Executive's duties hereunder (other than as a result of Executive's death or Disability);

(ii) perpetration of an intentional and knowing fraud against or affecting the Company or any customer, supplier, client, agent or employee thereof;

(iii) any willful or intentional act that could reasonably be expected to injure the reputation, financial condition, business or business relationships of the Company or Executive's reputation or business relationships;

(iv) conviction (including conviction on a *nolo contendere* plea) of a felony or any crime involving fraud, dishonesty or moral turpitude;

(v) the material breach by Executive of this Agreement (including, without limitation, the Employment Covenants set forth in Article 5 of this Agreement); or

(vi) the failure or continued refusal to carry out the directives of Executive's supervisor or the Board of Directors that are consistent with Executive's duties and responsibilities under this Agreement which is not cured within thirty (30) days after receipt of written notice from the Company specifying the nature of such failure or refusal; provided, however, that Cause shall not exist if such refusal arises from Executive's reasonable, good faith belief that such failure or refusal is required by law.

(c) "Date of Termination" shall mean the date specified in the Notice of Termination (as hereinafter defined) (except in the case of Executive's death, in which case the Date of Termination shall be the date of death); provided, however, that if Executive's employment is terminated by the Company other than for Cause, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to Executive.

(d) "Notice of Termination" shall mean a written notice from the Company to Executive that indicates Section 2 or the specific provision of Section 4 of this Agreement relied upon as the reason for such termination or nonrenewal, the Date of Termination, and, in the case of termination or non-renewal by the Company for Cause, in reasonable detail, the facts and circumstances claimed to provide a basis for termination or nonrenewal.

(e) "Good Reason" shall mean:

- (i) Company effects a material diminution of Executive's position, authority or duties;
- (ii) any requirement that Executive, without his/her consent, move his/her regular office to a location more than fifty (50) miles from Company's executive offices;

(iii) the material failure by Company, or its successor, if any, to pay compensation or provide benefits or perquisites to Executive as and when required by the terms of this Agreement; or

(iv) any material breach by Company of this Agreement.

The Executive shall have Good Reason to terminate Executive's employment if (i) within twenty-one (21) days following Executive's actual knowledge of the event which Executive determines constitutes Good Reason, Executive notifies the Company in writing that Executive has determined a Good Reason exists and specifies the event creating Good Reason, and (ii) following receipt of such notice, the Company fails to remedy such event within thirty (30) days, and Executive resigns within sixty (60) days thereafter. If any of these conditions is not met, Executive shall not have a Good Reason to terminate Executive's employment.

(f) "Change in Control" shall mean:

(i) the acquisition by any person of beneficial ownership of fifty percent (50%) or more of the outstanding shares of the Company's voting securities; or

(ii) the Company is the non-surviving party in a merger; or

(iii) the Company sells all or substantially all of its assets; provided, however, that no "Change in Control" shall be deemed to have occurred merely as the result of a refinancing by the Company or as a result of the Company's insolvency or the appointment of a conservator; or

(iv) the Board of the Company, in its sole and absolute discretion, determines that there has been a sufficient change in the share ownership or ownership of the voting power of the Company's voting securities to constitute a change of effective ownership or control of the Company.

4.2 Termination Upon Death or Disability

This Agreement and Executive's employment hereunder, shall terminate automatically and without the necessity of any action on the part of the Company upon the death of Executive. In addition, if at any time during the Term, Executive shall become physically or mentally disabled (as determined by an independent physician competent to assess the condition at issue), whether totally or partially, so that Executive is unable substantially to perform Executive's duties and services hereunder, with or without reasonable accommodation, for either (i) a period of sixty (60) consecutive calendar days, or (ii) ninety (90) consecutive or non-consecutive calendar days during any consecutive five (5) month period (the "Disability Date"), the Company may terminate this Agreement and Executive's employment hereunder by written notice to Executive after the Disability Date (but before Executive has recovered from such disability).

4.3 Company's and Executive's Right to Terminate

This Agreement and Executive's employment hereunder may be terminated at any time by the Company for Cause or, if without Cause, upon thirty (30) days prior written notice to Executive. In the event the Company should give Executive notice of termination without Cause, the Company may, at its option, elect to provide Executive with thirty (30) days' salary in lieu of Executive's continued active employment during the notice period. This Agreement and Executive's employment hereunder may be terminated by Executive at any time for Good Reason and, if without Good Reason, upon thirty (30) days prior written notice to the Company.

4.4 Compensation Upon Termination

(a) **Severance.** In the event the Company terminates Executive's employment without Cause or pursuant to Section 4.2 due to the disability of Executive, or elects not to renew this Agreement under circumstances where Executive is willing and able to execute a new agreement providing terms and conditions substantially similar to those in this Agreement, or in the event Executive terminates employment for Good Reason, Executive shall be entitled to receive: (i) Executive's Base Salary through the Date of Termination, (ii) reimbursement of any COBRA continuation premium payments made by Executive for the Benefit Period, and (iii) a lump sum severance payment equal to six (6) months of Executive's then current Base Salary to be made not later than sixty (60) days following Executive's Date of Termination; provided however that each of the benefits provided under clauses (ii) and (iii) hereof are absolutely contingent on Executive's execution of the Release (as provided in Section 4.4(c) below) without any revocation having occurred. Notwithstanding the foregoing, the Company shall, to the extent necessary and only to the extent necessary, modify the timing of delivery of severance benefits to Executive if the Company reasonably determines that the timing would subject the severance benefits to any additional tax or interest assessed under Section 409A of the Internal Revenue Code. In such event, the payments will be made as soon as practicable without causing the severance benefits to trigger such additional tax or interest under Section 409A of the Internal Revenue Code. If any amounts that become due under Section 4.4 constitute "nonqualified deferred compensation" within the meaning of Section 409A, payment of such amounts shall not commence until Executive incurs a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h). If, at the time of Executive's separation from service, Executive is a "specified employee" (under Internal Revenue Code Section 409A), any benefit as to which Section 409A penalties could be assessed that becomes payable to Executive on account of Executive's "separation from service" (including any amounts payable pursuant to the preceding sentence) shall be paid, without interest thereon, on the date six months and one day after such separation from service. In no event shall Executive be entitled to the continuation of any compensation, bonuses or benefits provided hereunder, or any other payments following the Date of Termination, other than Base Salary earned through such Date of Termination and any other benefits payable under Section 4.4(a).

(b) Change in Control. In the event that Executive is terminated other than for "Cause" within twelve (12) months following the occurrence of a "Change in Control" of the Company, then Executive shall be entitled to a severance payment, in lieu of the benefits due under Section 4.4(a), in an amount that is two (2) times the amount specified in Section 4.4(a), clause (iii) above (the "Change in Control Severance Payment"). In the event that Executive shall become entitled to a Change in Control Severance Payment as provided herein, the Company shall cause its independent auditors promptly to review, at the Company's sole expense, the applicability to those payments of Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"). If the auditors determine that any payment of the Change in Control Severance Payment would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax, then such payment owed to Executive shall be reduced by an amount calculated to provide to Executive the maximum Change in Control Severance Payment which will not trigger application of Sections 280G and 4999 of the Code, with any such reduction being made last with respect to benefits that are not exempt from Code §409A.

(c) Release. Anything to the contrary contained herein notwithstanding, as a condition to Executive receiving severance benefits to be paid pursuant to this Section 4.4, Executive shall execute and deliver to the Company a general release in the form attached hereto as Exhibit A not later than forty-five (45) days after Executive's Date of Termination. The Company shall have no obligation to provide any severance benefits to Executive until it has received the general release from Executive within the time specified in the preceding sentence, and any revocation or rescission period applicable to the Release shall have expired without revocation or rescission.

Article 5. Employment Covenants

5.1 Definitions

As used in this Article 5 of the Agreement, the following terms shall have the meaning set forth for each below:

(a) "Affiliate" shall mean a person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or under common control with another person or entity, including current and former directors and officers of such an entity.

(b) "Confidential Information" shall mean all confidential and proprietary information of the Company, its Predecessors and Affiliates, whether in written, oral, electronic or other form, including but not limited to trade secrets; technical, scientific or business information; processes; works of authorship; Inventions; discoveries; developments; systems; chemical compounds; computer programs; code; algorithms; formulae; methods; ideas; test data; know how; functional and technical specifications; designs; drawings; passwords; analyses; business plans; information regarding actual or demonstrably anticipated business, research or development; marketing, sales and pricing strategies; and information regarding the Company's current and prospective consultants, customers, licensors, licensees, investors and personnel, including their names, addresses, duties and other personal characteristics. Confidential Information does not include information that (i) is in the public domain, other than as a result of an act of misappropriation or breach of an obligation of confidentiality by any person; (ii) Executive can verify by written records kept in the ordinary course of business was in Executive's lawful possession prior to its disclosure to Executive; (iii) is received by Executive from a third party without a breach of an obligation of confidentiality owed by the third party to the Company and without the requirement that Executive keep such information confidential; or (iv) Executive is required to disclose by applicable law, regulation or order of a governmental agency or a court of competent jurisdiction. If Executive is required to make disclosure pursuant to clause (iv) of the preceding sentence as a result of the issuance of a court order or other government process, Executive shall (a) promptly, but in no event more than 72 hours after learning of such court order or other government process, notify, pursuant to Section 6.1 below, the Company; (b) at the Company's expense, take all reasonable necessary steps requested by the Company to defend against the enforcement of such court order or other government process, and permit the Company to intervene and participate with counsel of its choice in any proceeding relating to the enforcement thereof; and (c) if such compelled disclosure is required, Executive shall disclose only that portion of the Confidential Information that is necessary to meet the minimum legal requirement imposed on Executive.

(c) "Executive Work Product" shall mean all Confidential Information and Inventions conceived of, created, developed or prepared by Executive (whether individually or jointly with others) before or during Executive's employment with the Company, during or outside of working hours, which relate in any manner to the actual or demonstrably anticipated business, research or development of the Company, or result from or are suggested by any task assigned to Executive or any work performed by Executive for or on behalf of the Company or any of its Affiliates.

(d) "Invention" shall mean any apparatus, biological processes, cell line, chemical compound, creation, data, development, design, discovery, formula, idea, improvement, innovation, know-how, laboratory notebook, manuscript, process or technique, whether or not patentable or protectable by copyright, or other intellectual property in any form.

(e) "Predecessor" shall mean an entity, the major portion of the business and assets of which was acquired by another entity in a single transaction or in a series of related transactions.

(f) "Trade Secrets," as used in this Agreement, will be given its broadest possible interpretation under the law applicable to this Agreement.

5.2 Nondisclosure and Nonuse

Executive acknowledges that prior to and during Executive's employment with the Company, Executive had and will have occasion to create, produce, obtain, gain access to or otherwise acquire, whether individually or jointly with others, Confidential Information. Accordingly, during the term of Executive's employment with the Company and at all times thereafter, Executive shall keep secret and shall not, except for the Company's benefit, disclose or otherwise make available to any person or entity or use, reproduce or commercialize, any Confidential Information, unless specifically authorized in advance by the Company in writing.

5.3 Other Confidentiality Obligations

Executive acknowledges that the Company may, from time to time, have agreements with other persons or entities or with the U.S. Government or governments of other countries, or agencies thereof, which impose confidentiality obligations or other restrictions on the Company. Executive hereby agrees to be bound by all such obligations and restrictions and shall take all actions necessary to discharge the obligations of the Company thereunder, including, without limitation, signing any confidentiality or other agreements required by such third parties.

5.4 Return of Confidential Information

At any time during Executive's employment with the Company, upon the Company's request, and in the event of Executive's termination of employment with the Company for any reason whatsoever, Executive shall immediately surrender and deliver to the Company all records, materials, notes, equipment, drawings, documents and data of any nature or medium, and all copies thereof, relating to any Confidential Information (collectively the "the Company Materials") which is in Executive's possession or under Executive's control. Executive shall not remove any of the Company Materials from the Company's business premises or deliver any of the Company Materials to any person or entity outside of the Company, except as required in connection with Executive's duties of employment. In the event of the termination of Executive's employment for any reason whatsoever, Executive shall promptly sign and deliver to the Company a Termination Certificate in the form of Exhibit B attached hereto.

5.5 Confidential Information of Others

Executive represents that Executive's performance of all the terms of this Agreement and Executive's employment with the Company do not and will not breach any agreement to keep in confidence proprietary information, knowledge or data with regard to which Executive has obligations of confidentiality or nonuse, and Executive shall not disclose to the Company or cause the Company to use any such confidential proprietary information, knowledge or data belonging to any previous employer of Executive or other person. Executive represents that Executive has not brought and will not bring to the Company or use at the Company any confidential materials or documents of any former employer or other person that are not generally available to the public, unless express written authorization for their possession and use has been obtained from such former employer or other person. Executive agrees not to enter into any agreement, whether written or oral, that conflicts with these obligations.

5.6 Other Obligations

The terms of this Section 5 are in addition to, and not in lieu of, any statutory or other contractual or legal obligation to which Executive may be subject relating to the protection of Confidential Information.

5.7 Assignment of Confidential Information and Inventions; Works Made for Hire

Executive hereby assigns to the Company all right, title and interest in all intellectual property, including any patent applications, trade secrets, know how, copyrights, software, or trademarks associated with the Executive Work Product and Confidential Information. Executive hereby acknowledges and agrees that all Executive Work Product subject to copyright protection constitutes "work made for hire" under United States copyright laws (17 U.S.C. § 101) and is owned exclusively by the Company. To the extent that title to any Executive Work Product subject to copyright protection does not constitute a "work for hire," and to the extent title to any other Executive Work Product does not, by operation of law or otherwise, vest in the Company, all right, title, and interest therein, including, without limitation, all copyrights, patents and trade secrets, and all copyrightable or patentable subject matter, are hereby irrevocably assigned to the Company. Executive shall promptly disclose to the Company in writing all Executive Work Product. Executive shall, without any additional compensation, execute and deliver all documents or instruments and give the Company all assistance it requires to transfer all right, title, and interest in any Executive Work Product to the Company; to vest in the Company good, valid and marketable title to such Executive Work Product; to perfect, by registration or otherwise, trademark, copyright and patent protection of the Company with respect to such Executive Work Product; and otherwise to protect the Company's trade secret and proprietary interest in such Executive Work Product. Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agents and attorneys-in-fact to act for and on Executive's behalf, and to execute and file any documents and to do all other lawfully permitted acts to further the purposes of this Section 5.7 with the same legal force and effect as if executed by Executive.

5.8 Representations

Executive represents that, to the best of his or her knowledge, none of the Inventions will violate or infringe upon any right, patent, copyright, trademark or right of privacy, or constitute libel or slander against or violate any other rights of any person, firm or corporation, and that Executive will not knowingly create any Invention which causes any such violation.

5.9 Inventions, Intellectual Property and Equipment Not Transferred

Executive has set forth on Exhibit C attached hereto a complete list and brief description of all Inventions, intellectual property and equipment located at the Company which is owned directly or indirectly by Executive and which shall not be transferred to the Company pursuant to this Agreement. Except as so listed, Executive agrees that he or she will not assert any rights under any intellectual property as having been made or acquired by Executive prior to being employed by the Company. The Company may, at its discretion, require detailed disclosures and materials demonstrating ownership of the intellectual property so listed.

5.10 Exclusivity of Employment

During the Term, and without prior approval of the Board of Directors, Executive shall not directly or indirectly engage in any activity competitive with or adverse to the Company's business or welfare or render a material level of services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise.

5.11 Covenant Not to Compete

Executive acknowledges that his services to the Company involve a unique level of trust, of skills, and of access to Confidential Information and other business and strategic insights about the Company, and accordingly Executive agrees to be bound and abide by the following covenant not to compete:

(a) Term and Scope. During Executive's employment with the Company and for a period of twelve (12) months after the Term, Executive will not render to any Conflicting Organization (as hereinafter defined), services, directly or indirectly, anywhere in the world in connection with any Conflicting Product (as hereunder defined), except that Executive may accept employment with a Conflicting Organization whose business is diversified (and which has separate and distinct divisions) if Executive first certifies to the Company in writing that such prospective employer is a separate and distinct division of the Conflicting Organization and that Executive will not render services directly or indirectly in respect of any Conflicting Product. Such twelve (12) month time period shall be tolled during any period that Executive is engaged in activity in violation of this covenant.

(b) Judicial Construction. Executive and the Company agree that, if the period of time or the scope of this Covenant Not to Compete shall be adjudged unreasonably overbroad in any court proceeding, then the period of time and/or scope shall be modified accordingly, so that this covenant may be enforced with respect to such services or geographic areas and during such period of time as is judged by the court to be reasonable.

(c) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Conflicting Product" means any product, method or process, system or service of any person or organization other than the Company that is the same as, similar to or interchangeable with any product, method or process, system or service that was provided or under development by the Company or any of its Affiliates at the time Executive's employment with the Company terminates, or about which Executive acquired any Confidential Information or developed any Executive Work Product.

"Conflicting Organization" means any person or organization which is engaged in research on or development, production, marketing, licensing, selling or servicing of any Conflicting Product.

5.12 Non-Solicitation

For a period of twelve (12) months after termination of employment with the Company for any reason, Executive shall not directly or indirectly solicit or hire, or assist any other person in soliciting or hiring, any person employed by the Company (as of the date of Executive's termination) or any person who, as of the date of Executive's termination, was in the process of being recruited by the Company, or induce any such employee to terminate his or her employment with the Company.

5.13 Judicial Enforcement

In the event of a breach or violation of any provision of this Article 5 by Executive, the parties agree that, in addition to any other remedies it may have, the Company shall be entitled to equitable relief for specific performance, and Executive hereby agrees and acknowledges that the Company has no adequate remedy at law for the breach of the employment covenants contained herein.

Article 6. Miscellaneous

6.1 Notices

All notices or other communications which are required or permitted hereunder shall be deemed to be sufficient if contained in a written instrument given by personal delivery, air courier or registered or certified mail, postage prepaid, return receipt requested, addressed to such party at the address set forth below or such other address as may thereafter be designated in a written notice from such party to the other party:

To Company: Sucampo Pharmaceuticals, Inc.
4520 East West Highway, Third Floor
Bethesda, Maryland 20814
Attention: Vice President Global Human Resources

Copy to: Corporate Secretary

To Executive: Cary Claiborne
3056 Seneca Chief Trail
Ellicott City, MD 21042

All such notices, advances and communications shall be deemed to have been delivered and received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of air courier, on the business day after the date when sent and (iii) in the case of mailing, on the third business day following such mailing.

6.2 Headings

The headings of the articles and sections of this Agreement are inserted for convenience only and shall not be deemed a part of or affect the construction or interpretation of any provision hereof.

6.3 Modifications; Waiver

No modification of any provision of this Agreement or waiver of any right or remedy herein provided shall be effective for any purpose unless specifically set forth in a writing signed by the party to be bound thereby. No waiver of any right or remedy in respect of any occurrence or event on one occasion shall be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.

6.4 Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, heretofore made with respect thereto including, without limitation, the offer letter between Executive and the Company dated October 20, 2011 and the Employment Agreement between Executive and the Company dated October 24, 2011.

6.5 Severability

Any provision of this Agreement that may be prohibited by, or unlawful or unenforceable under, any applicable law of any jurisdiction shall, as to such jurisdiction, be ineffective without affecting any other provision hereof. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived, to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

6.6 Controlling Law

This Agreement has been entered into by the parties in the State of Maryland and shall be continued and enforced in accordance with the laws of Maryland.

6.7 Arbitration

Any controversy, claim, or breach arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration in the State of Maryland in accordance with the rules of the American Arbitration Association for commercial disputes and the judgment upon the award rendered shall be entered by consent in any court having jurisdiction thereof; provided, however, that this provision shall not preclude the Company from seeking injunctive or similar relief from the courts to enforce its rights under the Employment Covenants set forth in Article 5 of this Agreement. It is understood and agreed that, in the event the Company gives notice to Executive of termination for Cause and it should be finally determined in a subsequent arbitration that Executive's termination was not for Cause as defined in this Agreement, then the remedy awarded to Executive shall be limited to such compensation and benefits as Executive would have received in the event of Executive's termination other than for Cause at the same time as the original termination.

6.8 Assignments

Subject to obtaining Executive's prior approval, which shall not be unreasonably withheld or delayed, the Company shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder to any entity that controls the Company, that the Company controls or that may be the result of the merger, consolidation, acquisition or reorganization of the Company and another entity. Executive agrees that this Agreement is personal to Executive and Executive's rights and interest hereunder may not be assigned, nor may Executive's obligations and duties hereunder be delegated (except as to delegation in the normal course of operation of the Company), and any attempted assignment or delegation in violation of this provision shall be void.

6.9 Read and Understood

Executive has read this Agreement carefully and understands each of its terms and conditions. Executive has sought independent legal counsel of Executive's choice to the extent Executive deemed such advice necessary in connection with the review and execution of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first indicated above.

SUCAMPO PHARMACEUTICALS, INC.

By: /s/ Ryuji Ueno
Dr. Ryuji Ueno, Chairman, Chief Executive Officer
and Chief Scientific Officer

/s/ Cary Claiborne
CARY CLAIBORNE

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of December 31, 2012, is hereby entered into in the State of Maryland by and between SUCAMPO PHARMACEUTICALS, INC., a Delaware corporation (the "Company"), and STANLEY MIELE ("Executive").

WHEREAS, Executive has been employed by the Company under a certain Employment Agreement dated November 20, 2008;

WHEREAS, Executive has been the President of SPA and Senior VP of Sales and Marketing of the Company since February 27, 2006;

WHEREAS, Executive possesses certain skills, experience or expertise which will be of use to the Company;

WHEREAS, the parties acknowledge that Executive's abilities and services are unique and will significantly enhance the business prospects of the Company; and

WHEREAS, in light of the foregoing, the Company desires to continue to employ Executive as the President of SPA and Senior VP of Sales and Marketing as of January 1, 2013 (the "Effective Date") and Executive desires to continue such employment.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, the Company and Executive hereby agree as follows:

Article 1. Employment Agreement

1.1 Employment and Duties

The Company offers and Executive hereby accepts employment with the Company for the Term (as hereinafter defined) as its President of SPA and Senior VP of Sales and Marketing, and in connection therewith, to perform such duties as Executive shall reasonably be assigned by Executive's supervisor and/or by the Company's Board of Directors. Executive hereby warrants and represents that Executive has no contractual commitments or other obligations to third parties inconsistent with Executive's acceptance of this employment and performance of the obligations set forth in this Agreement. Executive shall perform such duties and carry out Executive's responsibilities hereunder faithfully and to the best of Executive's ability, and shall devote Executive's full business time and best efforts to the business and affairs of the Company during normal business hours (exclusive of periods of vacation, sickness, disability, or other leaves to which Executive is entitled). Executive will perform all of Executive's responsibilities in compliance with all applicable laws and will ensure that the operations that Executive manages are in compliance with all applicable laws.

Article 2. Employment Term

2.1 Term

The term of Executive's employment hereunder (the "Term") shall be deemed to commence on January 1, 2013 and shall end on June 1, 2014, unless sooner terminated as hereinafter provided; provided, however, that the Term shall be automatically renewed and extended for an additional period of one (1) year on each date on which it would otherwise expire unless either party gives a Notice of Termination (as defined below) to the other party at least sixty (60) days prior to such expiration date.

2.2 Survival on Merger or Acquisition

In the event the Company is acquired during the Term, or is the non-surviving party in a merger, or sells all or substantially all of its assets, this Agreement shall not automatically be terminated, and the Company agrees to use its best efforts to ensure that the transferee or surviving company shall assume and be bound by the provisions of this Agreement.

Article 3. Compensation and Benefits

3.1 Compensation

(a) Base Salary. The Company shall pay Executive a salary at an annual rate that is not less than Two Hundred and Forty Thousand and 02/100 dollars (\$240,000.02), to be paid in bi-weekly installments, in arrears (the "Base Salary"). After 2013, the Base Salary will be reviewed by the Compensation Committee of the Board of Directors ("Compensation Committee") at least annually, and the Committee's recommendation shall be reviewed and approved by the Board of Directors. The Base Salary may, in the sole discretion of the Board of Directors, be increased, but not decreased (unless either mutually agreed by Executive and the Company, or established as part of across-the-board salary reductions that apply equally to all similarly situated officers as a percentage reduction in their salaries).

(b) Stock Compensation. At least annually for the Term of this Agreement, Executive shall be eligible for consideration to receive restricted stock grants, incentive stock options or other awards in accordance with the Amended and Restated 2006 Stock Incentive Plan. Recommendations concerning the decision to make an award pursuant to that Plan and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors. In the event that, during the Term (i) the Company terminates Executive's employment by not renewing this Agreement, without Cause or Executive resigns for Good Reason, and in any of these cases on or after the Company is acquired or is the non-surviving party in a merger, or the Company sells all or substantially all of its assets, or (ii) there is the death of Executive, all unvested restricted stock awards and incentive stock options having previously been awarded to Executive shall immediately vest and may be exercised in accordance with the terms of the Plan and the Executive's grant award.

(c) Bonuses. Executive shall be eligible to receive an annual bonus award in recognition of Executive's contributions to the success of the Company pursuant to the Company's management incentive bonus program as it may be amended or modified from time to time. Recommendations concerning the decision to make an award and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors.

(d) Taxes. Executive acknowledges and agrees that Executive shall be solely responsible for the satisfaction of any applicable taxes that may arise pursuant to this Agreement (including taxes arising under Code Section 409A (regarding deferred compensation) or 4999 (regarding golden parachute excise taxes), and that neither the Company nor any of its employees, officers, directors, or agents shall have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold Executive harmless from any or all of such taxes. For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. All compensation due to Executive shall be paid subject to withholding by the Company to ensure compliance with all applicable laws and regulations.

3.2 Participation in Benefit Plans

Executive shall be entitled to participate in all employee benefit plans or programs of the Company offered to other employees to the extent that Executive's position, tenure, salary, and other qualifications make Executive eligible to participate in accordance with the terms of such plans. The Company does not guarantee the continuance of any particular employee benefit plan or program during the Term, and Executive's participation in any such plan or program shall be subject to all terms, provisions, rules and regulations applicable thereto.

3.3 Expenses

The Company will pay or reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by Executive in the performance of Executive's duties under this Agreement. Executive shall provide to the Company detailed and accurate records of such expenses for which payment or reimbursement is sought, and Company payments shall be in accordance with the regular policies and procedures maintained by the Company from time to time, and all reimbursements due under this Agreement shall be separately requested and paid not later than one year after Executive incurs the underlying expense.

3.4 Professional Organizations

During the Term, Executive shall be reimbursed by the Company for the annual dues payable for membership in professional societies associated with subject matter related to the Company's interests. New memberships for which reimbursement will be sought shall be approved by the Company in advance.

3.5 Parking

During the Term and where Executive uses an automobile to commute to work, the Company shall either provide parking for Executive's automobile at the Company's expense or reimburse Executive for such expense.

Article 4. Termination of Employment

4.1 Definitions

As used in Article 4 of this Agreement, the following terms shall have the meaning set forth for each below:

(a) "Benefit Period" shall mean the six (6) month period commencing on the Date of Termination which occurs in connection with a termination of employment described in the first sentence of Section 4.4(a), or a period ending when Executive becomes eligible for group medical benefits coverage from another source, whichever is shorter.

(b) "Cause" shall mean any of the following:

(i) the gross neglect or willful failure or refusal of Executive to perform Executive's duties hereunder (other than as a result of Executive's death or Disability);

(ii) perpetration of an intentional and knowing fraud against or affecting the Company or any customer, supplier, client, agent or employee thereof;

(iii) any willful or intentional act that could reasonably be expected to injure the reputation, financial condition, business or business relationships of the Company or Executive's reputation or business relationships;

(iv) conviction (including conviction on a *nolo contendere* plea) of a felony or any crime involving fraud, dishonesty or moral turpitude;

(v) the material breach by Executive of this Agreement (including, without limitation, the Employment Covenants set forth in Article 5 of this Agreement); or

(vi) the failure or continued refusal to carry out the directives of Executive's supervisor or the Board of Directors that are consistent with Executive's duties and responsibilities under this Agreement which is not cured within thirty (30) days after receipt of written notice from the Company specifying the nature of such failure or refusal; provided, however, that Cause shall not exist if such refusal arises from Executive's reasonable, good faith belief that such failure or refusal is required by law.

(c) "Date of Termination" shall mean the date specified in the Notice of Termination (as hereinafter defined) (except in the case of Executive's death, in which case the Date of Termination shall be the date of death); provided, however, that if Executive's employment is terminated by the Company other than for Cause, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to Executive.

(d) "Notice of Termination" shall mean a written notice from the Company to Executive that indicates Section 2 or the specific provision of Section 4 of this Agreement relied upon as the reason for such termination or nonrenewal, the Date of Termination, and, in the case of termination or non-renewal by the Company for Cause, in reasonable detail, the facts and circumstances claimed to provide a basis for termination or nonrenewal.

(e) "Good Reason" shall mean:

- (i) Company effects a material diminution of Executive's position, authority or duties;
- (ii) any requirement that Executive, without his/her consent, move his/her regular office to a location more than fifty (50) miles from Company's executive offices;

(iii) the material failure by Company, or its successor, if any, to pay compensation or provide benefits or perquisites to Executive as and when required by the terms of this Agreement; or

(iv) any material breach by Company of this Agreement.

The Executive shall have Good Reason to terminate Executive's employment if (i) within twenty-one (21) days following Executive's actual knowledge of the event which Executive determines constitutes Good Reason, Executive notifies the Company in writing that Executive has determined a Good Reason exists and specifies the event creating Good Reason, and (ii) following receipt of such notice, the Company fails to remedy such event within thirty (30) days, and Executive resigns within sixty (60) days thereafter. If any of these conditions is not met, Executive shall not have a Good Reason to terminate Executive's employment.

(f) "Change in Control" shall mean:

(i) the acquisition by any person of beneficial ownership of fifty percent (50%) or more of the outstanding shares of the Company's voting securities; or

(ii) the Company is the non-surviving party in a merger; or

(iii) the Company sells all or substantially all of its assets; provided, however, that no "Change in Control" shall be deemed to have occurred merely as the result of a refinancing by the Company or as a result of the Company's insolvency or the appointment of a conservator; or

(iv) the Board of the Company, in its sole and absolute discretion, determines that there has been a sufficient change in the share ownership or ownership of the voting power of the Company's voting securities to constitute a change of effective ownership or control of the Company.

4.2 Termination Upon Death or Disability

This Agreement and Executive's employment hereunder, shall terminate automatically and without the necessity of any action on the part of the Company upon the death of Executive. In addition, if at any time during the Term, Executive shall become physically or mentally disabled (as determined by an independent physician competent to assess the condition at issue), whether totally or partially, so that Executive is unable substantially to perform Executive's duties and services hereunder, with or without reasonable accommodation, for either (i) a period of sixty (60) consecutive calendar days, or (ii) ninety (90) consecutive or non-consecutive calendar days during any consecutive five (5) month period (the "Disability Date"), the Company may terminate this Agreement and Executive's employment hereunder by written notice to Executive after the Disability Date (but before Executive has recovered from such disability).

4.3 Company's and Executive's Right to Terminate

This Agreement and Executive's employment hereunder may be terminated at any time by the Company for Cause or, if without Cause, upon thirty (30) days prior written notice to Executive. In the event the Company should give Executive notice of termination without Cause, the Company may, at its option, elect to provide Executive with thirty (30) days' salary in lieu of Executive's continued active employment during the notice period. This Agreement and Executive's employment hereunder may be terminated by Executive at any time for Good Reason and, if without Good Reason, upon thirty (30) days prior written notice to the Company.

4.4 Compensation Upon Termination

(a) Severance. In the event the Company terminates Executive's employment without Cause or pursuant to Section 4.2 due to the disability of Executive, or elects not to renew this Agreement under circumstances where Executive is willing and able to execute a new agreement providing terms and conditions substantially similar to those in this Agreement, or in the event Executive terminates employment for Good Reason, Executive shall be entitled to receive: (i) Executive's Base Salary through the Date of Termination, (ii) reimbursement of any COBRA continuation premium payments made by Executive for the Benefit Period, and (iii) a lump sum severance payment equal to six (6) months of Executive's then current Base Salary to be made not later than sixty (60) days following Executive's Date of Termination; provided however that each of the benefits provided under clauses (ii) and (iii) hereof are absolutely contingent on Executive's execution of the Release (as provided in Section 4.4(c) below) without any revocation having occurred. Notwithstanding the foregoing, the Company shall, to the extent necessary and only to the extent necessary, modify the timing of delivery of severance benefits to Executive if the Company reasonably determines that the timing would subject the severance benefits to any additional tax or interest assessed under Section 409A of the Internal Revenue Code. In such event, the payments will be made as soon as practicable without causing the severance benefits to trigger such additional tax or interest under Section 409A of the Internal Revenue Code. If any amounts that become due under Section 4.4 constitute "nonqualified deferred compensation" within the meaning of Section 409A, payment of such amounts shall not commence until Executive incurs a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h). If, at the time of Executive's separation from service, Executive is a "specified employee" (under Internal Revenue Code Section 409A), any benefit as to which Section 409A penalties could be assessed that becomes payable to Executive on account of Executive's "separation from service" (including any amounts payable pursuant to the preceding sentence) shall be paid, without interest thereon, on the date six months and one day after such separation from service. In no event shall Executive be entitled to the continuation of any compensation, bonuses or benefits provided hereunder, or any other payments following the Date of Termination, other than Base Salary earned through such Date of Termination and any other benefits payable under Section 4.4(a).

(b) Change in Control. In the event that Executive is terminated other than for "Cause" within twelve (12) months following the occurrence of a "Change in Control" of the Company, then Executive shall be entitled to a severance payment, in lieu of the benefits due under Section 4.4(a), in an amount that is two (2) times the amount specified in Section 4.4(a), clause (iii) above (the "Change in Control Severance Payment"). In the event that Executive shall become entitled to a Change in Control Severance Payment as provided herein, the Company shall cause its independent auditors promptly to review, at the Company's sole expense, the applicability to those payments of Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"). If the auditors determine that any payment of the Change in Control Severance Payment would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax, then such payment owed to Executive shall be reduced by an amount calculated to provide to Executive the maximum Change in Control Severance Payment which will not trigger application of Sections 280G and 4999 of the Code, with any such reduction being made last with respect to benefits that are not exempt from Code §409A.

(c) Release. Anything to the contrary contained herein notwithstanding, as a condition to Executive receiving severance benefits to be paid pursuant to this Section 4.4, Executive shall execute and deliver to the Company a general release in the form attached hereto as Exhibit A not later than forty-five (45) days after Executive's Date of Termination. The Company shall have no obligation to provide any severance benefits to Executive until it has received the general release from Executive within the time specified in the preceding sentence, and any revocation or rescission period applicable to the Release shall have expired without revocation or rescission.

Article 5. Employment Covenants

5.1 Definitions

As used in this Article 5 of the Agreement, the following terms shall have the meaning set forth for each below:

(a) "Affiliate" shall mean a person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or under common control with another person or entity, including current and former directors and officers of such an entity.

(b) "Confidential Information" shall mean all confidential and proprietary information of the Company, its Predecessors and Affiliates, whether in written, oral, electronic or other form, including but not limited to trade secrets; technical, scientific or business information; processes; works of authorship; Inventions; discoveries; developments; systems; chemical compounds; computer programs; code; algorithms; formulae; methods; ideas; test data; know how; functional and technical specifications; designs; drawings; passwords; analyses; business plans; information regarding actual or demonstrably anticipated business, research or development; marketing, sales and pricing strategies; and information regarding the Company's current and prospective consultants, customers, licensors, licensees, investors and personnel, including their names, addresses, duties and other personal characteristics. Confidential Information does not include information that (i) is in the public domain, other than as a result of an act of misappropriation or breach of an obligation of confidentiality by any person; (ii) Executive can verify by written records kept in the ordinary course of business was in Executive's lawful possession prior to its disclosure to Executive; (iii) is received by Executive from a third party without a breach of an obligation of confidentiality owed by the third party to the Company and without the requirement that Executive keep such information confidential; or (iv) Executive is required to disclose by applicable law, regulation or order of a governmental agency or a court of competent jurisdiction. If Executive is required to make disclosure pursuant to clause (iv) of the preceding sentence as a result of the issuance of a court order or other government process, Executive shall (a) promptly, but in no event more than 72 hours after learning of such court order or other government process, notify, pursuant to Section 6.1 below, the Company; (b) at the Company's expense, take all reasonable necessary steps requested by the Company to defend against the enforcement of such court order or other government process, and permit the Company to intervene and participate with counsel of its choice in any proceeding relating to the enforcement thereof; and (c) if such compelled disclosure is required, Executive shall disclose only that portion of the Confidential Information that is necessary to meet the minimum legal requirement imposed on Executive.

(c) "Executive Work Product" shall mean all Confidential Information and Inventions conceived of, created, developed or prepared by Executive (whether individually or jointly with others) before or during Executive's employment with the Company, during or outside of working hours, which relate in any manner to the actual or demonstrably anticipated business, research or development of the Company, or result from or are suggested by any task assigned to Executive or any work performed by Executive for or on behalf of the Company or any of its Affiliates.

(d) "Invention" shall mean any apparatus, biological processes, cell line, chemical compound, creation, data, development, design, discovery, formula, idea, improvement, innovation, know-how, laboratory notebook, manuscript, process or technique, whether or not patentable or protectable by copyright, or other intellectual property in any form.

(e) "Predecessor" shall mean an entity, the major portion of the business and assets of which was acquired by another entity in a single transaction or in a series of related transactions.

(f) "Trade Secrets," as used in this Agreement, will be given its broadest possible interpretation under the law applicable to this Agreement.

5.2 Nondisclosure and Nonuse

Executive acknowledges that prior to and during Executive's employment with the Company, Executive had and will have occasion to create, produce, obtain, gain access to or otherwise acquire, whether individually or jointly with others, Confidential Information. Accordingly, during the term of Executive's employment with the Company and at all times thereafter, Executive shall keep secret and shall not, except for the Company's benefit, disclose or otherwise make available to any person or entity or use, reproduce or commercialize, any Confidential Information, unless specifically authorized in advance by the Company in writing.

5.3 Other Confidentiality Obligations

Executive acknowledges that the Company may, from time to time, have agreements with other persons or entities or with the U.S. Government or governments of other countries, or agencies thereof, which impose confidentiality obligations or other restrictions on the Company. Executive hereby agrees to be bound by all such obligations and restrictions and shall take all actions necessary to discharge the obligations of the Company thereunder, including, without limitation, signing any confidentiality or other agreements required by such third parties.

5.4 Return of Confidential Information

At any time during Executive's employment with the Company, upon the Company's request, and in the event of Executive's termination of employment with the Company for any reason whatsoever, Executive shall immediately surrender and deliver to the Company all records, materials, notes, equipment, drawings, documents and data of any nature or medium, and all copies thereof, relating to any Confidential Information (collectively the "the Company Materials") which is in Executive's possession or under Executive's control. Executive shall not remove any of the Company Materials from the Company's business premises or deliver any of the Company Materials to any person or entity outside of the Company, except as required in connection with Executive's duties of employment. In the event of the termination of Executive's employment for any reason whatsoever, Executive shall promptly sign and deliver to the Company a Termination Certificate in the form of Exhibit B attached hereto.

5.5 Confidential Information of Others

Executive represents that Executive's performance of all the terms of this Agreement and Executive's employment with the Company do not and will not breach any agreement to keep in confidence proprietary information, knowledge or data with regard to which Executive has obligations of confidentiality or nonuse, and Executive shall not disclose to the Company or cause the Company to use any such confidential proprietary information, knowledge or data belonging to any previous employer of Executive or other person. Executive represents that Executive has not brought and will not bring to the Company or use at the Company any confidential materials or documents of any former employer or other person that are not generally available to the public, unless express written authorization for their possession and use has been obtained from such former employer or other person. Executive agrees not to enter into any agreement, whether written or oral, that conflicts with these obligations.

5.6 Other Obligations

The terms of this Section 5 are in addition to, and not in lieu of, any statutory or other contractual or legal obligation to which Executive may be subject relating to the protection of Confidential Information.

5.7 Assignment of Confidential Information and Inventions; Works Made for Hire

Executive hereby assigns to the Company all right, title and interest in all intellectual property, including any patent applications, trade secrets, know how, copyrights, software, or trademarks associated with the Executive Work Product and Confidential Information. Executive hereby acknowledges and agrees that all Executive Work Product subject to copyright protection constitutes "work made for hire" under United States copyright laws (17 U.S.C. § 101) and is owned exclusively by the Company. To the extent that title to any Executive Work Product subject to copyright protection does not constitute a "work for hire," and to the extent title to any other Executive Work Product does not, by operation of law or otherwise, vest in the Company, all right, title, and interest therein, including, without limitation, all copyrights, patents and trade secrets, and all copyrightable or patentable subject matter, are hereby irrevocably assigned to the Company. Executive shall promptly disclose to the Company in writing all Executive Work Product. Executive shall, without any additional compensation, execute and deliver all documents or instruments and give the Company all assistance it requires to transfer all right, title, and interest in any Executive Work Product to the Company; to vest in the Company good, valid and marketable title to such Executive Work Product; to perfect, by registration or otherwise, trademark, copyright and patent protection of the Company with respect to such Executive Work Product; and otherwise to protect the Company's trade secret and proprietary interest in such Executive Work Product. Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agents and attorneys-in-fact to act for and on Executive's behalf, and to execute and file any documents and to do all other lawfully permitted acts to further the purposes of this Section 5.7 with the same legal force and effect as if executed by Executive.

5.8 Representations

Executive represents that, to the best of his or her knowledge, none of the Inventions will violate or infringe upon any right, patent, copyright, trademark or right of privacy, or constitute libel or slander against or violate any other rights of any person, firm or corporation, and that Executive will not knowingly create any Invention which causes any such violation.

5.9 Inventions, Intellectual Property and Equipment Not Transferred

Executive has set forth on Exhibit C attached hereto a complete list and brief description of all Inventions, intellectual property and equipment located at the Company which is owned directly or indirectly by Executive and which shall not be transferred to the Company pursuant to this Agreement. Except as so listed, Executive agrees that he or she will not assert any rights under any intellectual property as having been made or acquired by Executive prior to being employed by the Company. The Company may, at its discretion, require detailed disclosures and materials demonstrating ownership of the intellectual property so listed.

5.10 Exclusivity of Employment

During the Term, and without prior approval of the Board of Directors, Executive shall not directly or indirectly engage in any activity competitive with or adverse to the Company's business or welfare or render a material level of services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise.

5.11 Covenant Not to Compete

Executive acknowledges that his services to the Company involve a unique level of trust, of skills, and of access to Confidential Information and other business and strategic insights about the Company, and accordingly Executive agrees to be bound and abide by the following covenant not to compete:

(a) Term and Scope. During Executive's employment with the Company and for a period of twelve (12) months after the Term, Executive will not render to any Conflicting Organization (as hereinafter defined), services, directly or indirectly, anywhere in the world in connection with any Conflicting Product (as hereunder defined), except that Executive may accept employment with a Conflicting Organization whose business is diversified (and which has separate and distinct divisions) if Executive first certifies to the Company in writing that such prospective employer is a separate and distinct division of the Conflicting Organization and that Executive will not render services directly or indirectly in respect of any Conflicting Product. Such twelve (12) month time period shall be tolled during any period that Executive is engaged in activity in violation of this covenant.

(b) Judicial Construction. Executive and the Company agree that, if the period of time or the scope of this Covenant Not to Compete shall be adjudged unreasonably overbroad in any court proceeding, then the period of time and/or scope shall be modified accordingly, so that this covenant may be enforced with respect to such services or geographic areas and during such period of time as is judged by the court to be reasonable.

(c) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Conflicting Product" means any product, method or process, system or service of any person or organization other than the Company that is the same as, similar to or interchangeable with any product, method or process, system or service that was provided or under development by the Company or any of its Affiliates at the time Executive's employment with the Company terminates, or about which Executive acquired any Confidential Information or developed any Executive Work Product.

"Conflicting Organization" means any person or organization which is engaged in research on or development, production, marketing, licensing, selling or servicing of any Conflicting Product.

5.12 Non-Solicitation

For a period of twelve (12) months after termination of employment with the Company for any reason, Executive shall not directly or indirectly solicit or hire, or assist any other person in soliciting or hiring, any person employed by the Company (as of the date of Executive's termination) or any person who, as of the date of Executive's termination, was in the process of being recruited by the Company, or induce any such employee to terminate his or her employment with the Company.

5.13 Judicial Enforcement

In the event of a breach or violation of any provision of this Article 5 by Executive, the parties agree that, in addition to any other remedies it may have, the Company shall be entitled to equitable relief for specific performance, and Executive hereby agrees and acknowledges that the Company has no adequate remedy at law for the breach of the employment covenants contained herein.

Article 6. Miscellaneous

6.1 Notices

All notices or other communications which are required or permitted hereunder shall be deemed to be sufficient if contained in a written instrument given by personal delivery, air courier or registered or certified mail, postage prepaid, return receipt requested, addressed to such party at the address set forth below or such other address as may thereafter be designated in a written notice from such party to the other party:

To Company: Sucampo Pharmaceuticals, Inc.
 4520 East West Highway, Third Floor
 Bethesda, Maryland 20814
 Attention: Vice President Global Human Resources

Copy to: Corporate Secretary

To Executive: Stanley Miele
 406N Rim Ranch Point
 Payson, AZ 85541

All such notices, advances and communications shall be deemed to have been delivered and received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of air courier, on the business day after the date when sent and (iii) in the case of mailing, on the third business day following such mailing.

6.2 Headings

The headings of the articles and sections of this Agreement are inserted for convenience only and shall not be deemed a part of or affect the construction or interpretation of any provision hereof.

6.3 Modifications; Waiver

No modification of any provision of this Agreement or waiver of any right or remedy herein provided shall be effective for any purpose unless specifically set forth in a writing signed by the party to be bound thereby. No waiver of any right or remedy in respect of any occurrence or event on one occasion shall be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.

6.4 Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, heretofore made with respect thereto including, without limitation, the offer letter between Executive and the Company dated February 17, 2006 and the Employment Agreement between Executive and the Company dated November 20, 2008.

6.5 Severability

Any provision of this Agreement that may be prohibited by, or unlawful or unenforceable under, any applicable law of any jurisdiction shall, as to such jurisdiction, be ineffective without affecting any other provision hereof. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived, to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

6.6 Controlling Law

This Agreement has been entered into by the parties in the State of Maryland and shall be continued and enforced in accordance with the laws of Maryland.

6.7 Arbitration

Any controversy, claim, or breach arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration in the State of Maryland in accordance with the rules of the American Arbitration Association for commercial disputes and the judgment upon the award rendered shall be entered by consent in any court having jurisdiction thereof; provided, however, that this provision shall not preclude the Company from seeking injunctive or similar relief from the courts to enforce its rights under the Employment Covenants set forth in Article 5 of this Agreement. It is understood and agreed that, in the event the Company gives notice to Executive of termination for Cause and it should be finally determined in a subsequent arbitration that Executive's termination was not for Cause as defined in this Agreement, then the remedy awarded to Executive shall be limited to such compensation and benefits as Executive would have received in the event of Executive's termination other than for Cause at the same time as the original termination.

6.8 Assignments

Subject to obtaining Executive's prior approval, which shall not be unreasonably withheld or delayed, the Company shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder to any entity that controls the Company, that the Company controls or that may be the result of the merger, consolidation, acquisition or reorganization of the Company and another entity. Executive agrees that this Agreement is personal to Executive and Executive's rights and interest hereunder may not be assigned, nor may Executive's obligations and duties hereunder be delegated (except as to delegation in the normal course of operation of the Company), and any attempted assignment or delegation in violation of this provision shall be void.

6.9 Read and Understood

Executive has read this Agreement carefully and understands each of its terms and conditions. Executive has sought independent legal counsel of Executive's choice to the extent Executive deemed such advice necessary in connection with the review and execution of this Agreement.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement"), dated as of December 31, 2012, is hereby entered into in the State of Maryland by and between SUCAMPO PHARMACEUTICALS, INC., a Delaware corporation (the "Company"), and THOMAS KNAPP ("Executive").

WHEREAS, Executive has been employed by the Company under a certain Employment Agreement dated March 8, 2010;

WHEREAS, Executive has been the Executive VP, Chief Legal Officer, & Corporate Secretary of the Company since March 5, 2012;

WHEREAS, Executive possesses certain skills, experience or expertise which will be of use to the Company;

WHEREAS, the parties acknowledge that Executive's abilities and services are unique and will significantly enhance the business prospects of the Company; and

WHEREAS, in light of the foregoing, the Company desires to continue to employ Executive as the Executive VP, Chief Legal Officer, & Corporate Secretary as of January 1, 2013 (the "Effective Date") and Executive desires to continue such employment.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, the Company and Executive hereby agree as follows:

Article 1. Employment Agreement

1.1 Employment and Duties

The Company offers and Executive hereby accepts employment with the Company for the Term (as hereinafter defined) as its Executive VP, Chief Legal Officer, & Corporate Secretary, and in connection therewith, to perform such duties as Executive shall reasonably be assigned by Executive's supervisor and/or by the Company's Board of Directors. Executive hereby warrants and represents that Executive has no contractual commitments or other obligations to third parties inconsistent with Executive's acceptance of this employment and performance of the obligations set forth in this Agreement. Executive shall perform such duties and carry out Executive's responsibilities hereunder faithfully and to the best of Executive's ability, and shall devote Executive's full business time and best efforts to the business and affairs of the Company during normal business hours (exclusive of periods of vacation, sickness, disability, or other leaves to which Executive is entitled). Executive will perform all of Executive's responsibilities in compliance with all applicable laws and will ensure that the operations that Executive manages are in compliance with all applicable laws.

Article 2. Employment Term

2.1 Term

The term of Executive's employment hereunder (the "Term") shall be deemed to commence on January 1, 2013 and shall end on June 1, 2014, unless sooner terminated as hereinafter provided; provided, however, that the Term shall be automatically renewed and extended for an additional period of one (1) year on each date on which it would otherwise expire unless either party gives a Notice of Termination (as defined below) to the other party at least sixty (60) days prior to such expiration date.

2.2 Survival on Merger or Acquisition

In the event the Company is acquired during the Term, or is the non-surviving party in a merger, or sells all or substantially all of its assets, this Agreement shall not automatically be terminated, and the Company agrees to use its best efforts to ensure that the transferee or surviving company shall assume and be bound by the provisions of this Agreement.

Article 3. Compensation and Benefits

3.1 Compensation

(a) Base Salary. The Company shall pay Executive a salary at an annual rate that is not less than Three Hundred and Thirty-Five Thousand and no/100 dollars (\$335,000.00), to be paid in bi-weekly installments, in arrears (the "Base Salary"). After 2013, the Base Salary will be reviewed by the Compensation Committee of the Board of Directors ("Compensation Committee") at least annually, and the Committee's recommendation shall be reviewed and approved by the Board of Directors. The Base Salary may, in the sole discretion of the Board of Directors, be increased, but not decreased (unless either mutually agreed by Executive and the Company, or established as part of across-the-board salary reductions that apply equally to all similarly situated officers as a percentage reduction in their salaries).

(b) Stock Compensation. At least annually for the Term of this Agreement, Executive shall be eligible for consideration to receive restricted stock grants, incentive stock options or other awards in accordance with the Amended and Restated 2006 Stock Incentive Plan. Recommendations concerning the decision to make an award pursuant to that Plan and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors. In the event that, during the Term (i) the Company terminates Executive's employment by not renewing this Agreement, without Cause or Executive resigns for Good Reason, and in any of these cases on or after the Company is acquired or is the non-surviving party in a merger, or the Company sells all or substantially all of its assets, or (ii) there is the death of Executive, all unvested restricted stock awards and incentive stock options having previously been awarded to Executive shall immediately vest and may be exercised in accordance with the terms of the Plan and the Executive's grant award.

(c) Bonuses. Executive shall be eligible to receive an annual bonus award in recognition of Executive's contributions to the success of the Company pursuant to the Company's management incentive bonus program as it may be amended or modified from time to time. Recommendations concerning the decision to make an award and the amount of any award are entirely discretionary and shall be made initially by the Compensation Committee, subject to review and approval by the Board of Directors.

(d) Taxes. Executive acknowledges and agrees that Executive shall be solely responsible for the satisfaction of any applicable taxes that may arise pursuant to this Agreement (including taxes arising under Code Section 409A (regarding deferred compensation) or 4999 (regarding golden parachute excise taxes), and that neither the Company nor any of its employees, officers, directors, or agents shall have any obligation whatsoever to pay such taxes or to otherwise indemnify or hold Executive harmless from any or all of such taxes. For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments. All compensation due to Executive shall be paid subject to withholding by the Company to ensure compliance with all applicable laws and regulations.

3.2 Participation in Benefit Plans

Executive shall be entitled to participate in all employee benefit plans or programs of the Company offered to other employees to the extent that Executive's position, tenure, salary, and other qualifications make Executive eligible to participate in accordance with the terms of such plans. The Company does not guarantee the continuance of any particular employee benefit plan or program during the Term, and Executive's participation in any such plan or program shall be subject to all terms, provisions, rules and regulations applicable thereto.

3.3 Expenses

The Company will pay or reimburse Executive for all reasonable and necessary out-of-pocket expenses incurred by Executive in the performance of Executive's duties under this Agreement. Executive shall provide to the Company detailed and accurate records of such expenses for which payment or reimbursement is sought, and Company payments shall be in accordance with the regular policies and procedures maintained by the Company from time to time, and all reimbursements due under this Agreement shall be separately requested and paid not later than one year after Executive incurs the underlying expense.

3.4 Professional Organizations

During the Term, Executive shall be reimbursed by the Company for the annual dues payable for membership in professional societies associated with subject matter related to the Company's interests. New memberships for which reimbursement will be sought shall be approved by the Company in advance.

3.5 Parking

During the Term and where Executive uses an automobile to commute to work, the Company shall either provide parking for Executive's automobile at the Company's expense or reimburse Executive for such expense.

Article 4. Termination of Employment

4.1 Definitions

As used in Article 4 of this Agreement, the following terms shall have the meaning set forth for each below:

(a) "Benefit Period" shall mean the six (6) month period commencing on the Date of Termination which occurs in connection with a termination of employment described in the first sentence of Section 4.4(a), or a period ending when Executive becomes eligible for group medical benefits coverage from another source, whichever is shorter.

(b) "Cause" shall mean any of the following:

(i) the gross neglect or willful failure or refusal of Executive to perform Executive's duties hereunder (other than as a result of Executive's death or Disability);

(ii) perpetration of an intentional and knowing fraud against or affecting the Company or any customer, supplier, client, agent or employee thereof;

(iii) any willful or intentional act that could reasonably be expected to injure the reputation, financial condition, business or business relationships of the Company or Executive's reputation or business relationships;

(iv) conviction (including conviction on a *nolo contendere* plea) of a felony or any crime involving fraud, dishonesty or moral turpitude;

(v) the material breach by Executive of this Agreement (including, without limitation, the Employment Covenants set forth in Article 5 of this Agreement); or

(vi) the failure or continued refusal to carry out the directives of Executive's supervisor or the Board of Directors that are consistent with Executive's duties and responsibilities under this Agreement which is not cured within thirty (30) days after receipt of written notice from the Company specifying the nature of such failure or refusal; provided, however, that Cause shall not exist if such refusal arises from Executive's reasonable, good faith belief that such failure or refusal is required by law.

(c) "Date of Termination" shall mean the date specified in the Notice of Termination (as hereinafter defined) (except in the case of Executive's death, in which case the Date of Termination shall be the date of death); provided, however, that if Executive's employment is terminated by the Company other than for Cause, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to Executive.

(d) "Notice of Termination" shall mean a written notice from the Company to Executive that indicates Section 2 or the specific provision of Section 4 of this Agreement relied upon as the reason for such termination or nonrenewal, the Date of Termination, and, in the case of termination or non-renewal by the Company for Cause, in reasonable detail, the facts and circumstances claimed to provide a basis for termination or nonrenewal.

(e) "Good Reason" shall mean:

- (i) Company effects a material diminution of Executive's position, authority or duties;
- (ii) any requirement that Executive, without his/her consent, move his/her regular office to a location more than fifty (50) miles from Company's executive offices;

(iii) the material failure by Company, or its successor, if any, to pay compensation or provide benefits or perquisites to Executive as and when required by the terms of this Agreement; or

(iv) any material breach by Company of this Agreement.

The Executive shall have Good Reason to terminate Executive's employment if (i) within twenty-one (21) days following Executive's actual knowledge of the event which Executive determines constitutes Good Reason, Executive notifies the Company in writing that Executive has determined a Good Reason exists and specifies the event creating Good Reason, and (ii) following receipt of such notice, the Company fails to remedy such event within thirty (30) days, and Executive resigns within sixty (60) days thereafter. If any of these conditions is not met, Executive shall not have a Good Reason to terminate Executive's employment.

(f) "Change in Control" shall mean:

(i) the acquisition by any person of beneficial ownership of fifty percent (50%) or more of the outstanding shares of the Company's voting securities; or

(ii) the Company is the non-surviving party in a merger; or

(iii) the Company sells all or substantially all of its assets; provided, however, that no "Change in Control" shall be deemed to have occurred merely as the result of a refinancing by the Company or as a result of the Company's insolvency or the appointment of a conservator; or

(iv) the Board of the Company, in its sole and absolute discretion, determines that there has been a sufficient change in the share ownership or ownership of the voting power of the Company's voting securities to constitute a change of effective ownership or control of the Company.

4.2 Termination Upon Death or Disability

This Agreement and Executive's employment hereunder, shall terminate automatically and without the necessity of any action on the part of the Company upon the death of Executive. In addition, if at any time during the Term, Executive shall become physically or mentally disabled (as determined by an independent physician competent to assess the condition at issue), whether totally or partially, so that Executive is unable substantially to perform Executive's duties and services hereunder, with or without reasonable accommodation, for either (i) a period of sixty (60) consecutive calendar days, or (ii) ninety (90) consecutive or non-consecutive calendar days during any consecutive five (5) month period (the "Disability Date"), the Company may terminate this Agreement and Executive's employment hereunder by written notice to Executive after the Disability Date (but before Executive has recovered from such disability).

4.3 Company's and Executive's Right to Terminate

This Agreement and Executive's employment hereunder may be terminated at any time by the Company for Cause or, if without Cause, upon thirty (30) days prior written notice to Executive. In the event the Company should give Executive notice of termination without Cause, the Company may, at its option, elect to provide Executive with thirty (30) days' salary in lieu of Executive's continued active employment during the notice period. This Agreement and Executive's employment hereunder may be terminated by Executive at any time for Good Reason and, if without Good Reason, upon thirty (30) days prior written notice to the Company.

4.4 Compensation Upon Termination

(a) Severance. In the event the Company terminates Executive's employment without Cause or pursuant to Section 4.2 due to the disability of Executive, or elects not to renew this Agreement under circumstances where Executive is willing and able to execute a new agreement providing terms and conditions substantially similar to those in this Agreement, or in the event Executive terminates employment for Good Reason, Executive shall be entitled to receive: (i) Executive's Base Salary through the Date of Termination, (ii) reimbursement of any COBRA continuation premium payments made by Executive for the Benefit Period, and (iii) a lump sum severance payment equal to six (6) months of Executive's then current Base Salary to be made not later than sixty (60) days following Executive's Date of Termination; provided however that each of the benefits provided under clauses (ii) and (iii) hereof are absolutely contingent on Executive's execution of the Release (as provided in Section 4.4(c) below) without any revocation having occurred. Notwithstanding the foregoing, the Company shall, to the extent necessary and only to the extent necessary, modify the timing of delivery of severance benefits to Executive if the Company reasonably determines that the timing would subject the severance benefits to any additional tax or interest assessed under Section 409A of the Internal Revenue Code. In such event, the payments will be made as soon as practicable without causing the severance benefits to trigger such additional tax or interest under Section 409A of the Internal Revenue Code. If any amounts that become due under Section 4.4 constitute "nonqualified deferred compensation" within the meaning of Section 409A, payment of such amounts shall not commence until Executive incurs a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h). If, at the time of Executive's separation from service, Executive is a "specified employee" (under Internal Revenue Code Section 409A), any benefit as to which Section 409A penalties could be assessed that becomes payable to Executive on account of Executive's "separation from service" (including any amounts payable pursuant to the preceding sentence) shall be paid, without interest thereon, on the date six months and one day after such separation from service. In no event shall Executive be entitled to the continuation of any compensation, bonuses or benefits provided hereunder, or any other payments following the Date of Termination, other than Base Salary earned through such Date of Termination and any other benefits payable under Section 4.4(a).

(b) Change in Control. In the event that Executive is terminated other than for "Cause" within twelve (12) months following the occurrence of a "Change in Control" of the Company, then Executive shall be entitled to a severance payment, in lieu of the benefits due under Section 4.4(a), in an amount that is two (2) times the amount specified in Section 4.4(a), clause (iii) above (the "Change in Control Severance Payment"). In the event that Executive shall become entitled to a Change in Control Severance Payment as provided herein, the Company shall cause its independent auditors promptly to review, at the Company's sole expense, the applicability to those payments of Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended (the "Code"). If the auditors determine that any payment of the Change in Control Severance Payment would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax, then such payment owed to Executive shall be reduced by an amount calculated to provide to Executive the maximum Change in Control Severance Payment which will not trigger application of Sections 280G and 4999 of the Code, with any such reduction being made last with respect to benefits that are not exempt from Code §409A.

(c) Release. Anything to the contrary contained herein notwithstanding, as a condition to Executive receiving severance benefits to be paid pursuant to this Section 4.4, Executive shall execute and deliver to the Company a general release in the form attached hereto as Exhibit A not later than forty-five (45) days after Executive's Date of Termination. The Company shall have no obligation to provide any severance benefits to Executive until it has received the general release from Executive within the time specified in the preceding sentence, and any revocation or rescission period applicable to the Release shall have expired without revocation or rescission.

Article 5. Employment Covenants

5.1 Definitions

As used in this Article 5 of the Agreement, the following terms shall have the meaning set forth for each below:

(a) "Affiliate" shall mean a person or entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or under common control with another person or entity, including current and former directors and officers of such an entity.

(b) "Confidential Information" shall mean all confidential and proprietary information of the Company, its Predecessors and Affiliates, whether in written, oral, electronic or other form, including but not limited to trade secrets; technical, scientific or business information; processes; works of authorship; Inventions; discoveries; developments; systems; chemical compounds; computer programs; code; algorithms; formulae; methods; ideas; test data; know how; functional and technical specifications; designs; drawings; passwords; analyses; business plans; information regarding actual or demonstrably anticipated business, research or development; marketing, sales and pricing strategies; and information regarding the Company's current and prospective consultants, customers, licensors, licensees, investors and personnel, including their names, addresses, duties and other personal characteristics. Confidential Information does not include information that (i) is in the public domain, other than as a result of an act of misappropriation or breach of an obligation of confidentiality by any person; (ii) Executive can verify by written records kept in the ordinary course of business was in Executive's lawful possession prior to its disclosure to Executive; (iii) is received by Executive from a third party without a breach of an obligation of confidentiality owed by the third party to the Company and without the requirement that Executive keep such information confidential; or (iv) Executive is required to disclose by applicable law, regulation or order of a governmental agency or a court of competent jurisdiction. If Executive is required to make disclosure pursuant to clause (iv) of the preceding sentence as a result of the issuance of a court order or other government process, Executive shall (a) promptly, but in no event more than 72 hours after learning of such court order or other government process, notify, pursuant to Section 6.1 below, the Company; (b) at the Company's expense, take all reasonable necessary steps requested by the Company to defend against the enforcement of such court order or other government process, and permit the Company to intervene and participate with counsel of its choice in any proceeding relating to the enforcement thereof; and (c) if such compelled disclosure is required, Executive shall disclose only that portion of the Confidential Information that is necessary to meet the minimum legal requirement imposed on Executive.

(c) "Executive Work Product" shall mean all Confidential Information and Inventions conceived of, created, developed or prepared by Executive (whether individually or jointly with others) before or during Executive's employment with the Company, during or outside of working hours, which relate in any manner to the actual or demonstrably anticipated business, research or development of the Company, or result from or are suggested by any task assigned to Executive or any work performed by Executive for or on behalf of the Company or any of its Affiliates.

(d) "Invention" shall mean any apparatus, biological processes, cell line, chemical compound, creation, data, development, design, discovery, formula, idea, improvement, innovation, know-how, laboratory notebook, manuscript, process or technique, whether or not patentable or protectable by copyright, or other intellectual property in any form.

(e) "Predecessor" shall mean an entity, the major portion of the business and assets of which was acquired by another entity in a single transaction or in a series of related transactions.

(f) "Trade Secrets," as used in this Agreement, will be given its broadest possible interpretation under the law applicable to this Agreement.

5.2 Nondisclosure and Nonuse

Executive acknowledges that prior to and during Executive's employment with the Company, Executive had and will have occasion to create, produce, obtain, gain access to or otherwise acquire, whether individually or jointly with others, Confidential Information. Accordingly, during the term of Executive's employment with the Company and at all times thereafter, Executive shall keep secret and shall not, except for the Company's benefit, disclose or otherwise make available to any person or entity or use, reproduce or commercialize, any Confidential Information, unless specifically authorized in advance by the Company in writing.

5.3 Other Confidentiality Obligations

Executive acknowledges that the Company may, from time to time, have agreements with other persons or entities or with the U.S. Government or governments of other countries, or agencies thereof, which impose confidentiality obligations or other restrictions on the Company. Executive hereby agrees to be bound by all such obligations and restrictions and shall take all actions necessary to discharge the obligations of the Company thereunder, including, without limitation, signing any confidentiality or other agreements required by such third parties.

5.4 Return of Confidential Information

At any time during Executive's employment with the Company, upon the Company's request, and in the event of Executive's termination of employment with the Company for any reason whatsoever, Executive shall immediately surrender and deliver to the Company all records, materials, notes, equipment, drawings, documents and data of any nature or medium, and all copies thereof, relating to any Confidential Information (collectively the "the Company Materials") which is in Executive's possession or under Executive's control. Executive shall not remove any of the Company Materials from the Company's business premises or deliver any of the Company Materials to any person or entity outside of the Company, except as required in connection with Executive's duties of employment. In the event of the termination of Executive's employment for any reason whatsoever, Executive shall promptly sign and deliver to the Company a Termination Certificate in the form of Exhibit B attached hereto.

5.5 Confidential Information of Others

Executive represents that Executive's performance of all the terms of this Agreement and Executive's employment with the Company do not and will not breach any agreement to keep in confidence proprietary information, knowledge or data with regard to which Executive has obligations of confidentiality or nonuse, and Executive shall not disclose to the Company or cause the Company to use any such confidential proprietary information, knowledge or data belonging to any previous employer of Executive or other person. Executive represents that Executive has not brought and will not bring to the Company or use at the Company any confidential materials or documents of any former employer or other person that are not generally available to the public, unless express written authorization for their possession and use has been obtained from such former employer or other person. Executive agrees not to enter into any agreement, whether written or oral, that conflicts with these obligations.

5.6 Other Obligations

The terms of this Section 5 are in addition to, and not in lieu of, any statutory or other contractual or legal obligation to which Executive may be subject relating to the protection of Confidential Information.

5.7 Assignment of Confidential Information and Inventions; Works Made for Hire

Executive hereby assigns to the Company all right, title and interest in all intellectual property, including any patent applications, trade secrets, know how, copyrights, software, or trademarks associated with the Executive Work Product and Confidential Information. Executive hereby acknowledges and agrees that all Executive Work Product subject to copyright protection constitutes "work made for hire" under United States copyright laws (17 U.S.C. § 101) and is owned exclusively by the Company. To the extent that title to any Executive Work Product subject to copyright protection does not constitute a "work for hire," and to the extent title to any other Executive Work Product does not, by operation of law or otherwise, vest in the Company, all right, title, and interest therein, including, without limitation, all copyrights, patents and trade secrets, and all copyrightable or patentable subject matter, are hereby irrevocably assigned to the Company. Executive shall promptly disclose to the Company in writing all Executive Work Product. Executive shall, without any additional compensation, execute and deliver all documents or instruments and give the Company all assistance it requires to transfer all right, title, and interest in any Executive Work Product to the Company; to vest in the Company good, valid and marketable title to such Executive Work Product; to perfect, by registration or otherwise, trademark, copyright and patent protection of the Company with respect to such Executive Work Product; and otherwise to protect the Company's trade secret and proprietary interest in such Executive Work Product. Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Executive's agents and attorneys-in-fact to act for and on Executive's behalf, and to execute and file any documents and to do all other lawfully permitted acts to further the purposes of this Section 5.7 with the same legal force and effect as if executed by Executive.

5.8 Representations

Executive represents that, to the best of his or her knowledge, none of the Inventions will violate or infringe upon any right, patent, copyright, trademark or right of privacy, or constitute libel or slander against or violate any other rights of any person, firm or corporation, and that Executive will not knowingly create any Invention which causes any such violation.

5.9 Inventions, Intellectual Property and Equipment Not Transferred

Executive has set forth on Exhibit C attached hereto a complete list and brief description of all Inventions, intellectual property and equipment located at the Company which is owned directly or indirectly by Executive and which shall not be transferred to the Company pursuant to this Agreement. Except as so listed, Executive agrees that he or she will not assert any rights under any intellectual property as having been made or acquired by Executive prior to being employed by the Company. The Company may, at its discretion, require detailed disclosures and materials demonstrating ownership of the intellectual property so listed.

5.10 Exclusivity of Employment

During the Term, and without prior approval of the Board of Directors, Executive shall not directly or indirectly engage in any activity competitive with or adverse to the Company's business or welfare or render a material level of services of a business, professional or commercial nature to any other person or firm, whether for compensation or otherwise.

5.11 Covenant Not to Compete

Executive acknowledges that his services to the Company involve a unique level of trust, of skills, and of access to Confidential Information and other business and strategic insights about the Company, and accordingly Executive agrees to be bound and abide by the following covenant not to compete:

(a) Term and Scope. During Executive's employment with the Company and for a period of twelve (12) months after the Term, Executive will not render to any Conflicting Organization (as hereinafter defined), services, directly or indirectly, anywhere in the world in connection with any Conflicting Product (as hereunder defined), except that Executive may accept employment with a Conflicting Organization whose business is diversified (and which has separate and distinct divisions) if Executive first certifies to the Company in writing that such prospective employer is a separate and distinct division of the Conflicting Organization and that Executive will not render services directly or indirectly in respect of any Conflicting Product. Such twelve (12) month time period shall be tolled during any period that Executive is engaged in activity in violation of this covenant.

(b) Judicial Construction. Executive and the Company agree that, if the period of time or the scope of this Covenant Not to Compete shall be adjudged unreasonably overbroad in any court proceeding, then the period of time and/or scope shall be modified accordingly, so that this covenant may be enforced with respect to such services or geographic areas and during such period of time as is judged by the court to be reasonable.

(c) Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Conflicting Product" means any product, method or process, system or service of any person or organization other than the Company that is the same as, similar to or interchangeable with any product, method or process, system or service that was provided or under development by the Company or any of its Affiliates at the time Executive's employment with the Company terminates, or about which Executive acquired any Confidential Information or developed any Executive Work Product.

"Conflicting Organization" means any person or organization which is engaged in research on or development, production, marketing, licensing, selling or servicing of any Conflicting Product.

5.12 Non-Solicitation

For a period of twelve (12) months after termination of employment with the Company for any reason, Executive shall not directly or indirectly solicit or hire, or assist any other person in soliciting or hiring, any person employed by the Company (as of the date of Executive's termination) or any person who, as of the date of Executive's termination, was in the process of being recruited by the Company, or induce any such employee to terminate his or her employment with the Company.

5.13 Judicial Enforcement

In the event of a breach or violation of any provision of this Article 5 by Executive, the parties agree that, in addition to any other remedies it may have, the Company shall be entitled to equitable relief for specific performance, and Executive hereby agrees and acknowledges that the Company has no adequate remedy at law for the breach of the employment covenants contained herein.

Article 6. Miscellaneous

6.1 Notices

All notices or other communications which are required or permitted hereunder shall be deemed to be sufficient if contained in a written instrument given by personal delivery, air courier or registered or certified mail, postage prepaid, return receipt requested, addressed to such party at the address set forth below or such other address as may thereafter be designated in a written notice from such party to the other party:

To Company: Sucampo Pharmaceuticals, Inc.
 4520 East West Highway, Third Floor
 Bethesda, Maryland 20814
 Attention: Vice President Human Resources

Copy to: Corporate Secretary

To Executive: Thomas Knapp
 7116 Darby Road
 Bethesda, MD 20817

All such notices, advances and communications shall be deemed to have been delivered and received (i) in the case of personal delivery, on the date of such delivery, (ii) in the case of air courier, on the business day after the date when sent and (iii) in the case of mailing, on the third business day following such mailing.

6.2 Headings

The headings of the articles and sections of this Agreement are inserted for convenience only and shall not be deemed a part of or affect the construction or interpretation of any provision hereof.

6.3 Modifications; Waiver

No modification of any provision of this Agreement or waiver of any right or remedy herein provided shall be effective for any purpose unless specifically set forth in a writing signed by the party to be bound thereby. No waiver of any right or remedy in respect of any occurrence or event on one occasion shall be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.

6.4 Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, heretofore made with respect thereto including, without limitation, the offer letter between Executive and the Company dated February 19, 2010 and the Employment Agreement between Executive and the Company dated March 8, 2010.

6.5 Severability

Any provision of this Agreement that may be prohibited by, or unlawful or unenforceable under, any applicable law of any jurisdiction shall, as to such jurisdiction, be ineffective without affecting any other provision hereof. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived, to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

6.6 Controlling Law

This Agreement has been entered into by the parties in the State of Maryland and shall be continued and enforced in accordance with the laws of Maryland.

6.7 Arbitration

Any controversy, claim, or breach arising out of or relating to this Agreement or the breach thereof shall be settled by arbitration in the State of Maryland in accordance with the rules of the American Arbitration Association for commercial disputes and the judgment upon the award rendered shall be entered by consent in any court having jurisdiction thereof; provided, however, that this provision shall not preclude the Company from seeking injunctive or similar relief from the courts to enforce its rights under the Employment Covenants set forth in Article 5 of this Agreement. It is understood and agreed that, in the event the Company gives notice to Executive of termination for Cause and it should be finally determined in a subsequent arbitration that Executive's termination was not for Cause as defined in this Agreement, then the remedy awarded to Executive shall be limited to such compensation and benefits as Executive would have received in the event of Executive's termination other than for Cause at the same time as the original termination.

6.8 Assignments

Subject to obtaining Executive's prior approval, which shall not be unreasonably withheld or delayed, the Company shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder to any entity that controls the Company, that the Company controls or that may be the result of the merger, consolidation, acquisition or reorganization of the Company and another entity. Executive agrees that this Agreement is personal to Executive and Executive's rights and interest hereunder may not be assigned, nor may Executive's obligations and duties hereunder be delegated (except as to delegation in the normal course of operation of the Company), and any attempted assignment or delegation in violation of this provision shall be void.

6.9 Read and Understood

Executive has read this Agreement carefully and understands each of its terms and conditions. Executive has sought independent legal counsel of Executive's choice to the extent Executive deemed such advice necessary in connection with the review and execution of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first indicated above.

SUCAMPO PHARMACEUTICALS, INC.

By: /s/ Ryuji Ueno

Dr. Ryuji Ueno, Chairman, Chief
Executive Officer and Chief Scientific Officer

/s/ Thomas Knapp

THOMAS KNAPP

INDEMNIFICATION AGREEMENT

INDEMNIFICATION AGREEMENT (this "*Agreement*") dated as of December 31, 2012 by and between Sucampo Pharmaceuticals, Inc. (the "*Company*"), a Delaware corporation, and ("*Indemnitee*");

WHEREAS, competent persons are reluctant to serve a corporation as a Section 16 officer or in another similar capacity unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of corporations;

WHEREAS, the Board of Directors of the Company has determined that the ability to attract and retain such persons is in the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future; and

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified;

NOW, THEREFORE, in consideration of the premises, the mutual agreements herein set forth below and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Definitions.** For purposes of this Agreement the following terms shall have their meanings set forth below:

(a) "*Board*" shall mean the Board of Directors of the Company.

(b) "*Change of Control*" shall mean any of the following events:

(i) (I) the acquisition by any person of beneficial ownership of fifty percent (50%) or more of the outstanding shares of the Company's voting securities; or (II) the Company is the non-surviving party in a merger; or the Company sells all or substantially all of its assets; provided, however, that no "Change in Control" shall be deemed to have occurred merely as the result of a refinancing by the Company or as a result of the Company's insolvency or the appointment of a conservator; or (III) the Board, in its sole and absolute discretion, determines that there has been a sufficient change in the share ownership or ownership of the voting power of the Company's voting securities to constitute a change of effective ownership or control of the Company.

(ii) Unless approved by the affirmative vote of at least two-thirds of those members of the Board who are in office immediately prior to the event(s) and who are not employees of the Company:

(A) the acquisition of direct or indirect beneficial ownership in the aggregate of securities of the Company representing twenty percent (20%) or more of the total combined voting power of the Company's then issued and outstanding securities by any person or entity, or group of associated persons or entities acting in concert, not affiliated (within the meaning of the Securities Act of 1933) with the Company as of the date of this Agreement; or

(B) approval by the stockholders of the Company of any plan or proposal for the liquidation or dissolution of the Company; or

(iii) A change in the composition of the Board at any time during any consecutive 24-month period such that the "Continuing Directors" cease for any reason to constitute at least a seventy percent (70%) majority of the Board. For purposes of this clause (ii), "Continuing Directors" means those members of the Board who either:

(A) were members of the Board at the beginning of such consecutive 24-month period; or

(B) were elected by, or on the nomination or recommendation of, at least a two-thirds majority (consisting of at least five directors) of the then-existing Board.

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

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

(e) "Enterprise" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

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

(g) “*Good Faith*” shall mean Indemnitee having acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal Proceeding, having had no reasonable cause to believe Indemnitee’s conduct was unlawful.

(h) “*Independent Counsel*” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “*Independent Counsel*” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(i) “*Proceeding*” includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other actual, threatened or completed proceeding whether civil, criminal, administrative or investigative, other than one initiated by Indemnitee. For purposes of the foregoing sentence, a “*Proceeding*” shall not be deemed to have been initiated by Indemnitee where Indemnitee seeks pursuant to Section 9 of this Agreement to enforce Indemnitee’s rights under this Agreement.

2. Term of Agreement. This Agreement shall continue until and terminate upon the later of: (a) 10 years after the date that Indemnitee has ceased to serve as a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which Indemnitee served at the express written request of the Company or (b) the final termination of all pending Proceedings in respect of which Indemnitee is granted rights of indemnification or advancement of expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 9 of this Agreement relating thereto. In addition, no legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee’s estate, spouse, heirs, executors or personal or legal representatives after the expiration of five (5) years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such five (5) year period; PROVIDED, HOWEVER, that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

3. Services by Indemnitee, Notice of Proceedings.

(a) Services. Indemnitee agrees to serve as a Section 16 officer of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law).

(b) Notice of Proceeding. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter that may be subject to indemnification or advancement of Expenses covered hereunder.

4. Indemnification.

(a) In General. In connection with any Proceeding, the Company shall indemnify and advance Expenses to Indemnitee as provided in this Agreement and to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may thereafter from time to time permit.

(b) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 4(b) if, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be made, a party to any Proceeding, other than a Proceeding by or in the right of the Company. Indemnitee shall be indemnified against Expenses, judgments, penalties, fines and amounts paid in settlements actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in Good Faith including without limitation, any and all losses, claims, damages, expenses and liabilities, joint or several (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action, suit, proceeding or any claim asserted) under the Securities Act of 1933, the Securities Exchange Act of 1934, as amended (the "Exchange Act of 1934") or other federal or state statutory law or regulation, at common law or otherwise or which relate directly or indirectly to the registration, purchase, sale or ownership of any securities of the Company or to any fiduciary obligation owed with respect thereto or as a direct or indirect result of any Proceeding or any claim, issue or matter therein made by any stockholder of the Company against Indemnitee and arising out of or related to any round of financing of the Company (including but not limited to Proceedings or any claims, issues or matters therein regarding non-participation, or non-pro rata participation, in such round by such stockholder), or made by a third party against Indemnitee based on any misstatement or omission of a material fact by the Company in violation of any duty of disclosure imposed on the Company by federal or state securities or common laws.

(c) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 4(c) if, by reason of Indemnitee's Corporate Status, Indemnitee is or is threatened to be made a party to any Proceeding brought by or in the right of the Company to procure a judgment in its favor. Indemnitee shall be indemnified against Expenses, judgments, penalties and amounts paid in settlement, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding if Indemnitee acted in Good Faith. Notwithstanding the foregoing, no such indemnification shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company if applicable law prohibits such indemnification; *provided, however*, that, if applicable law so permits, indemnification shall nevertheless be made by the Company in such event if and only to the extent that the Court of Chancery of the State of Delaware, or the court in which such Proceeding shall have been brought or is pending, shall determine.

(d) Indemnification of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, Indemnitee shall be indemnified to the maximum extent permitted by law against all Expenses, judgments, penalties, fines and amounts paid in settlement, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee to the maximum extent permitted by law, against all Expenses, judgments, penalties, fines and amounts paid in settlement, actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section 4(d) and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter, so long as there has been no finding (either adjudicated or pursuant to Section 6) that Indemnitee did not act in Good Faith.

(e) Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

(f) Assumption of Defense and Settlement. Notwithstanding any other provision of this Agreement, with respect to any such Proceeding as to which the Indemnitee gives notice to the Company of the commencement thereof:

(1) the Company will be entitled to participate therein at its own expense;

(2) the Company, jointly with any other indemnifying party similarly notified, shall be entitled to assume the defense thereof, with counsel satisfactory to the Indemnitee. If the Company assumes the defense of the Indemnitee, it shall notify the Indemnitee, and after the Indemnitee receives such notice, the Company shall not be liable to the Indemnitee under this Agreement for any Expenses incurred by the Indemnitee after the date such notice was received. The Indemnitee shall be entitled to employ Indemnitee's own counsel at Indemnitee's own expense. Nevertheless, the Company shall pay for Indemnitee's own counsel if (1) the Company agrees to do the same, (2) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee regarding the defense of such action, or (3) the Company shall not in fact have employed counsel to assume the defense of the Proceeding. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee regarding the defense of such Proceeding; and

(3) the Company shall not be liable to the Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding unless the Company consents to such settlement. The Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on the Indemnitee without the Indemnitee's written consent. Neither the Company nor the Indemnitee will unreasonably withhold their consent to any proposed settlement.

(g) Contribution.

(1) Notwithstanding any other provision of this Agreement, if the indemnification provided for in this Section 4 for any reason is held by a court of competent jurisdiction to be unavailable to Indemnitee in respect of any losses, claims, damages, expenses or liabilities referred to therein, then the Company, in lieu of indemnifying Indemnitee thereunder, shall contribute to the amount paid or payable by Indemnitee as a result of such losses, claims, damages, expenses or liabilities

(A) in such proportion as is appropriate to reflect the relative benefits received by the Company and Indemnitee; or

(B) if the allocation provided by clause (A) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (A) above but also the relative fault of the Company and Indemnitee in connection with the action or inaction which resulted in such losses, claims, damages, expenses or liabilities, as well as any other relevant equitable considerations.

(2) In connection with the registration of the Company's securities, the relative benefits received by the Company and Indemnitee shall be deemed to be in the same respective proportions that the net proceeds from the offering (before deducting expenses) received by the Company and Indemnitee, in each case as set forth in the table on the cover page of the applicable prospectus, bear to the aggregate public offering price of the securities so offered. The relative fault of the Company and Indemnitee shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or Indemnitee and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and Indemnitee agree that it would not be just and equitable if contribution pursuant to this Section 4(g) were determined by pro rata or per capita allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph.

(3) In connection with the registration of the Company's securities, in no event shall Indemnitee be required to contribute any amount under this Section 4(g) in excess of the lesser of:

(A) that proportion of the total of such losses, claims, damages or liabilities indemnified against equal to the proportion of the total securities sold under such registration statement which is being sold by Indemnitee; or

(B) the proceeds received by Indemnitee from its sale of securities under such registration statement.

(4) Persons found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act of 1933) shall only be entitled to contribution from any person who was found guilty of such fraudulent misrepresentation.

5. Exceptions

Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) Claims Under Section 16(b). To indemnify Indemnitee for expenses and the payment of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Exchange Act of 1934 or any similar successor statute; or

(b) Unlawful Indemnification. To indemnify Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

6. Advancement of Expenses. Notwithstanding any provision to the contrary in Section 7, the Company shall advance all reasonable Expenses which, by reason of Indemnitee's Corporate Status, were incurred by or on behalf of Indemnitee in connection with any Proceeding, within 20 days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advance and undertakings to repay pursuant to this Section 6 shall be unsecured and interest free.

7. Procedures for Determination of Entitlement to Indemnification.

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

(b) Method of Determination. A determination (if required by applicable law) with respect to Indemnitee's entitlement to indemnification shall be made as follows:

(1) if a Change in Control has occurred, unless Indemnitee shall request in writing that such determination be made in accordance with clause (2) of this Section 7(b), the determination shall be made by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee;

(2) if a Change of Control has not occurred, the determination shall be made by the Board by a majority vote of Disinterested Directors, even though less than a quorum. In the event that there are no Disinterested Directors or if such Disinterested Directors so direct, the determination shall be made by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee.

(c) Selection, Payment, Discharge, of Independent Counsel. In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 7(b) of this Agreement, the Independent Counsel shall be selected, paid and discharged in the following manner:

(1) If a Change of Control has not occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected.

(2) If a Change of Control has occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event clause (1) of this Section 7(c) shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected.

(3) Following the initial selection described in clauses (1) and (2) of this Section 7(c), Indemnitee or the Company, as the case may be, may, within seven days after such written notice of selection has been given, deliver to the other party a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is made, the Independent Counsel so selected may not serve as Independent Counsel unless and until a court has determined that such objection is without merit.

(4) Either the Company or Indemnitee may petition any court of competent jurisdiction if the parties have been unable to agree on the selection of Independent Counsel within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 7(a) of this Agreement. Such petition may request a determination whether an objection to the party's selection is without merit and/or seek the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate. A person so appointed shall act as Independent Counsel under Section 7(b) of this Agreement.

(5) The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 7(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(6) Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 9(c) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) Cooperation. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification under this Agreement, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(e) Payment. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within 10 days after such determination.

8. Presumptions and Effect of Certain Proceedings.

(a) Burden of Proof. In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 7(a), and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption.

(b) Effect of Other Proceedings. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in Good Faith.

(c) Reliance as Safe Harbor. For purposes of any determination of Good Faith, Indemnitee shall be deemed to have acted in Good Faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. The provisions of this Section 8(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

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

9. Remedies of Indemnitee.

(a) Application. This Section 9 shall apply in the event of a Dispute. For purposes of this article, "Dispute" shall mean any of the following events:

- (1) a determination is made pursuant to Section 7 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement;
- (2) advancement of Expenses is not timely made pursuant to Section 6 of this Agreement;
- (3) if the determination of entitlement to be made pursuant to Section 7(b) of this Agreement is to be made by the Board and the Board has not made such determination within 60 days after receipt by the Company of the request for indemnification;
- (4) if the determination of entitlement to be made pursuant to Section 7(b) of this Agreement is to be made by Independent Counsel and Independent Counsel has not made such determination within 90 days after receipt by the Company of the request for indemnification;
- (5) payment of indemnification is not made pursuant to Section 4(e) of this Agreement within 10 days after receipt by the Company of a written request therefor; or

(6) payment of indemnification is not made within 10 days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 7 of this Agreement.

(b) Adjudication. In the event of a Dispute, Indemnitee shall be entitled to an adjudication in an appropriate court in the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 9(b). The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(c) De Novo Review. In the event that a determination shall have been made pursuant to Section 7 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 9 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any such proceeding or arbitration, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(d) Company Bound. If a determination shall have been made or deemed to have been made pursuant to Section 7 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading in connection with the request for indemnification or (ii) a prohibition of such indemnification under applicable law.

(e) Procedures Valid. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 9 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all of the provisions of this Agreement.

(f) Expenses of Adjudication. In the event that Indemnitee, pursuant to this Section 9, seeks a judicial adjudication of or an award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all expenses (of the types described in the definition of Expenses in this Agreement) actually and reasonably incurred by Indemnitee in such adjudication or arbitration, but only if Indemnitee prevails therein. If it shall be determined in such adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advancement of expenses sought, the expenses incurred by Indemnitee in connection with such adjudication or arbitration shall be appropriately prorated.

10. Non-exclusivity, Insurance, Subrogation.

(a) Non-Exclusivity. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration, rescission or replacement of this Agreement or any provision hereof shall be effective as to Indemnitee with respect to any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration, rescission or replacement.

(b) Insurance. The Company may maintain an insurance policy or policies against liability arising out of this Agreement or otherwise.

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

(d) No Duplicative Payment. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

11. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations, written or oral, relating to the subject matter hereof.

(b) Counterparts. This Agreement may be executed in separate counterparts, each of which will be an original and all of which taken together shall constitute one and the same agreement, and any party hereto may execute this Agreement by signing any such counterpart.

(c) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable under any applicable law or rule, the validity, legality and enforceability of the other provision of this Agreement will not be affected or impaired thereby.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives and successors and assigns.

(e) Modification, Amendment, Waiver or Termination. No provision of this Agreement may be modified, amended, waived or terminated except by an instrument in writing signed by the parties to this Agreement. No course of dealing between the parties will modify, amend, waive or terminate any provision of this Agreement or any rights or obligations of any party under or by reason of this Agreement.

(f) Notices. All notices, consents, requests, instructions, approvals or other communications provided for herein shall be in writing and delivered by personal delivery, overnight courier, mail, electronic facsimile or e-mail addressed to the receiving party at the address set forth herein. All such communications shall be effective when received.

If to the Company:

Ryuji Ueno, M.D., Ph.D., Ph.D.
Chief Executive Officer, Chief Scientific Officer and
Chair of the Board of Directors
c/o Sucampo Pharmaceuticals, Inc.
4520 East-West Highway
Suite 300
Bethesda, MD 20814

Copy to:

Corporate Secretary
Sucampo Pharmaceuticals, Inc.
4520 East West Highway
Suite 300
Bethesda, MD 20814

If to the Indemnitee:

Any party may change the address set forth above by notice to each other party given as provided herein.

(g) Headings. The headings and any table of contents contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

(h) Governing Law. ALL MATTERS RELATING TO THE INTERPRETATION, CONSTRUCTION, VALIDITY AND ENFORCEMENT OF THIS AGREEMENT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW PROVISIONS THEREOF.

(i) Third-Party Benefit. Nothing in this Agreement, express or implied, is intended to confer upon any other person any rights, remedies, obligations or liabilities of any nature whatsoever.

(j) Jurisdiction and Venue. THIS AGREEMENT MAY BE ENFORCED IN ANY FEDERAL COURT OR STATE COURT SITTING IN DELAWARE, AND EACH PARTY CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUM IS NOT CONVENIENT. IF ANY PARTY COMMENCES ANY ACTION UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT IN ANOTHER JURISDICTION OR VENUE, ANY OTHER PARTY TO THIS AGREEMENT SHALL HAVE THE OPTION OF TRANSFERRING THE CASE TO THE ABOVE-DESCRIBED VENUE OR JURISDICTION OR, IF SUCH TRANSFER CANNOT BE ACCOMPLISHED, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

(k) Remedies. The parties agree that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may, in its discretion, apply to any court of law or equity of competent jurisdiction for specific performance and injunctive relief in order to enforce or prevent any violations this Agreement, and any party against whom such proceeding is brought hereby waives the claim or defense that such party has an adequate remedy at law and agrees not to raise the defense that the other party has an adequate remedy at law.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the first paragraph.

SUCAMPO PHARMACEUTICALS, INC.

By: _____

Name: Ryuji Ueno, M.D., Ph.D., Ph.D.

Its: Chief Executive Officer/Chief Scientific Officer

Print Name _____

Indemnitee



Corporate Update

January 2013

Participants

Ryuji Ueno, M.D., Ph.D., Ph.D.

Chairman, Chief Executive Officer, and Chief Scientific Officer

Cary J. Claiborne

Chief Financial Officer

Peter Lichtlen, M.D., Ph.D.

Senior Medical Officer and Vice President of European Operations

Stanley G. Miele

Senior Vice President, Sales and Marketing, Sucampo Pharmaceuticals, Inc. / President, Sucampo Pharma Americas, LLC

Silvia Taylor

Senior Vice President, Investor Relations, Public Relations, and Corporate Communications

Erika Trahan

Financial Reporting and Communications Manager

Forward-Looking Statements

- This press release contains “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding product development, product potential, future financial and operating results, and other statements that are not historical facts. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: the impact of pharmaceutical industry regulation and health care legislation; Sucampo’s ability to accurately predict future market conditions; dependence on the effectiveness of Sucampo’s patents and other protections for innovative products; the risk of new and changing regulation and health policies in the US and internationally and the exposure to litigation and/or regulatory actions.
- No forward-looking statement can be guaranteed and actual results may differ materially from those projected. Sucampo undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this presentation should be evaluated together with the many uncertainties that affect Sucampo’s business, particularly those mentioned in the risk factors and cautionary statements in Sucampo’s Form 10-K for the year ended Dec. 31, 2011 and in Sucampo’s Form 10-Qs for the first three quarters of 2012, which the Company incorporates by reference.

Sucampo Snapshot: **Prostone** Pioneers

Sucampo Mission

To develop and commercialize prostone-based medicines to meet the major unmet medical needs of patients on a global basis

Commercial-stage, global biopharmaceutical company

- 2 FDA-approved drugs based on our proprietary prostone technology
 - AMITIZA® (lubiprostone) in gastroenterology
 - RESCULA® (unoprostone isopropyl) in ophthalmics

Prostone pioneers

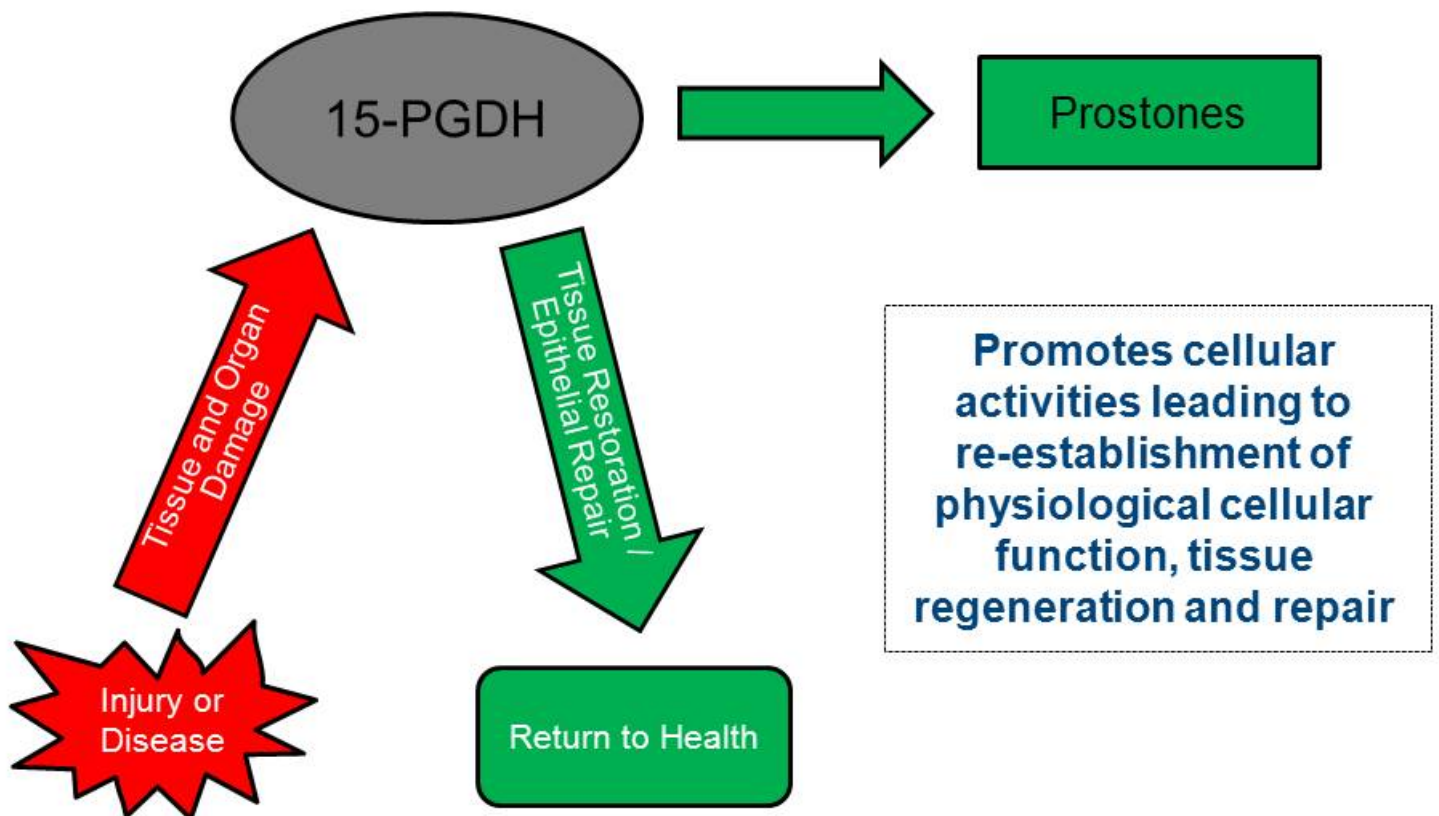
- Therapeutic potential 1st identified by Sucampo's founders, Drs Ryuji Ueno and Sachiko Kuno

Sucampo Has Pioneered the Field of Prostones

- Prostones:
 - Functional fatty acids naturally occurring in the human body
 - Selective ion-channel activators
 - Physiological mediators of restoration of cellular homeostasis and tissue regeneration
- Clinical safety profile of prostones is excellent, as demonstrated by the clinical safety record of AMITIZA and RESCULA
- Clinical potential of prostones is broad and applicable to various therapeutic fields beyond those already established

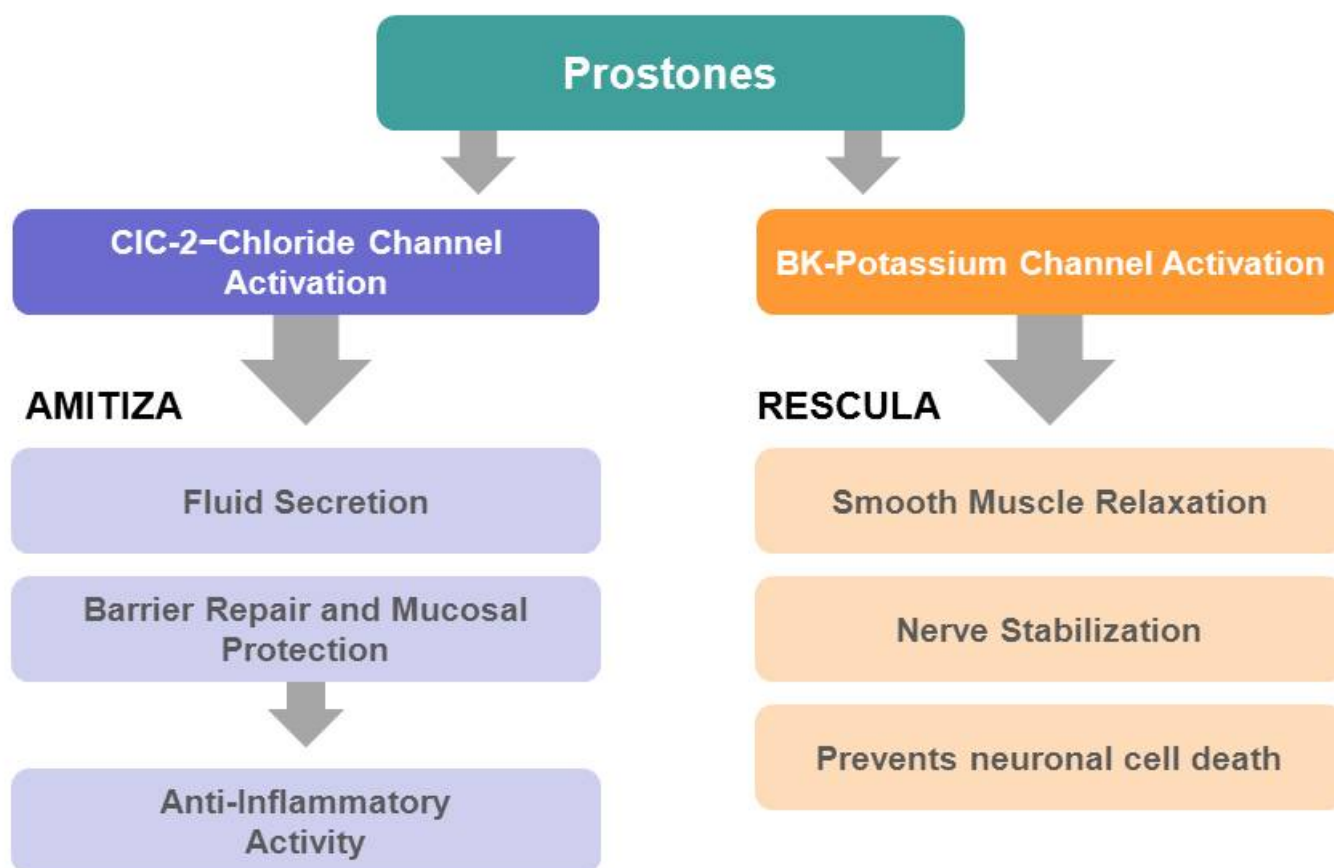
Sucampo is the only company developing and commercializing prostone compounds globally

Prostones: Restorers of Physiological Homeostasis



See Reference 1

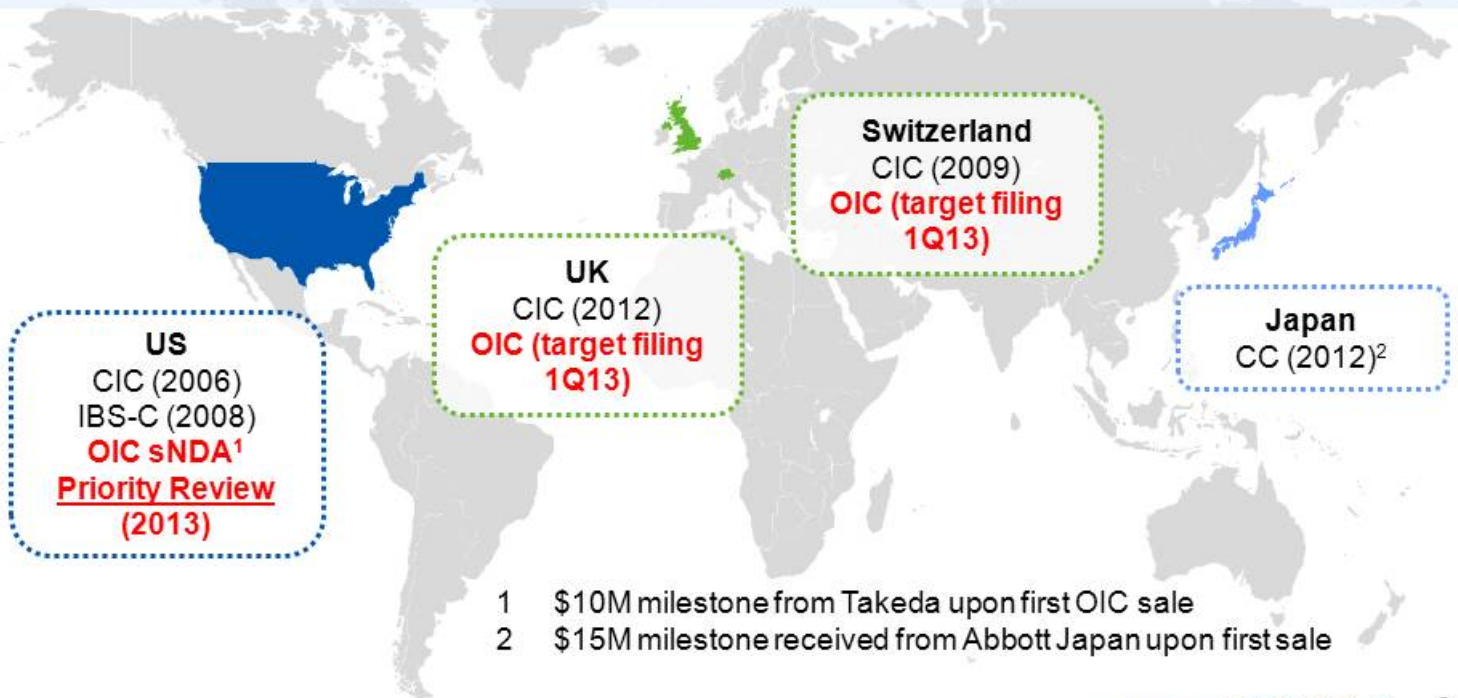
Proprietary Platform Technology: Sucampo's Prostones Are Highly Potent Ion-Channel Activators



See Reference 1

Global AMITIZA Approvals and Regulatory Filings

AMITIZA has been used for >6 y with >6 million prescriptions by patients suffering from chronic idiopathic constipation and irritable bowel syndrome with constipation



See Reference 1

AMITIZA Label Update

- December 7, 2012 Updates to AMITIZA Label
 - All pregnancy-related warnings and precautions have been removed, including the removal of a requirement for a negative pregnancy test prior to beginning therapy
 - Product labeling was updated to include additional animal data and a clinical consideration section, with the pregnancy category remaining unchanged
 - Previous labeling statements regarding the potential for serious adverse reactions in nursing infants have been removed, although caution should be exercised when AMITIZA is administered to a nursing mother and nursing infants should be monitored for diarrhea
 - The mechanism of action section of the label was updated to include that lubiprostone has been shown to reduce intestinal permeability

Sucampo: Leader in Gastrointestinal Disease Medication Development

- **Chronic Idiopathic Constipation (CIC)**

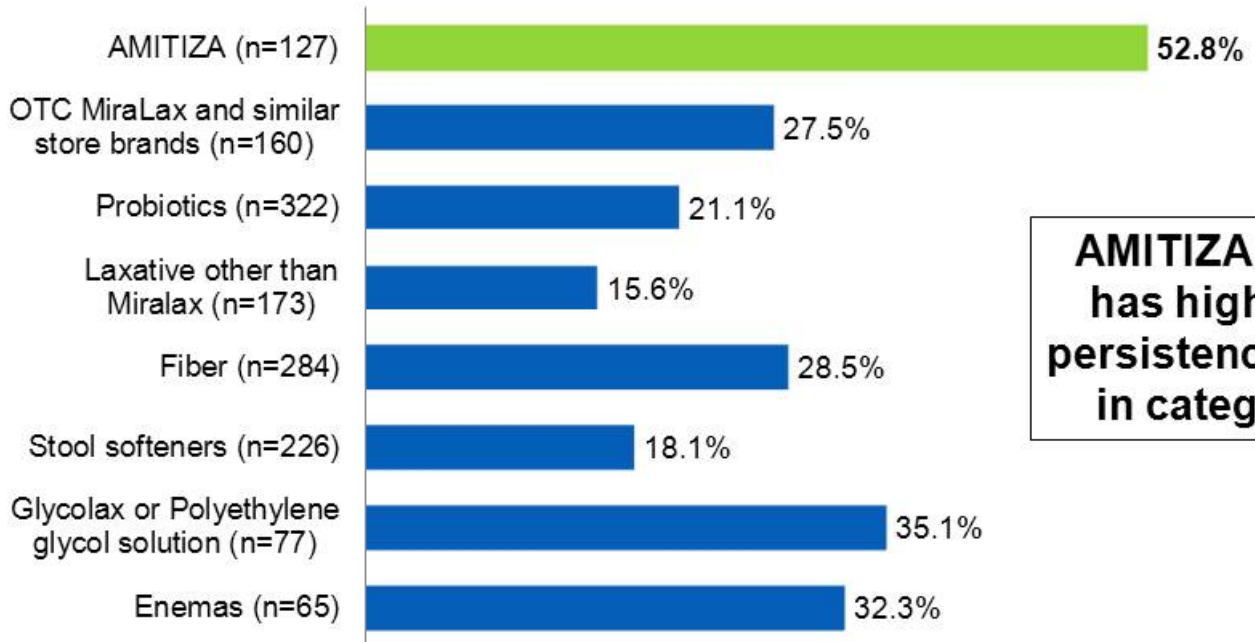
- Affects ~14%–16% of adult population globally
 - 33M in US (14%),² 41M in EU 5 (16%),² 15M in Japan (14.3%)³ – CC
- Accounts for 92,000 hospitalizations/yr in US⁴
- Severe constipation is associated with increased cardiovascular risk in women^{5,6}

- **Irritable Bowel Syndrome (IBS)**

- Affects ~15% of adult population globally, 1/3 of whom have IBS with constipation (IBS-C)⁷
 - 12M in US, 11M in EU^{7,8}, 3M in Japan^{7,9}
- Direct and indirect costs of IBS care in US: \$20 billion/yr⁷
- Patients with IBS consume >50% more healthcare resources than those without IBS¹⁰

AMITIZA Users Are the Most Satisfied With Their Treatment and Twice as Satisfied as MiraLAX Users

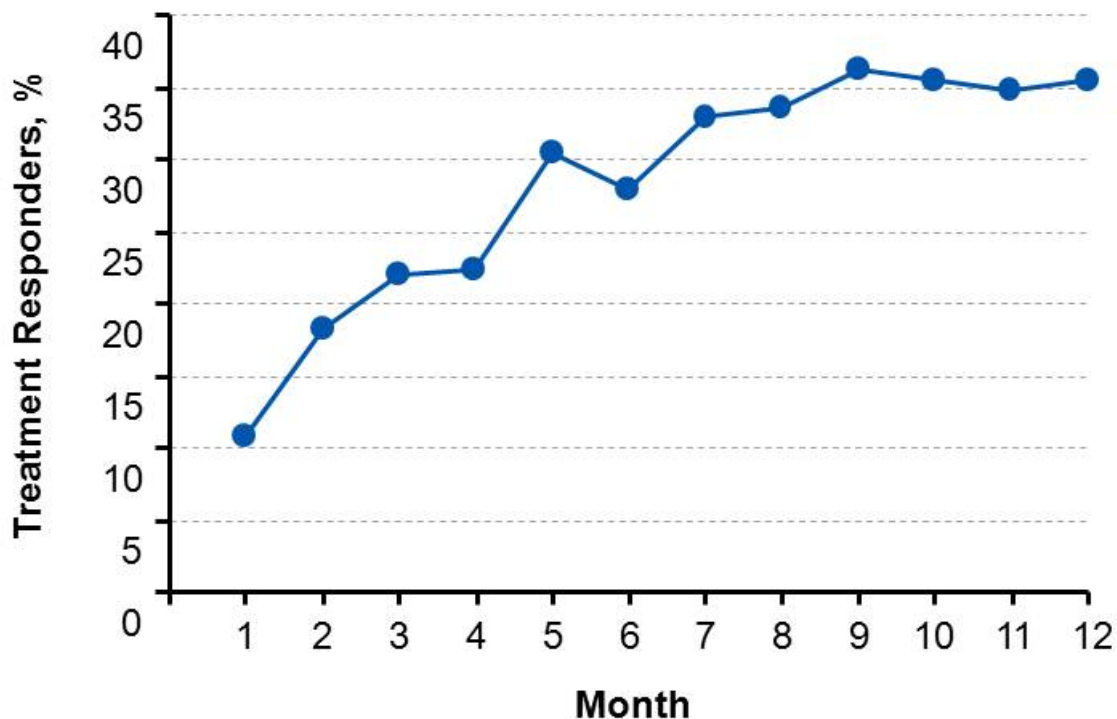
Satisfaction with Current Treatments



AMITIZA also has highest persistency rate in category

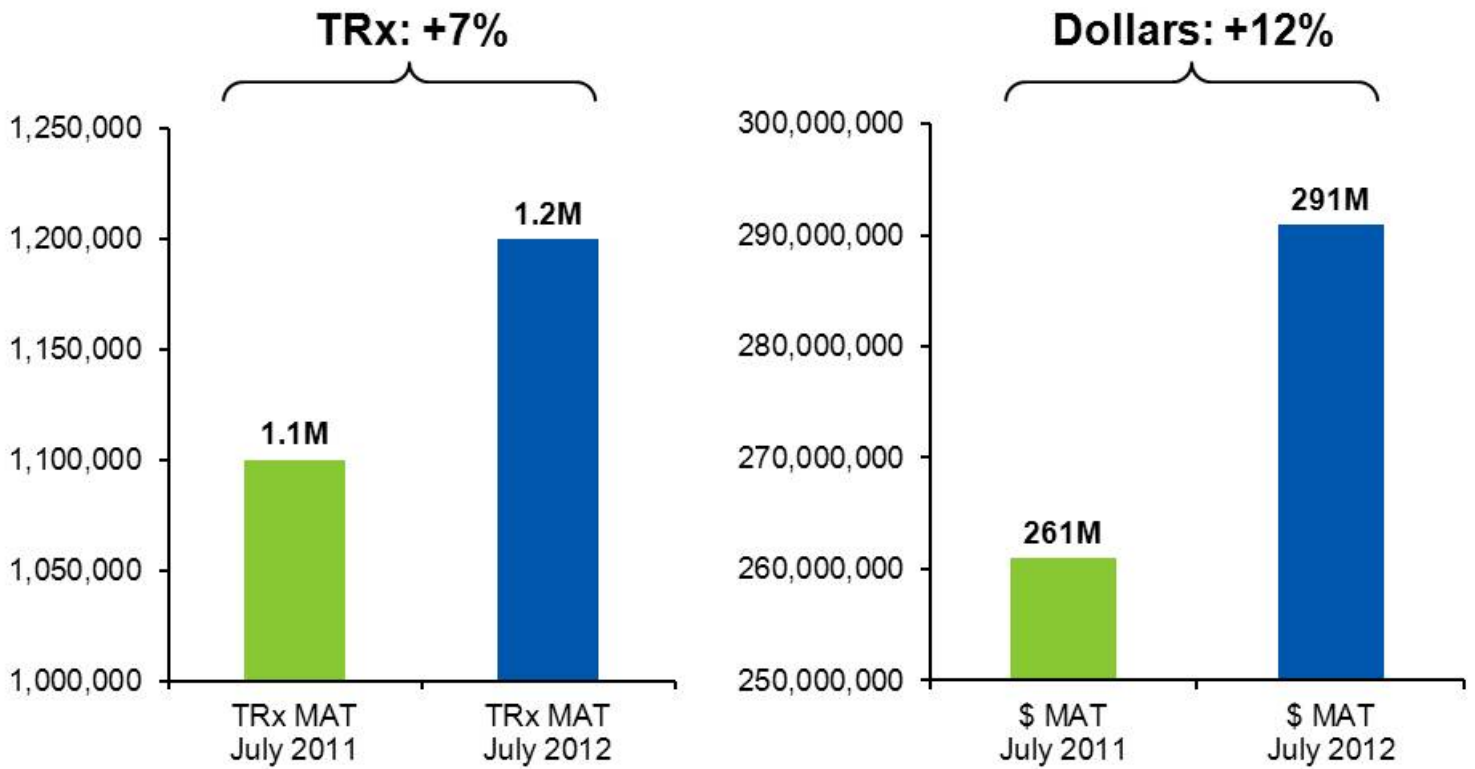
Positive Long-term Treatment Response: Phase 3 Studies of AMITIZA 8 µg BID in IBS-C

Long-term Efficacy



See Reference 1

Positive Clinical Experience Translating to Consumption Growth: \$291M on Annualized Basis



AMITIZA has 1-2% share of ~250M units for Constipation

AMITIZA Has Time-Tested Safety Profile and Positive Clinical Experience Valued by Physicians

Criteria	AMITIZA	Linacotide
MOA	CIC-2; mucosal barrier protection	GC-C receptor
Black box warning	No	Yes
Long-term safety profile	Established; 6 y, 6M prescriptions	No
Safety data in label for elderly with CIC	Yes; lower nausea rates	No; insufficient no. of subjects
Primary side effect	Nausea	Diarrhea
Efficacy in CIC and IBS-C	Yes	Yes
Satisfied patients in "real world"	Yes	No
Multisymptom benefit for CIC with abdominal discomfort/bloating in label	Yes	No
Dosing	BID with food and water	qd \geq 30 min before 1 st meal

See Reference 1

Opioid-Induced Constipation: Increase Potential Population for AMITIZA and Strengthen Efficacy Positioning

- Moderate–severe OIC affects ~2.0M–2.5M patients
 - Currently no approved oral product for OIC
 - Most common reason for discontinuation of opioid therapy
 - OIC patients are viewed as “difficult to treat” and are dissatisfied
 - PCPs welcome 1 medicine indicated for multiple causes of constipation
- AMITIZA does not act on opiate receptors or inhibit analgesic activity of opioid therapy
- Mu-opioid–receptor agonist compounds under development may have cardiac safety concerns

FDA priority review action date: late April 2013

AMITIZA Intellectual Property

- Paragraph IV certification notice letter to Sucampo received on January 2, 2013 regarding ANDA submitted to FDA by Anchen Pharmaceuticals
- AMITIZA has a robust patent estate
 - Latest patents expire in 2027
- Notice letter alleges AMITIZA's composition, method of use, and/or formulation patents are invalid, unenforceable, and/or will not be infringed by Anchen's manufacture, use or sale of the product described in its ANDA.
- Sucampo intends to vigorously enforce our intellectual property

Hatch-Waxman Act provides that a federal court lawsuit will preclude FDA from approving ANDA until the earlier of 30 months or a district court decision finding AMITIZA's patents invalid

Summary and Outlook for AMITIZA

- Continue growth in US: over 6M prescriptions used over 6+ years, with favorable benefit-risk profile
- Near-term goals
 - **Leverage new US product label, which removed pregnancy warnings and precautions (including removal of requirement for negative pregnancy test prior to therapy initiation), clarified information regarding use in pregnant and/or nursing women, and expanded labeling text of the Mechanism of Action**
 - Seek approval for OIC indication in US and submit labeling applications for OIC abroad
 - Expand global approvals and launches for AMITIZA worldwide
 - **Develop and seek approval for AMITIZA in pediatric constipation**
 - **Currently unmet medical need; no approved prescription medications**
 - Develop liquid formulation of AMITIZA for pediatric and long-term care markets
 - Evaluate potential of AMITIZA for new indications, such as mixed irritable bowel syndrome

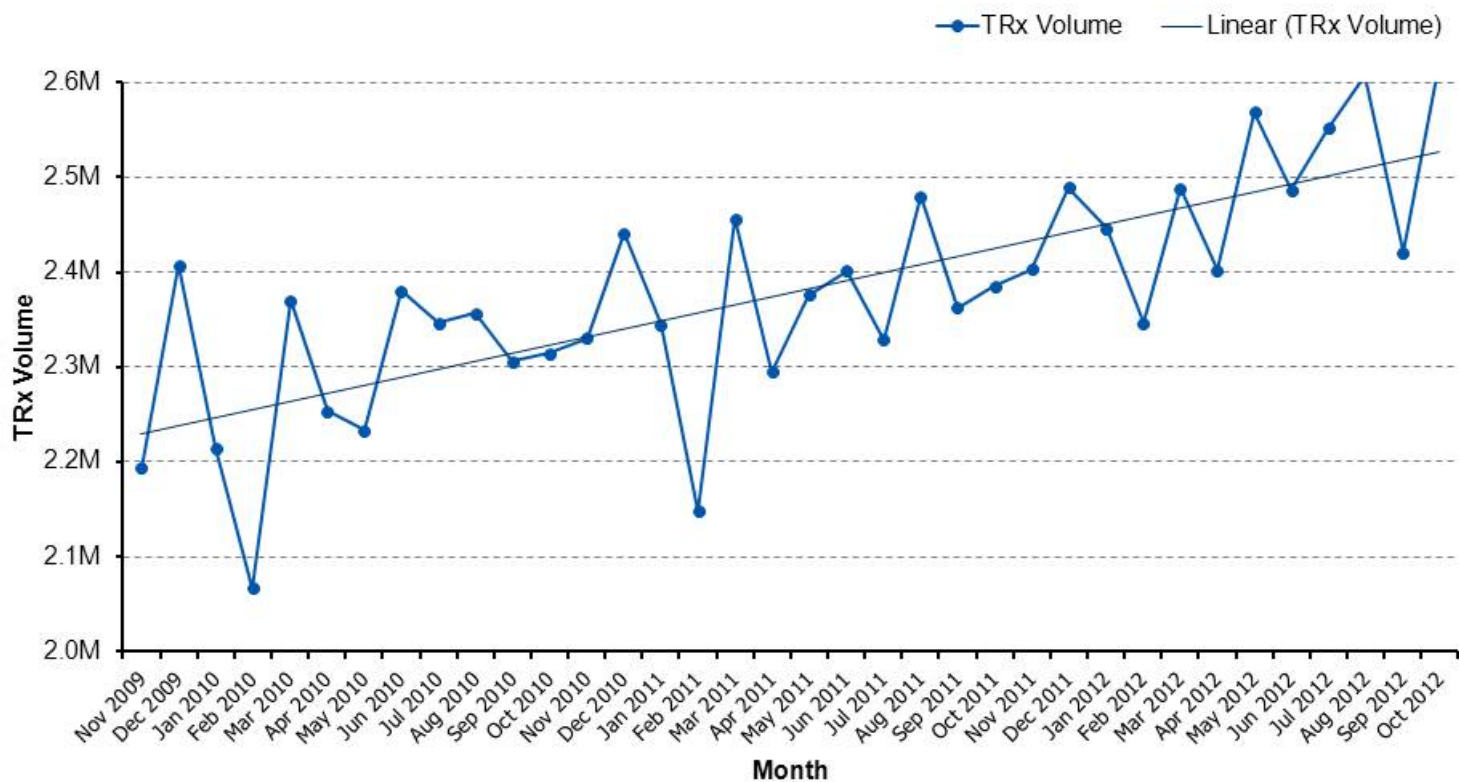
Sucampo Is an Emerging Player in Ophthalmics: RESCULA

- **Glaucoma is a group of ocular diseases with various causes that ultimately are associated with a progressive optic neuropathy leading to loss of vision**
 - Age-related disease:
 - Second leading cause of bilateral blindness worldwide
 - Will affect an estimated 79.6 million people worldwide by 2020¹⁸
- Reduction in intra-ocular pressure (IOP) is currently the only modifiable risk factor for patients with glaucoma and ocular hypertension

US Glaucoma Market Overview

- **The US glaucoma market is 29.2M TRx's²²**
 - 4-5M potential patients^{21,22,24}
 - 67% of the market is generic²²
 - 80% of TRx's are by eye specialists²²
 - ~\$3B: US sales volume (2012)
 - ~\$1B: Japan sales volume (2011)
- **Compliance and adherence are unmet needs**
 - 50% of new patients drop off therapy within one year of initiation
- **Prostaglandins are inflammatory agents which depolarize cell membranes**
 - #1 reason for discontinuation of prostaglandins is hyperemia^{20,23,24}

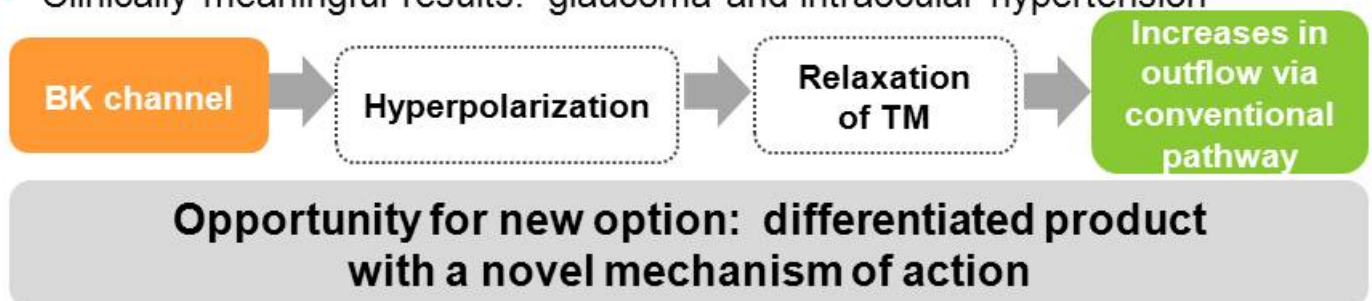
Over Past 3 Years, Category TRx Volume in US Has Increased 8% From 27.4M to 29.8M



See Reference 25

RESCULA has an alternate route to IOP Reduction

- In patients with primary open angle glaucoma or ocular hypertension, RESCULA
 - Reduces IOP throughout the day, alone or in combination
 - Has an excellent systemic safety profile and an established and ocular safety profile
 - MOA: ion channel activator promotes aqueous humor outflow through the trabecular meshwork
 - RESCULA was originally approved by the FDA in 2000. In 2009, Sucampo acquired the commercialization rights for the US and Canada
- Clinically meaningful results: glaucoma and intraocular hypertension



TM, trabecular meshwork.
See Reference 1

RESCULA: Only Nonprostaglandin That Lowers IOP Throughout Day (12 h) With Excellent Systemic Safety Profile

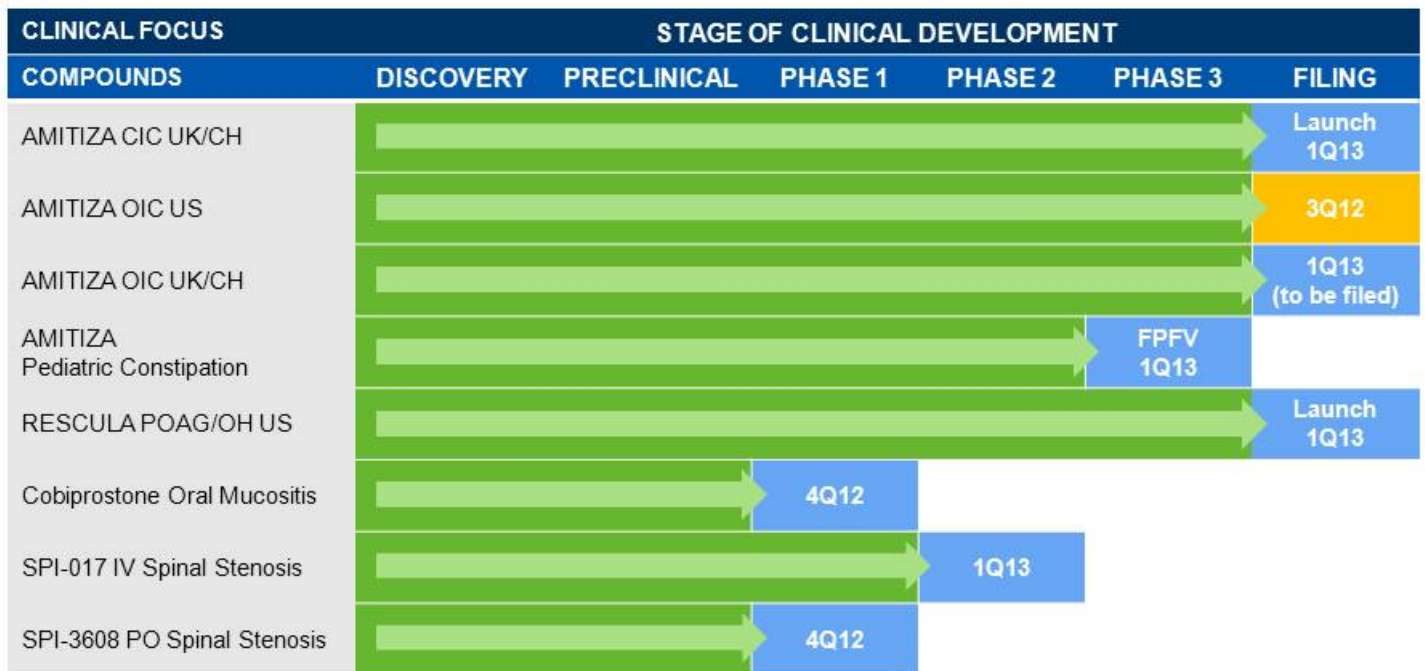
	RESCULA ²³	β -Blocker ²⁶	Alphagan-P ²⁷	Azopt ²⁸
Contraindicated in asthma/warning in COPD and diabetes	No	Yes	No	No
Drug interactions in label	No	Yes	Yes	Yes
Fatigue, muscle weakness, or drowsiness	No	Yes	Yes	No
Caution in using antihypertensives	No	Yes	Yes	No
Allergic reaction (10%–20%)	No	No	Yes	No
Care exercised in driving motor vehicles or hazardous activities	No	No	Yes	No
Bitter taste	No	No	No	Yes
Recommended dosing	BID	BID/QD	TID	TID

See References 23, 26-28

RESCULA US Launch Overview

- sNDA approved December 2012
 - RESCULA may be used as a first-line agent or concomitantly with other topical ophthalmic drug products to lower intraocular pressure
 - RESCULA is a BK (Big Potassium) channel activator, which is different from other intraocular pressure lowering agents.
 - RESCULA is believed to reduce elevated IOP by increasing the outflow of aqueous humor through the trabecular meshwork
- Sucampo plans to launch RESCULA in US Q1 2013

Sucampo's Clinical Pipeline



■ Successfully completed
 ■ Approval pending
 ■ Projected start or submission

Key Facts

Trading Symbol	SCMP (NASDAQ)
Corporate Headquarters	Bethesda, MD
Stock Price (01-03-2013), 52-Week Range	\$5.04, \$8.50 to \$3.78
Shares Outstanding (9-30-2012)	41.9 M (1 class of common stock)
Daily Volume (90-day average)	101,448
Market Capitalization (01-03-2013)	\$211.5 M
Debt (9-30-12)	\$61.2 M
Cash & Equivalents (9-30-12)	\$82.1 M
Enterprise Value (01-03-2013)	\$190.6 M
YTD Total Revenue (9-30-2012)	\$46.6 M
Full-time Employees (01-03-2013)	125
Fiscal Year Ends	December 31
Accounting Firm	PricewaterhouseCoopers, LLP

2013 Key Value Drivers

✓ Completed In Process

AMITIZA	US	<input type="checkbox"/> Obtain approval of OIC sNDA: 2Q 2013 <ul style="list-style-type: none"> • \$10M milestone payment upon first OIC sale <input type="checkbox"/> Achieve FPFV in Pediatric Ph 3 trial by 3Q 2013
	Japan	<input type="checkbox"/> Grow sales in Japan in 2013
	EU	<input type="checkbox"/> Achieve NICE endorsement and launch in UK in 2013 <input type="checkbox"/> Begin active marketing in Switzerland in 1Q 2013 <input type="checkbox"/> Submit for regulatory approval of OIC in UK and Switzerland by 1Q 2013 <input type="checkbox"/> Submit filings to expand CIC indication to other EU markets: 3Q 2013
RESCULA	US	<input type="checkbox"/> Launch: 1Q 2013
Pipeline	Cobiprostone	<input type="checkbox"/> Complete oral mucositis Ph 1A trial: 2Q 2013 <input type="checkbox"/> Initiate Ph 1B/2A trial in oral mucositis: 4Q 2013
	SPI-017	<input type="checkbox"/> Complete spinal stenosis Ph 2A trial: 4Q 2013



Appendix

Terms of Sucampo's AMITIZA Agreements

- **Takeda Agreement**

- Takeda shall promote, market, and sell AMITIZA in US and Canada
- Sucampo's tiered royalty rate: 18%–26% of annual net sales
- Sucampo earned \$20M in upfront and \$130M in development milestone payments as of 9/30/12
- Sucampo received \$106M in reimbursement for R&D expenses from Takeda

- **Abbott Japan Agreement**

- Abbott Japan shall promote, market, and sell AMITIZA in Japan
- Sucampo will sell product to Abbott Japan at discount to Abbott Japan's approved reimbursement price
- Sucampo earned \$10M in upfront and \$12.5M in development milestone payments as of 9/30/12
- Sucampo earned \$15M milestone payment on 1st commercial sale in Japan by Abbott Japan in 4Q12

Substantial Abdominal Pain Improvement in IBS-C Patients Reporting at Least Severe Abdominal Pain at Baseline*

% Improvement	Placebo BID (n = 94)	Lubiprostone 8 µg BID (n = 183)	P Value†
≥10	53.9%	61.9%	<0.0001
≥20	40.1%	49.6%	<0.0001
≥30	24.2%	35.1%	<0.0001
≥40	14.5%	23.7%	<0.0001
≥50	9.4%	16.7%	<0.0001
≥60	4.7%	12.7%	<0.0001

*LOCF analysis; †P value from CMH test.
See Reference 29

Issued Lubiprostone Patents

<u>US Patent No.</u>	<u>Expires</u>	<u>Type of patent</u>
5,284,858	2014	Composition of matter
6,414,016	2020	Therapeutic use (treating conditions including constipation)
6,583,174	2020	Composition of matter
7,064,148	2022	Therapeutic use (treating conditions including constipation)
7,417,067	2020	Composition of matter
7,795,312	2024	Therapeutic use (treating conditions including IBS)
8,026,393	2027	Formulation
8,071,613	2020	Method for relieving constipation in IBS-C
8,088,934	2021	Composition of matter
8,097,649	2020	Composition of matter
8,097,653	2022	Therapeutic use (treating constipation)
8,114,890	2020	Composition of matter
8,338,639	2027	Composition of matter and formulation

*For Orange Book-listed patents concerning lubiprostone, see for example:

http://www.accessdata.fda.gov/scripts/cder/ob/docs/patexclnew.cfm?Appl_No=021908&Product_No=001&table1=OB_Rx

Issued Lubiprostone Patents

Japanese

<u>Patent No.</u>	<u>Expires</u>	<u>Type of patent</u>
4,332,316	2020	Composition of matter
4,332,353	2022	Therapeutic use
4,684,334	2021	Therapeutic use (treating conditions including constipation)
4,783,794	2027	Composition of matter
4,786,866	2022	Therapeutic use (treating constipation)
4,852,229	2022	Therapeutic use (treating constipation)
4,889,219	2023	Therapeutic use (treating constipation)

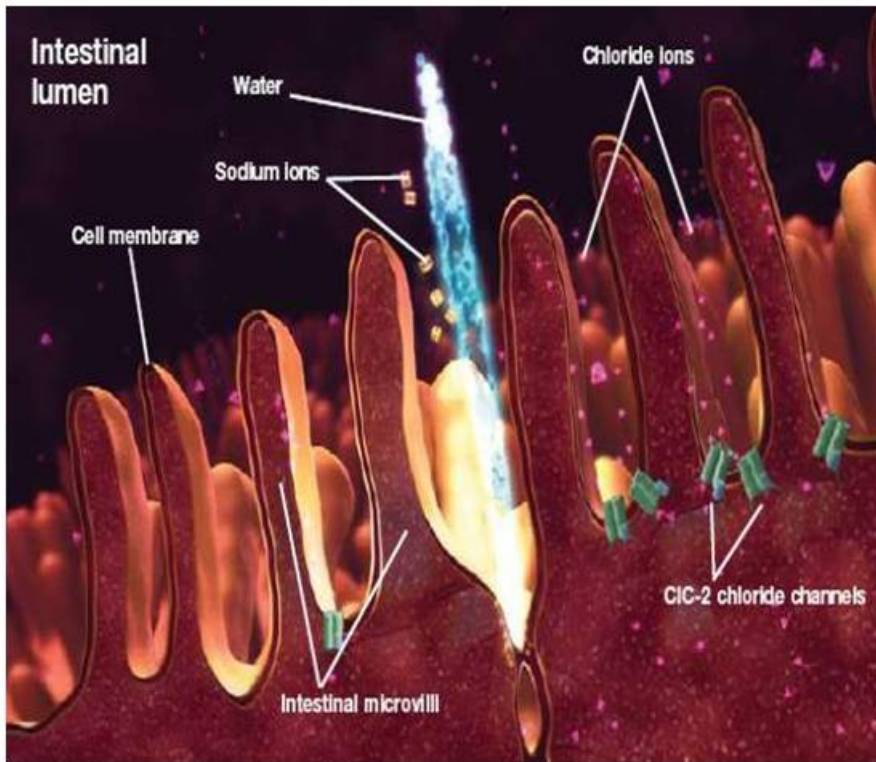
European

<u>Patent No.</u>	<u>Expires</u>	<u>Type of Patent</u>
1,220,849	2020	Composition of matter
1,315,485	2021	Therapeutic use (treating constipation)
1,392,318	2022	Therapeutic use
1,426,361	2020	Composition of matter
1,443,938	2022	Therapeutic use (treating constipation)

*For Orange Book-listed patents concerning lubiprostone, see for example:

http://www.accessdata.fda.gov/scripts/cder/ob/docs/patexclnew.cfm?Appl_No=021908&Product_No=001&table1=OB_Rx

AMITIZA Mechanism of Action: ClC-2 Ion-Channel Activation and Fluid Secretion



Highly selective activation
of ClC-2 channels in
intestinal lumen



Chloride efflux followed by
passive efflux of sodium
into small intestine



Enhanced intestinal fluid
secretion without alteration
of serum electrolyte levels

See Reference 1

References

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27. Alphagan-P Prescribing Information. 2005. Allergan Inc, Irvine, CA
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Corporate Update

January 2013