
**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): February 28, 2005

OXIS INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-8092

(Commission File Number)

94-1620407

(I.R.S. employer identification No.)

**6040 N. Cutter Circle, Suite 317
Portland, OR 97217-3935**

(Address of Principal Executive Office, Including Zip Code)

(503) 283-3911

(Registrant's telephone number, including area code)

Not applicable

(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:

- ☐ 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))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(cc))
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Item 1.01. Entry into a Material Definitive Agreement.

On February 28, 2005, OXIS International, Inc., a Delaware corporation (the “Company”) entered into a Letter Agreement, effective as of February 28, 2005, with Steven T. Guillen (the “Letter Agreement”). The terms of the Letter Agreement include, but are not limited to, the following:

- (1) Mr. Guillen will serve as the Company’s President and Chief Executive Officer;
- (2) Mr. Guillen’s initial annual base salary will be \$250,000, subject to annual salary and performance reviews and potential salary increases at the sole discretion of the Company’s Board of Directors (the “Board”);
- (3) Mr. Guillen will be eligible for a performance-based bonus determined at the discretion of the Board, the range of which is expected to be between 25% and 50% of Mr. Guillen’s annual base salary, depending upon the attainment of certain goals to be mutually agreed upon between Mr. Guillen and the Board;
- (4) Mr. Guillen will be eligible to receive an irrevocable stock option grant(s) under the Company’s 2003 Stock Incentive Plan (the “Plan”) (and/or pursuant to a standalone grant outside of the Plan) in the amount of 600,000 shares of the Company’s Common Stock;
- (5) The options will have an exercise price per share equal to the last sale price of the Company’s Common Stock as of February 28, 2005;
- (6) Mr. Guillen will be entitled to full vesting of the then-unvested shares subject to the irrevocable stock option grant(s) upon a Change of Control (as defined in the Letter Agreement to include, (i) a merger, consolidation, or reorganization approved by the Company’s stockholders, unless securities representing more than (50%) of the total combined voting power of the voting securities of the successor company are immediately thereafter beneficially owned, directly or indirectly, and in substantially the same proportion, by the persons who beneficially owned the Company’s outstanding voting securities immediately prior to such transaction, or (ii) any stockholder-approved transfer or any other disposition of all of the Company’s assets, or (iii) the acquisition, directly or indirectly, by any person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control, the Company), of beneficial ownership (within the meaning of Rule 13d of the 1934 Act) of securities possessing more than (50%) of the total combined voting power of the Company’s outstanding securities pursuant to a tender or exchange offer made directly to the Company’s stockholders, or (iv) a change in the composition of the Board such that (a) five or more Board members resign or are otherwise removed as Board members within any period of six consecutive months or less; (b) five or more Board members opt not to stand for re-election to the Board within any period of six consecutive months or less; or (c) any combination of the foregoing subsections occur such that five or more Board member positions are affected by a combination of resignations or removals, or the decision

not to stand for re-election, within any period of six consecutive months or less) or upon Mr. Guillen's termination of his employment with the Company for "good reason" (as defined in the Letter Agreement) (collectively, the "Acceleration Events");

- (7) Mr. Guillen was granted the right to purchase up to 600,000 fully-vested shares of the Company's Common Stock, at market price, from the pool of shares reserved in the Plan;
- (8) Mr. Guillen will become a member of the Board; and
- (9) As further described and qualified in the Letter Agreement, Mr. Guillen will be entitled to receive certain severance benefits, including payments equal to one month of his base salary for a period of 12 months, in the event that: (i) the Company terminates his employment without "cause" (as defined in the Letter Agreement), (ii) within twelve months after a Change of Control, Mr. Guillen terminates his employment with "good reason" (as defined in the Letter Agreement) or (iii) Mr. Guillen's employment terminates as a result of his death or disability (each a "Severance Termination").

The Letter Agreement is attached hereto as Exhibit 10.1 and is incorporated herein by reference in its entirety.

In partial satisfaction of its obligation under the Letter Agreement to issue to Steven T. Guillen options to purchase up to 600,000 shares of the Company's Common Stock, the Company entered into a Notice of Stock Option Award and a Stock Option Agreement with Mr. Guillen under the Plan, dated as of February 28, 2005, pursuant to which Mr. Guillen has the option to purchase up to 500,000 shares of the Company's Common Stock (the "Incentive Stock Option"), at an exercise price of \$0.40 per share, in accordance with, and subject to the provisions of, the Plan, with 25% of the shares subject to the Incentive Stock Option vesting on February 28, 2005 (the "ISO Vesting Commencement Date"), 25% of the shares vesting on the first anniversary of the ISO Vesting Commencement Date, 25% of the shares vesting on the second anniversary of the ISO Vesting Commencement Date and 25% of the shares vesting on the third anniversary of the ISO Vesting Commencement Date. The term of the Incentive Stock Option is 10 years from the ISO Vesting Commencement Date (the "ISO Expiration Date"). All unvested shares under the Incentive Stock Option shall vest if any of the Acceleration Events occur. Subject to adjustment pursuant to the terms of the Incentive Stock Option agreement, after termination of his service with the Company, Mr. Guillen shall be permitted to exercise the option with respect to vested shares (not previously exercised) from the date of such termination to the earlier of one (1) year after such termination or the ISO Expiration Date. In the event of a Severance Termination, Mr. Guillen shall have the right to exercise any options which have vested on or before the termination date until the later of (i) the fifth anniversary of the ISO Vesting Commencement Date or (ii) the third anniversary of the date of termination; provided that, in all circumstances, the option agreement shall expire on the ISO Expiration Date.

In partial satisfaction of its obligation under the Letter Agreement to issue to Steven T. Guillen options to purchase up to 600,000 shares of the Company's Common Stock, the Company entered into a Nonqualified Stock Option Agreement with Mr. Guillen, dated as of

February 28, 2005, pursuant to which Mr. Guillen has the option to purchase up to 100,000 shares of the Company's Common Stock (the "Nonqualified Stock Option"), at an exercise price of \$0.40 per share, with 25% of the shares subject to the Nonqualified Stock Option vesting on February 28, 2005 (the "NSO Vesting Commencement Date"), 25% of the shares vesting on the first anniversary of the NSO Vesting Commencement Date, 25% of the shares vesting on the second anniversary of the NSO Vesting Commencement Date and 25% of the shares vesting on the third anniversary of the NSO Vesting Commencement Date. The term of the Nonqualified Stock Option is 10 years from the NSO Vesting Commencement Date (the "NSO Expiration Date"). All unvested shares under the Nonqualified Stock Option shall vest if any of the Acceleration Events occur. Subject to adjustment pursuant to the terms of the Nonqualified Stock Option agreement, after termination of his service with the Company, Mr. Guillen shall be permitted to exercise the Nonqualified Stock Option with respect to vested shares (not previously exercised) from the date of such termination to the earlier of one (1) year after such termination or the NSO Expiration Date. In the event of a Severance Termination, Mr. Guillen shall have the right to exercise any options which have vested on or before the termination date until the later of (i) the fifth anniversary of the NSO Vesting Commencement Date or (ii) the third anniversary of the date of termination; provided that, in all circumstances, the option agreement shall expire on the NSO Expiration Date.

In connection with the Letter Agreement, the Company entered into a Stock Purchase Agreement with Mr. Guillen, dated as of February 28, 2005, pursuant to which Mr. Guillen purchased 600,000 fully-vested Restricted Shares (as defined in the Plan), at a purchase price of \$0.40 per share, subject to the provisions of the Plan. The Stock Purchase Agreement is attached hereto as Exhibit 10.2 and is incorporated herein by reference in its entirety.

In connection with the Letter Agreement, the Company entered into an Indemnification Agreement with Mr. Guillen, dated as of February 28, 2005, on the form previously filed with the Company's reports under the Securities Exchange Act of 1934, as amended.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

See disclosure in Item 1.01 of this Form 8-K.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(b) Departure of Principal Officers.

As a result of the appointment of Mr. Guillen as the Company's President and Chief Executive Officer, effective February 28, 2005, Marvin S. Hausman, M.D. is no longer the Company's Acting Chief Executive Officer.

(c) Appointment of Principal Officers.

In connection with the Letter Agreement, effective February 28, 2005, Mr. Guillen was appointed by the Board to the positions of President and Chief Executive Officer of the Company.

Prior to joining the Company, from 2001 to 2004, Steven T. Guillen served as Vice President, Sales and Marketing for Amarin Pharmaceuticals, Inc., a neuroscience company focused on the development and commercialization of drugs for the treatment of neurological disorders affecting the central nervous system. From 1996 to 2001, Mr. Guillen served as the Vice President, Sales and Marketing for Athena Diagnostics, a company involved with the development and commercialization of diagnostic testing for neurological diseases.

For a brief description of the material terms of the Letter Agreement, see Item 1.01 of this Form 8-K and Exhibit 10.1.

The press release issued on February 28, 2005 by the Company describing Mr. Guillen's appointment to the positions of President and Chief Executive Officer of the Company is attached hereto as Exhibit 99.1 and incorporated herein by reference in its entirety.

(d) Election of New Director.

On February 28, 2005, in connection with the Letter Agreement, the Board elected Mr. Guillen as a member of the Board, effective as of the same date.

See Item 1.01 of this Form 8-K for a description of the Company's transactions with Mr. Guillen.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

The following exhibits are being filed with this Current Report on Form 8-K:

<u>Exhibit Number</u>	<u>Description</u>
10.1	Letter Agreement, dated as of February 28, 2005, by and between the Company and Steven T. Guillen.
10.2	Stock Purchase Agreement, dated as of February 28, 2005, by and between the Company and Steven T. Guillen.
99.1	Press Release, dated as of February 28, 2005, announcing the appointment of Steven T. Guillen as the Company's President and Chief Executive Officer.

SIGNATURES

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.

OXIS INTERNATIONAL, INC.
(Registrant)

Date: March 4, 2005

By: /s/ S. Colin Neill
S. Colin Neill
Secretary

Exhibit 10.1

February 28, 2005

Mr. Steven T. Guillen
334 Blackfield Drive
Tiburon, California 94920

Dear Steven:

I am very pleased to extend, on behalf of OXIS International, Inc. (the "Company") this letter agreement ("Letter Agreement") to you (the "Executive") which will address your terms of employment with the Company. We consider it essential and in the best interests of our stockholders to attract and retain the strongest key management personnel we can and the arrangements described in this Letter Agreement are intended to address that goal.

1. Duties

Commencing on February 28, 2005, or a date mutually agreed upon by the Company and the Executive ("the Commencement Date"), you will serve as President and Chief Executive Officer of OXIS International, Inc. based in Portland, Oregon, reporting directly to Marvin S. Hausman, M.D. Chairman of the Board of Directors of the Company and the Board of Directors. The Executive shall faithfully serve the Company and its subsidiaries and shall devote his full time and attention to the business and affairs of the Company and its subsidiaries and the performance of his duties and responsibilities. Except upon the prior written consent of the Company, Executive will not, during the term of this Letter Agreement, (i) accept any other employment, or (ii) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that might interfere with Executive's duties and responsibilities hereunder or create a conflict of interest with the Company.

2. Terms

Notwithstanding anything to the contrary, the Executive's employment relationship with the Company is employment "at will". As a result, the Executive's employment may be terminated by the Company's Board of Directors or by the Executive at any time (subject to the notice provision below), in each case without any liability or obligation, except as set forth in this Letter Agreement. If the Executive terminates his employment, he shall give the Company written notice of such termination not less than sixty (60) days prior to the effective date of such termination.

3. Compensation

(a) Base Salary. During the term of the Executive's employment, the Executive will receive a base salary of \$250,000 per annum, payable in biweekly increments in arrears, subject to annual salary and performance reviews and potential salary increases at the sole discretion of the Board.

(b) Bonus. The Executive will be eligible for a performance-based bonus determined at the discretion of the Board of Directors. The expected bonus range will be between 25% and 50% of base salary, dependent upon attaining goals to be mutually agreed between the Executive and the Oxis board of directors.

4. Option Grant

(a) The Company's Chairman of the Board of Directors has approved a recommendation, to be presented to and approved by the Company's Compensation Committee of the Board of Directors, prior to Executive's Commencement Date (the date on which the Compensation Committee provides approval being the "Approval Date") that you receive an irrevocable stock option grant under the Company's 2003 Stock Incentive Plan ("Option Plan") (and/or pursuant to a standalone grant outside of the Option Plan) in the amount of 600,000 shares of Common Stock of the Company. Twenty five percent of the award or 150,000 shares will vest on the commencement date, a further twenty five percent on the first anniversary of the commencement date, a third twenty five percent on the second anniversary date and the final twenty five percent on the third anniversary date. The options will have an exercise price per share equal to the last sale price of the Company's Common Stock as of the last business day before the Approval Date and will expire on the 10th anniversary of the Approval date. Additional equity grants may be awarded by action of the Company's Board of Directors or a duly authorized committee of the Board and, if made, will be made in a manner commensurate with Senior Executives, the terms and conditions of which shall be determined under the Company's Option Plan and by the Company's Board or its Compensation Committee of the Board of Directors.

(b) In the event of a Change in Control as described below in the Special Change in Control Provisions, and with respect to all options granted or authorized by Section 4(a), but not vested at the time of Change in Control, such options shall, immediately and automatically as of the effective date of such Change in Control, vest and become exercisable for the period set forth in Section 4(a) ten (10) years from Approval Date). In addition, the options shall vest immediately in the event that the executive terminates his employment with "good reason" as defined in section 11e below.

Special Change of Control Provisions

For purposes of this agreement, "change in control shall mean any of the following transactions or events effecting a change in ownership or control of the company:

(i) a merger, consolidation, or reorganization approved by the company's stockholders, unless securities representing more than (50%) of the total combined voting power of the voting securities of the successor company are immediately thereafter beneficially owned, directly or indirectly, and in substantially the same proportion, by the persons who beneficially owned the Company's outstanding voting securities immediately prior to such transaction, or

(ii) any stockholder-approved transfer or any other disposition of all of the Company's assets, or

(iii) the acquisition, directly or indirectly, by any person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control, the Company), of beneficial ownership (within the meaning of Rule 13d of the 1934 Act) of securities possessing more than (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's stockholders, or

(iv) a change in the composition of the Board such that (a) five (5) or more board members resign or are otherwise removed as Board members within any period of six (6) consecutive months or less; or (b) five (5) or more Board members opt not to stand for re-election to the Board within any period of six (6) consecutive months or less; or (c) any combination of the foregoing subsections 5(iv)(a) or 5(iv)(b) occurs such that five (5) or more board member positions are affected by a combination of resignations/removals, the option not to stand for re-election, or the increase/decrease of the authorized number of Board members within any period of six (6) consecutive months or less. As an example of the foregoing, and for illustrative purposes only, in the event that two (2) Board members resign and five (5) Board members opt not to stand for re-election, all of which occur within any period of six (6) months or less, a Change of Control will be deemed to have occurred.

5. Share Purchase

The Company will permit the Executive to purchase, at market price, up to 600,000 shares of the Company's common stock from the pool of shares reserved in the Option Plan.

6. Board Seat

A recommendation will be made to the Nominating Committee of the Company's Board of Directors to name you as a new member of the Board of Directors at the Company's next regularly scheduled board meeting.

7. Fringe Benefits

(a) The Executive will be paid a car allowance at the rate of \$500.00 each month, this amount is expected to support the acquisition/lease of any car of your choosing as well as its operating costs and any associated insurances. Any expenditure associated with fuel re-imbursement will be made commensurate with standard company practices.

(b) The Executive will be eligible for group life and health insurance consistent with the Company's existing program. A benefits program review will be provided under separate cover. The Executive shall have the option to decline to participate in the Company's existing health plan, in which event Executive shall receive

a monthly payment equivalent to what Executive's premium (for himself, spouse and dependents) would be under another insurance plan. The difference between Company's existing health plan and Executive's chosen plan shall not exceed \$500 a month.

(c) Executive shall be eligible for participation in Company's 401(k) plan including any matching program.

(d) The Executive will also be entitled to four weeks of vacation which will accrue from the Commencement Date. All vacation accrued will carry over year to year, however, the point at which the total number of vacation hours accrued exceeds two additional weeks, no additional accruals will be earned until the amount is reduced below the maximum.

8. Relocation Package

The Company has offered to pay for the relocation of the Executive and his immediate family to an area proximate to the Company's headquarters office. The costs will cover two family familiarization visits to Portland and the cost of temporary housing for up to two months. Direct out-of-pocket costs associated with moving household furniture, etc. will be covered.

9. Reimbursements

Executive shall be reimbursed by the Company for business expenses incurred by Executive in the performance of his duties, provided Executive furnishes the Company with vouchers, receipts, and other details of such expenses.

10. Sarbanes-Oxley and D & O Insurance

(a) Executive has certain responsibilities and obligations under the legislation popularly known as "Sarbanes-Oxley," as well as similar state or federal legislation currently enacted into law, or enacted in the future. To the fullest extent allowed under applicable law, Company shall indemnify, hold harmless and defend Executive from any civil, administrative or criminal prosecution of any alleged violations of Sarbanes-Oxley or similar state or federal statute.

(b) Company also shall maintain Directors and Officers insurance, general liability insurance, product/pharmacological liability insurance and other insurance as deemed appropriate by the Board to provide coverage of Executive in the discharge of his duties.

11. Severance Payments

Subject to the provisions of subsection (d) below and the other terms and conditions of this Letter Agreement, in the event (i) the Company terminates the Executive's employment without "cause" (ii) within twelve months after a Change of Control (as defined above), the Executive terminates his employment with "good reason" or (iii) the Executive's employment terminates as a result of the Executive's death or

disability (any of the foregoing being a “Severance Termination”), the Company will provide the Executive the following benefits, which shall be the only severance benefits or other payments with respect to the Executive’s employment with the Company to which the Executive shall be entitled. Without limiting the generality of the foregoing, these benefits, together with those set forth in Section 12 below, are in lieu of all salary and bonuses for periods ending on the date of termination, accrued vacation and other rights the Executive may have against the Company or its affiliates.

(a) After a Severance Termination, the Executive will receive payment of an amount equal to one month of his base salary in effect at the time of the Severance Termination for a period of twelve months.

(b) Upon a Severance Termination, the Executive shall be able to exercise any options which have vested on or before the termination date until the later of (a) the 5th anniversary of the Approval Date as set forth in Section 4 herein or; (b) the third anniversary of the date of termination.

(c) Upon a Severance Termination, the Executive will receive continued coverage under the Company’s medical and health plans in accordance with COBRA rules and regulations following the termination date (including any period as may be required by law), provided that coverage will end if the Executive obtains comparable coverage from a subsequent employer or otherwise ceases to be eligible for COBRA benefits.

(d) All compensation and benefits described above in (a) through (c) of this Section 11 will be contingent upon (i) the Executive’s execution of a waiver and release of all claims against the Company substantially in the form as approved by the OXIS Board of Directors (however, such waiver and release form shall not materially modify or alter the terms of this Letter Agreement, nor shall such form place any conditions, restrictions or approvals, such as Board approvals or otherwise, on Executive’s right to receive any benefit of any sort pursuant to this Letter Agreement) and expiration of the seven-day revocation period referred to in the release, (ii) the Executive’s not engaging in any competition with the Company during the period of his employment by the Company (iii) the Executive’s “not engaging in any solicitation” during the period of his employment by the Company.

(e) In this letter, the term “cause” means (a) the Executive’s failure to adhere to any written policy of the Company if the Executive has been given a reasonable opportunity to comply with such policy and cure the Executive’s failure to comply (which reasonable opportunity to cure must be granted for a period of ten days); (b) the willful and continued failure by the Executive, if not cured within ten (10) days after receipt by the Executive of written notice from the Company reasonably detailing the matters to be cured, to substantially perform his material duties and responsibilities with the Company under this Agreement as directed by the Board of Directors (other than any such failure resulting from his incapacity due to physical or mental illness), (c) the Executive’s appropriation (or attempted appropriation) of a business opportunity of the Company, including attempting to secure or securing any personal profit in connection

with any transaction entered into on behalf of the Company; (d) the Executive's misappropriation (or attempted misappropriation) of any of the Company's funds or property (including without limitation trade secrets and other intellectual property); (e) Executive committing a material breach of this Letter Agreement or the non disclosure and inventions assignment agreement (the "NDA") the Executive is signing in connection with his employment with the Company, which breach is not cured within ten (10) days after written notice to Executive from the Company, or (f) the Executive's conviction of, or the Executive's entering of a guilty plea or pleas of no contest with respect to, a felony or the equivalent thereof. In this letter, the term "good reason" means (i) the Executive's assignment (without the Executive's consent) to a position, title, responsibilities, or duties of a materially lesser status or degree of responsibility than the position, responsibilities, or duties of Chief Executive Officer of the Company (a change in title of President does not trigger this severance provision). (ii) the relocation (without the Executive's consent) of the Company's principal office at which the Executive is principally employed to a location which is more than 30 miles from the location of the Company's principal offices on the date of this Letter Agreement provided, however, that the Executive must have given the written notice to the Company that the Executive believes he has the right to terminate employment for good reason, specifying in reasonable detail the events comprising the good reason, and the Company fails to eliminate the good reason within fifteen (15) days after receipt of the notice.

(f) The Executive will not be required to mitigate the amount of any payment provided for in this Letter Agreement by seeking other employment or otherwise

The Executive acknowledges that the arrangements describe in this Letter Agreement will be the only obligations of the Company or its affiliates in connection with any determination by the Company to terminate the Executive's employment with the Company. This Letter Agreement does not terminate, alter, or affect the Executive's rights under any plan or program of the Company in which the Executive may participate, except as explicitly set forth herein. The Executive's participation in such plans or programs will be governed by the terms of such plans and programs.

Notwithstanding anything herein to the contrary, it is the intention of the parties that the Letter Agreement shall be construed in accordance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), the regulations issued thereunder, and any other published interpretive authority, as issued or amended from time to time. To the extent applicable, all payments made pursuant to this Letter Agreement shall comply with the requirements of Section 409A(a)(2)(B)(i) of the Code (and shall be made within a time frame which will not unnecessarily delay payment of amounts owed and will avoid the incurrence or payment of any penalty).

12. Other Payments in the Event of Termination of Employment

In the event of the termination of Executive's employment for any reason, the Executive will be entitled to receive upon such termination payment of all accrued, unpaid salary to the date of termination and a "pro rata portion" of his/her "bonus for the

year of termination” (as those terms are defined below). “Pro rata portion” means the number of days in the calendar year of termination up to and including the date of termination divided by the total number of days in that full calendar year. The “bonus for the year of termination” means the amount the Executive would have been likely to earn if he/she had been employed for the full year, as determined in good faith by the Board of Directors of the Company or a committee thereof.

13. Withholding: Nature of Obligations

The Company will withhold taxes and other legally required deductions from all payments to be made hereunder. The Company’s obligations to make payments under this letter are unfunded and unsecured and will be paid out of the general assets of the Company.

14. Representations and Covenants of the Executive

The Executive represents and warrants to the Company that (a) he has full power and authority to enter into this Letter Agreement and to perform his duties hereunder, (b) the execution and delivery of this Letter Agreement and the performance of his duties hereunder shall not result in an actual (as opposed to merely asserted) breach of, or constitute an actual (as opposed to merely asserted) default under, any agreement or obligation to which he may be bound or subject, including without limitation any obligations of confidentiality, non-competition, non-solicitation or use of information, (c) this Letter Agreement represents a valid, legally binding obligation on him and is enforceable against him in accordance with its terms except as the enforceability of this Letter Agreement may be subject to or limited by general principles of equity and by bankruptcy or other similar laws relating to or affecting the rights of creditors, (d) to the Executive’s knowledge, the services contemplated by this Letter Agreement do not (i) infringe any third party’s copyright, patent, trademark, trade secret or other proprietary right, or (ii) violate any law, statute, ordinance or regulation, and (e) the Executive has resigned from all positions as an employee, officer, director or executive of prior employers. The Executive covenants to the Company that during his employment with the Company (a) he shall not (i) intentionally use, in connection with his employment with the Company, any confidential or proprietary information or materials belonging to any third person or entity, or (ii) knowingly violate any law, statute, ordinance or regulation and (b) he shall not breach (i) any agreement with any third party to keep in confidence any confidential or propriety information, knowledge or data acquired prior to his execution of this Letter Agreement or (ii) any obligations of confidentiality, non-competition, non-solicitation or use of information.

15. Amendments; Waivers; Remedies

This Letter Agreement may not be amended or waived except by a writing signed by Executive and by a duly authorized representative of the Company other than Executive. Failure to exercise any right under this Letter Agreement shall not constitute

a waiver of such right. Any waiver of any breach of this Letter Agreement shall not operate as a waiver of any subsequent breaches. All rights or remedies specified for a party herein shall be cumulative and in addition to all other rights and remedies of the party hereunder or under applicable law.

16. Notices

All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered: (a) by hand; (b) by a nationally recognized overnight courier service; or (c) by United States first class registered or certified mail, return receipt requested, to the principal address of the other party, as set forth below. The date of notice shall be deemed to be the earlier of (i) actual receipt of notice by any permitted means, or (ii) five business days following dispatch by overnight delivery service or the United States Mail. Executive shall be obligated to notify the Company in writing of any change in Executive's address. Notice of change of address shall be effective only when done in accordance with this paragraph at the Company's address set forth above and the Executive address indicated below.

17. Severability

If any provision of this Letter Agreement shall be held by a court to be invalid, unenforceable, or void, such provision shall be enforced to the fullest extent permitted by law, and the remainder of this Letter Agreement shall remain in full force and effect. In the event that the time period or scope of any provision is declared by a court of competent jurisdiction to exceed the maximum time period or scope that such court deems enforceable, then such court shall reduce the time period or scope to the maximum time period or scope permitted by law.

18. Governing Law

This Letter Agreement shall be governed by and construed in accordance with the laws of the State of Oregon and the courts sitting in Multnomah County, Oregon shall have exclusive jurisdiction over any claims arising hereunder.

19. Entire Agreement

This Letter Agreement is intended to be the final, complete, and exclusive statement of the terms of Executive's employment by the Company and may not be contradicted by evidence of any prior or contemporaneous statements or agreements, except for agreements specifically referenced herein (including the NDA, the Company's 2003 Stock Incentive Plan and the waiver and release agreement attached as Exhibit A).

20. Executive Acknowledgement

EXECUTIVE ACKNOWLEDGES EXECUTIVE HAS HAD THE OPPORTUNITY TO CONSULT LEGAL COUNSEL CONCERNING THIS LETTER AGREEMENT, THAT EXECUTIVE HAS READ AND UNDERSTANDS THE LETTER AGREEMENT, THAT EXECUTIVE IS FULLY AWARE OF ITS LEGAL EFFECT, AND THAT EXECUTIVE HAS ENTERED INTO IT FREELY BASED ON EXECUTIVE'S OWN JUDGMENT AND NOT ON ANY REPRESENTATIONS OR PROMISES OTHER THAN THOSE CONTAINED IN THIS LETTER AGREEMENT.

If this letter Agreement sets forth our agreement on the subject matter hereof, kindly sign and return to us the enclosed copy of this letter which will then constitute our legally binding agreement on this subject and supersedes any prior discussions or agreements on this subject.

Sincerely,

/s/ Marvin S. Hausman, M.D.

OXIS INTERNATIONAL, INC.
By: Marvin S. Hausman, M.D.
Title: Chairman

I agree to the terms and conditions of this Letter Agreement

/s/ Steven T. Guillen

Name

; 02 / 28 / 05
Date

Exhibit 10.2

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of February 28, 2005 (the "Effective Date"), by and between OXIS International, Inc., a Delaware corporation (the "Company"), and Steven T. Guillen ("Purchaser").

RECITALS

WHEREAS, the Company regards Purchaser as a valuable contributor to the Company and has determined that it would be in the interest of the Company to sell the Stock (as defined below) provided for in this Agreement to Purchaser as an incentive for continued service with the Company and increased achievements in the future by Purchaser;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, the parties to this Agreement hereby agree as follows:

AGREEMENT

1. Restricted Stock Purchase.

(a) Contemporaneously with the execution of this Agreement, the Company will issue and sell to Purchaser six hundred thousand (600,000) shares of Common Stock of the Company (the "Stock") for consideration of \$0.40 per share (the "Purchase Price"). Payment for the Stock in the amount of the Purchase Price multiplied by the number of shares issued hereunder, two hundred forty thousand dollars (\$240,000), shall be made to the Company upon execution of this Agreement in cash, check or wire transfer. All shares of Stock issued hereunder shall be deemed issued to Purchaser as fully paid and nonassessable shares, and Purchaser shall have all rights of a stockholder with respect thereto, including the right to vote, receive dividends (including stock dividends), participate in stock splits or other recapitalizations, and exchange such shares in a merger, consolidation or other reorganization. The Company shall pay any applicable stock transfer taxes.

(b) The Stock purchased hereunder is being issued out of the Company's 2003 Stock Incentive Plan. It is intended that the Stock is being purchased at a price equal to or exceeding the current fair market value of the Stock on the date hereof, and the Purchaser is fully vested in such Stock.

(c) The term "Stock," in addition to the shares purchased pursuant to this Agreement, also refers to all securities received in replacement of the Stock, as a stock dividend or as a result of any stock split, recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other properties to which Purchaser is entitled by reason of Purchaser's ownership of the Stock.

2. Investment Representations.

(a) This Agreement is made in reliance upon the Purchaser's representation to the Company, which by its acceptance hereof the Purchaser hereby confirms, that the shares of Stock to be received by him will be acquired for investment for his own account, not as a nominee or agent, and not with a view to the sale or distribution of any part thereof, and that he has no present intention of selling, granting participation in, or otherwise distributing the same, but subject nevertheless to any requirement of law that the disposition of his property shall at all times be within his control. The Purchaser also represents and warrants that he has sufficient business and financial experience to enable him to protect his own interests in connection with the purchase of Stock hereunder.

(b) The Purchaser understands that as long as the Purchaser is an "affiliate" of the Company (as defined in Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended ("Rule 144")) the Stock may be sold, transferred or otherwise disposed of only in accordance with the applicable provisions of Rule 144. The Purchaser further understands that, as long as he is an executive officer of the Company (or otherwise has access to material non-public information), he must comply with the Company's insider trading policies and the applicable provisions of Section 16 of the Securities Exchange Act of 1934, as amended (and regulations promulgated thereunder).

3. Delaware Law. This agreement is to be construed in accordance with and governed by the internal laws of the State of Delaware without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of Delaware.

4. Notice. Any notice required to be given under the terms of this Agreement shall be addressed to the Company in care of its Secretary at the office of the Company at 6040 N. Cutter Circle, Suite 317, Portland, Oregon 97217-3935, and any notice to be given to Purchaser shall be addressed to him at the address given by Purchaser beneath his signature to this Agreement, or such other address as either party to this Agreement may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, registered or certified and deposited (postage or registration or certification fee prepaid) in a post office or branch post office regularly maintained by the United States.

5. Successors. This Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company. Where the context permits, "Purchaser" as used in this Agreement shall include Purchaser's executor, administrator or other legal representative or the person or persons to whom Purchaser's rights pass by will or the applicable laws of descent and distribution.

6. Oregon Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE DIVISION OF FINANCE & CORPORATE SECURITIES OF THE STATE OF OREGON, AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM THE QUALIFICATION UNDER THE LAWS OF THE STATE OF OREGON. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

IN WITNESS WHEREOF, the parties hereto have duly executed this Purchaser's Stock Purchase Agreement as of the date first above written.

COMPANY:

OXIS INTERNATIONAL, INC.

By: /s/ Manus O'Donnell
Manus O'Donnell, its Acting Chief Operating Officer

Address: OXIS International, Inc.
6040 N. Cutter Circle, Suite 317
Portland, Oregon 97217-3935

PURCHASER:

STEVEN T. GUILLEN

By: /s/ Steven T. Guillen
Steven T. Guillen, an individual

Address: Steven T. Guillen
334 Blackfield Drive
Tiburon, California 94920

Exhibit 99.1

Contact:
Will Anderson
Obidicut LLC
(503) 452-7621
will@obidicut.net

OXIS INTERNATIONAL APPOINTS STEVE GUILLEN PRESIDENT AND CHIEF EXECUTIVE OFFICER

PORTLAND, Ore. – February 28, 2005 – OXIS International, Inc. (OTCBB: OXIS) (Nouveau Marché: OXIS), a leader in the evaluation and treatment of diseases associated with oxidative stress, announced today the appointment of Steve Guillen as President and Chief Executive Officer of the Company. Mr. Guillen will replace Marvin S. Hausman, MD, acting CEO; Dr. Hausman will remain as Chairman of the Board of Directors and acting CFO at OXIS International.

Mr. Guillen's extensive background in building highly successful commercial organizations in the diagnostic and pharmaceutical industries includes senior executive management positions at Amarin Pharmaceuticals, Elan Pharmaceuticals, Athena Diagnostics, and Athena Neurosciences. Mr. Guillen began his career at Merck & Company where he held a number of positions of increasing responsibility. He holds a BS in Zoology from the University of California, Davis and an MBA from the University of California, Riverside.

"We are very pleased to announce the appointment of Steve Guillen as President and CEO of OXIS International," said Marvin S. Hausman, MD Chairman of the Board at OXIS International. "Steve brings both large company organization and process experience and smaller company entrepreneurial leadership background. He has shown success in building market-leading businesses with dramatic revenue growth in market and technology areas very relevant to present and future OXIS aims. His expertise in the diagnostic and pharmaceutical industries will provide valuable leadership, experience and direction to the Company's worldwide stress-biomarker program, as well as the OXIS International diagnostic and therapeutic pipelines."

"I am excited about joining OXIS International as the new President and CEO," said Steve Guillen. "The Company has a compelling business strategy for becoming an

important player in the biopharmaceutical industry and currently is a recognized leader and innovator in oxidative-stress technologies, offering a well established and respected line of more than 80 research products. I look forward to helping OXIS International grow and evolve into a leading biopharmaceutical company as well as continue its progress and innovation in the oxidative-stress technology space.”

About OXIS International

OXIS International Inc., headquartered in Portland, Oregon, focuses on developing technologies and products to research, diagnose, treat and prevent diseases associated with damage from free radical and reactive oxygen species – diseases of oxidative stress. The Company holds the rights to three therapeutic classes of compounds in the area of oxidative stress, and develops, manufactures and markets products and technologies to diagnose and treat diseases caused by oxidative stress. For more information, go to www.oxis.com.

Statements in this release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, any statements regarding beliefs, plans, estimates, projections, expectations, goals or intentions regarding the future, such as statements relating to: (i) the belief that Dr. Hausman will remain as Chairman of the Board of Directors and acting CFO of the Company; (ii) the belief that Mr. Guillen’s previous success is relevant to the Company’s present and future aims; (iii) the belief that Mr. Guillen’s expertise in the diagnostic and pharmaceutical industries will provide valuable leadership, experience and direction to the Company’s worldwide stress-biomarker program, as well as the Company’s diagnostic and therapeutic pipelines; (iv) the Company having a compelling business strategy for becoming an important player in the biopharmaceutical industry; (v) the continuation of the Company’s progress and innovation in the oxidative-stress technology space; as well as other beliefs, plans, estimates, projections, expectations, goals or intentions regarding the future. The forward-looking statements in this release involve important factors that could cause actual results to differ materially from those in the forward-looking statements. Such important factors include risks and uncertainties, including, but not limited to, unanticipated difficulties in transitioning Mr. Guillen into the positions of the Company’s President and Chief Executive Officer; unanticipated changes in present and future objectives of the Company; the risk that Mr. Guillen will not be able to perform as anticipated as the Company’s President and Chief Executive Officer; unanticipated difficulties in implementing the Company’s current and future business strategies; unforeseen difficulties related to the Company’s oxidative stress and other diagnostic products; and other risks indicated in the Company’s filings with the Securities and Exchange Commission. It is important to note that actual outcomes could differ materially from those in such forward-looking statements. Readers should also refer to the documents filed by the Company with the Securities and Exchange Commission, specifically the annual report on Form 10-KSB for the year ended December 31, 2003, filed with the Securities and Exchange Commission on March 26, 2004 and the Company’s quarterly reports on Form 10-QSB filed thereafter.