

Karyopharm Therapeutics Inc.
Form 8-K
February 25, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 25, 2019

Karyopharm Therapeutics Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

85 Wells Avenue, 2nd Floor

001-36167
(Commission

File Number)

26-3931704
(IRS Employer

Identification No.)

02459

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Newton, Massachusetts

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (617) 658-0600

(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(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 1, 2019, the Board of Directors (Board) of Karyopharm Therapeutics Inc. (the Company) approved, and the Company publicly announced on February 25, 2019, the election of Michael Mason, age 44, to the position of Senior Vice President, Chief Financial Officer and Treasurer of the Company, effective February 25, 2019.

Mr. Mason served as Vice President of Finance and Treasurer of Alnylam Pharmaceuticals, Inc., a public biopharmaceutical company, from February 2011 until February 2019, as its Principal Accounting Officer from February 2011 to October 2018, and as its Principal Financial Officer from February 2011 to June 2016 and from January 2017 to May 2017. From December 2005 to February 2011, Mr. Mason served as Alnylam's Corporate Controller. From May 2000 through November 2005, Mr. Mason served in several finance and commercial roles at Praecis Pharmaceuticals Incorporated, a public biotechnology company, most recently as Corporate Controller. Prior to Praecis, Mr. Mason worked in the audit practice at KPMG LLP, a national audit, tax and advisory services firm. Mr. Mason received a B.A. in Business Administration from Stetson University and an M.B.A. from Babson College and is a certified public accountant.

Additionally, Mr. Mason has also been designated as the Company's principal financial officer and principal accounting officer, effective on March 2, 2019 following the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2018, and Cameron Peters, Vice President, Finance and Assistant Treasurer, who assumed the responsibilities as the Company's principal financial officer and principal accounting officer on an interim basis, will relinquish those responsibilities effective March 2, 2019.

In connection with his employment with the Company, pursuant to the terms of an offer letter dated February 3, 2019 (the Offer Letter), Mr. Mason will receive an annual base salary of \$400,000 and a one-time \$75,000 sign on bonus. The Offer Letter provides that if Mr. Mason's employment is terminated for Cause (as defined in the Offer Letter) or he resigns without Good Reason (as defined in the Offer Letter) either prior to the one-year anniversary of his employment commencement date or after the one-year anniversary but prior to the two-year anniversary of his employment commencement date, he must repay the 100% or 50%, respectively, of the net amount of the sign on bonus to the Company. Mr. Mason is also eligible for an annual bonus (commencing with a pro-rated bonus for 2019) that targets forty percent (40%) of his annualized base salary based upon achievement of certain performance goals and corporate milestones established by the Company. The achievement of goals and milestones will be determined in the sole discretion of the Board or a Compensation Committee of the Board (the Compensation Committee). In addition, the Offer Letter provides that as a material inducement to Mr. Mason to enter into employment with the Company, and subject to approval by the Compensation Committee, Mr. Mason will be granted a non-statutory stock option to purchase 150,000 shares of the Company's Common Stock, \$.0001 par value per share (the Common Stock), as an inducement grant outside of the Company's 2013 Stock Incentive Plan pursuant to Nasdaq Listing Rule 5635(c)(4) (the Inducement Award), with an exercise price per share equal to the closing price per share of the Common Stock on the Nasdaq Global Select Market on the grant date. The Inducement Award will vest as to 25% of the shares underlying the stock option on the first anniversary of the grant date and as to an additional 1/48th of the total number of shares underlying the stock option monthly thereafter. The Compensation Committee granted the Inducement Award with an exercise price equal to \$5.06 per share, which was the closing price of the Common Stock, as reported by the NASDAQ Global Select Market, on the date of grant, February 25, 2019. Under the terms of the Nonstatutory Stock Option Agreement for the Inducement Award (the Option Agreement), if within one year following a Change in Control Event (as defined in the Option Agreement) Mr. Mason's employment is terminated by him for Good Reason (as defined in the Option Agreement) or by the Company or its successor without Cause (as defined in the Option Agreement), the Inducement Award will be immediately exercisable in full.

The Offer Letter also provides that, if Mr. Mason's employment is terminated without Cause or he resigns for Good Reason, he will be entitled to severance pay equal to one month of his then-current base salary for every two months of employment with the Company, not to exceed a total of six months of base salary (the "Severance Period"). If his employment is terminated without Cause or if he resigns for Good Reason within one year following a Change in Control, he will be entitled to severance pay equal to twelve months of his then-current base salary. In each case, any severance pay will be in the form of salary continuation. If in connection with the termination of Mr. Mason's employment, he elects to continue his and his eligible dependents' participation in the Company's medical and dental benefit plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986, the Company will pay the premiums to continue such coverage for the lesser of (i) the Severance Period (or 12 months in the case of termination within one year following a Change in Control) or (ii) the end of the calendar month in which he becomes eligible to receive group health plan coverage under another employee benefit plan. In addition, under the terms of the Offer Letter, Mr. Mason will also be eligible to participate in healthcare related, retirement and other benefits available to other employees of the Company.

The foregoing descriptions are qualified in their entirety by the full text of the Offer Letter and the Option Agreement, which are filed herewith as Exhibits 10.1 and 10.2, respectively, and incorporated herein by reference.

There are no family relationships between Mr. Mason and any director, executive officer or person nominated or chosen by the Company to become a director or executive officer of the Company. There are no transactions in which Mr. Mason has an interest requiring disclosure under Item 404(a) of Regulation S-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit

| Number | Description of Exhibit |
|---------------|--|
| 10.1 | <u>Offer Letter, dated February 3, 2019, between the Company and Michael Mason.</u> |
| 10.2 | <u>Nonstatutory Stock Option Agreement, dated February 25, 2019, between the Company and Michael Mason</u> |

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.

KARYOPHARM THERAPEUTICS INC.

Date: February 25, 2019

By: /s/ Christopher B. Primiano
Christopher B. Primiano
Executive Vice President, Chief Business Officer,
General Counsel and Secretary