

**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): August 5, 2024

FENNEC PHARMACEUTICALS INC.

(Exact name of registrant as specified in its charter)

001-32295

(Commission File Number)

British Columbia, Canada

(State or other jurisdiction of
incorporation)

20-0442384

(I.R.S. Employer Identification No.)

PO Box 13628, 68 TW Alexander Drive,

Research Triangle Park, NC

(Address of principal executive offices)

27709

(Zip Code)

Registrant's telephone number, including area code: (919) 636-4530

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))

Securities registered pursuant to Section 12 of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common shares, no par value	FENC	Nasdaq Capital Market

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 August 5, 2024, Fennec Pharmaceuticals Inc.'s (the "Company") announced the departure of Rostislav Raykov from his position as the Company's Chief Executive Officer ("CEO"). Mr. Raykov has served as CEO and a member of the Company's board of directors ("Board") for 15 years. Mr. Raykov will remain a member of the Company's Board.

In connection with Mr. Raykov's departure as CEO, on August 5, 2024, the Company and Mr. Raykov entered into a Confidential Separation Agreement pursuant to which, among other terms customary for an agreement of this type, the Company agreed to accelerate the vesting of certain options held by Mr. Raykov to purchase up to 292,359 common shares of the Company at a weighted average price of \$7.50. Mr. Raykov holds 148,609 restricted share units which shall remain in full force and effect and will vest in accordance with the original terms when awarded, such that all shares will be released from restriction by April 30, 2027.

On August 5, 2024, the Company announced the appointment of Jeffrey S. Hackman as CEO and a member of the Board. There are no arrangements or understandings between Mr. Hackman and any other person pursuant to which Mr. Hackman was appointed as CEO. Mr. Hackman has no family relationships with any other executive officer or director of the Company. Mr. Hackman has not been involved in any related person transactions with the Company that would require disclosure under Item 404(a) of Regulation S-K.

Mr. Hackman, age 62, brings more than 30 years of commercial leadership experience to the Company, including oversight of more than 10 product launches across a wide range of therapeutic areas and markets. His tenure in oncology spans the last 12 years across Sigma Tau, Baxalta, Shire, and EUSA Pharma, where he was responsible for the U.S. commercial organizations and managing respective product portfolios in multiple franchises, which generated billions in revenue over the years. More specifically, Mr. Hackman has successfully commercialized products that are specifically relevant to the PEDMARK[®] markets, including the outpatient oncology community and the AYA population.

In connection with Mr. Hackman's appointment to CEO, he entered into an employment agreement with the Company effective as of August 5, 2024. Mr. Hackman's employment agreement is an "at-will" agreement.

Pursuant to the terms of the employment agreement, Mr. Hackman's initial base annualized salary will be at a rate of \$550,000, subject to review and increase from time to time by the Company in its sole discretion. He shall be entitled to receive an annual target performance bonus (the "Target Bonus") of fifty percent (50%) of Mr. Hackman's base salary per 12-month period (which may be pro-rated for any partial period of less than 12 months), based upon a determination by the Board of the achievement of objectives to be set from time to time by the Board, provided that Mr. Hackman must remain employed through the payment date to be eligible to receive the Target Bonus. In addition, the Company will grant Mr. Hackman 400,000 options to purchase common shares of the Company which (i) have an exercise price per share equal to the "Fair Market Value" (as defined in Company's 2020 Equity Incentive Plan); (ii) have a term of ten years and one-third of which shall vest one year after the date of the grant and the balance thereof shall vest monthly thereafter for two years in equal increments, and (iii) are otherwise subject to the terms and conditions set forth in the Company's 2020 Equity Incentive Plan.

Mr. Hackman's employment agreement generally provides that if his employment is terminated without "Cause" (as defined in the employment agreement) and other conditions are satisfied, then Mr. Hackman shall receive as severance an amount equal to his then current base salary for a period of twelve (12) months, less standard withholdings for tax and social security purposes.

The foregoing description of the Confidential Separation Agreement is qualified by the complete text of the Confidential Separation Agreement, a copy of which is attached at Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein. The foregoing description of the Executive Employment Agreement is qualified by the complete text of the Executive Employment Agreement, a copy of which is attached as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 8.01 Other Items.

On August 5, 2024, the Company issued a press release announcing Mr. Raykov's departure as the Company's CEO and Mr. Hackman's appointment as CEO and a member of the Board. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Item 8.01, including the press release attached hereto, is being furnished and shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, unless such subsequent filing specifically references this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press Release dated August 5, 2024
Exhibit 10.1	Confidential Separation Agreement between the Company and Rostislav Raykov, effective as of August 5, 2024
Exhibit 10.2	Executive Employment Agreement between the Company and Jeffrey S. Hackman, effective as of August 5, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

FENNEC PHARMACEUTICALS INC.

Date August 6, 2024

By: /s/ Robert Andrade

Robert Andrade

Chief Financial Officer

CONFIDENTIAL SEPARATION AGREEMENT

THIS CONFIDENTIAL SEPARATION AGREEMENT (the “**Agreement**”) is made and entered into on August ___, 2024 by and among Rostislav Raykov (the “**Executive**”) and Fennec Pharmaceuticals, Inc., a Delaware corporation (“**Fennec US**”), Fennec Pharmaceuticals Inc., a British Columbia corporation (“**Parent**”) (Fennec US, Parent and their respective affiliated corporations, predecessors, and successors are collectively referred to herein as the “**Company**”). The Executive and the Company are sometimes referred to collectively as the “**Parties**” and individually as a “**Party**”.

RECITALS

WHEREAS, the Executive is employed by Fennec US pursuant to an employment agreement dated May 3, 2010 (the “**Employment Agreement**”);

AND WHEREAS the Company and the Executive mutually wish for Executive’s employment with the Company to cease effective on the close of business on August 4th, 2024 (the “**Effective Date**”);

AND WHEREAS, the Parties wish to confirm their respective rights and obligations in connection with the foregoing cessation of the Executive’s employment with the Company.

AGREEMENT

NOW THEREFORE, in consideration of and in exchange for the promises and covenants contained in this Agreement and the valuable consideration described herein, the sufficiency of which is hereby acknowledged by the Parties, the Parties mutually agree as follows:

1. Separation Arrangements

(a) Cessation of Employment. Executive and Company hereby agree and confirm that Executive’s employment shall end effective as of the Effective Date. Executive hereby agrees to resign as Chief Executive Officer (as well as any other officer position with any Company entity) on the day following the certification and filing of the Parent’s consolidated interim financial statements for the period ended June 30, 2024.

(b) Continuation as Board Member. Notwithstanding clause (a) of this Section 1, the Parties agree that Executive shall not be resigning from the board of directors of Parent (the “**Board**”).

(c) Remuneration and Vacation Up to Effective Date. The Company shall pay to the Executive his normal salary, less usual deductions for federal, state and local payroll taxes and other withholdings, up to and including the Effective Date in accordance with the Company’s normal payroll procedures. The *pro rata* portion of the Executive’s annual vacation entitlement that has not been taken prior to the Effective Date shall also be paid in accordance with the Company’s normal payroll procedures.

(d) Expense Reimbursement. Executive will be reimbursed for all customary, ordinary and necessary business expenses incurred by Executive in the performance of Executive’s duties up to the Effective Date, all in accordance with the Employment Agreement and Company policies, provided Executive furnishes the Company with vouchers, receipts and other details of such expenses prior to the date that is ninety (90) days after the Effective Date.

(e) Additional Payments. The Company shall also pay to Executive:

(i) an amount equal to Executive’s current Base Salary, less usual deductions for federal, state and local payroll taxes and other withholdings, for a period of one (1) year, which amount shall be paid within five (5) days of the Effective Date; and

(ii) a *pro rata* share of the Executive’s Annual Bonus (but only to the extent actually earned by Executive) not paid prior to the Effective Date, which shall be paid, less usual deductions for federal, state and local payroll taxes and other withholdings, after the 2024 fiscal year in accordance with the Company’s usual practice.

(f) Options/RSUs. The Parties acknowledge and confirm that, as of the Effective Date, the Executive will, assuming no intervening exercises between now and then, hold the options and restricted stock units set forth in Schedule “A”. By remaining on the Board, the Parties confirm that the Executive remains a “Participant”, as such term is defined in the Parent’s Amended and Restated Stock Option Plan (the “**Original Plan**”), and in a “Service Relationship” as such term is defined in Parent’s 2020 Equity Incentive Plan (the “**2020 Plan**”). Accordingly, the options and RSUs set forth in Schedule “A” shall not be terminated in connection with the Executive’s change in status from an employee to a Board member and shall remain in full force and effect in accordance with their respective terms and the Company plan under which they were granted (i.e. either Original Plan or the 2020 Plan, as applicable).

(g) Vesting / Exercise Period. The Company agrees to accelerate the vesting of all options set forth in Schedule “A” which by their terms have not vested as of the Effective Date. The RSUs shall vest in accordance with their original terms. All options set forth in Schedule “A” shall remain exercisable until the earliest of: (i) their original respective date of expiry (as set forth in the column entitled *Original Expiry Date*, where applicable); (ii) the third anniversary of the date on which Executive no longer serves on the Board and is otherwise no longer a Participant or in a Service Relationship with the Company; or (iii) termination in connection with a Change in Control (as such term is defined in the Original Plan) or a Sale Event (as such term is defined in the 2020 Plan), as applicable.

(h) COBRA Benefits. Executive’s existing coverage under the Company’s group health plan (and, if applicable, the existing group health coverage for his or her eligible dependents) will end on the last day of August, 2024. Executive and his or her eligible dependents may then be eligible to elect temporary continuation coverage under the Company’s group health plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”). Executive and his eligible dependents has been provided with a COBRA election form and notice which describe his rights to continuation coverage under COBRA. If Executive timely elects COBRA continuation coverage, then the Company will pay for COBRA coverage for him and, if applicable, his eligible dependents until the earliest of (i) the date that is twelve months after the Effective Date; (ii) the date when the Executive becomes eligible for health insurance coverage in connection with new employment or self-employment; or (iii) the date the Executive ceases to be eligible for COBRA continuation coverage for any reason.

(i) Other Benefits. Other than as specifically provided above in this Section 1, Executive’s participation in any and all other Company employee benefit plans (including without limitation under the Parent’s Management M&A Incentive Plan dated November 15, 2022, as amended (the “**M&A Incentive Plan**”)) shall cease on the Effective Date. The Executive hereby consents to the termination of the M&A Incentive Plan. Further, in consideration of the benefits provided to the Executive under this Section 1, Executive agrees that he will not be granted any additional options or receive any additional cash fees for serving on the Board until the next annual election of directors.

(j) Release. The consideration provided to Executive in clauses (e), (f), (g) and (h) of this Section 1 are conditional upon Executive signing and delivering this Agreement and not revoking the Release, as defined in Section 2 below.

2. Acknowledgements and Release

(a) Acknowledgements. The Executive acknowledges and agrees that he does not have any right to: (i) receive any cash payments from the Company other than as set forth in clauses (c), (d), (e) and (h) of Section 1 above; (ii) receive, acquire, possess, or vest into any additional stock options, shares, or restricted stock units, or any other shares, warrants, securities, derivative securities, or other class of capital stock of the Company other than as set forth in clause (f) and (g) of Section 1 above; or (iii) receive any other benefits other than as set forth in clause (h) of Section 1. The Executive hereby also acknowledges that he fully understands the terms of this Agreement, and has had the opportunity to receive independent legal representation in connection with the entering into this Agreement, and voluntarily accepts the payments and other benefits herein in consideration for the release set forth in subsection 2(b) below (the “**Release**”).

(b) **Release.** The Executive, for himself or anyone who may have a claim by or through him, and for his heirs, estate, executors, administrators, successors and assigns, hereby releases, acquits and forever discharges the Company, as well as each of the Company's respective affiliates, parents, subsidiaries and related entities, officers, directors, shareholders, members, employees (past and present), professional employer organizations, as well as the Company's insurers, reinsurers, agents, servants, representatives, attorneys, and assigns, and any and all other entities with whom the Company has been, are now, or may hereafter be affiliated (collectively "**Releasees**"), from any and all claims, demands, obligations, actions, causes of action, liabilities, debts, promises, agreements, demands, attorneys' fees, losses and expenses, known or unknown, suspected or unsuspected, filed or unfiled, that Executive may have or have had arising out of any known or unknown fact, condition or incident occurring prior to the date of this Agreement, including but not limited to those arising out of or in connection with Executive's employment, the cessation thereof, or any other interaction or relations with Releasees relating to the Company.

(c) **Understanding Respecting Release.** It is understood and agreed that: (i) both the Release and any consideration transferred hereunder are deemed to be no admission whatsoever of liability on the part of the Releasees; and (ii) the Release shall not apply to the Company's obligations set forth in this Agreement, nor to the Executive's continued right to indemnification as an officer and/or director of any Company entity up to the Effective Date, including any actions taken in such positions up to the Effective Date, nor to the Executive's continued right to indemnification as a director of Parent after the Effective Date, all as provided in Company constating documents and associated director and officer insurance policies of the Company; (iii) the Release shall enure to the benefit of the Releasees and shall be binding on the Executive as well as the Executive's heirs, representatives, successors and assigns; and (iv) the Release is not a condition for the Executive to receive any money to which the Executive would otherwise be entitled to by operation of statute.

3. **No Representations Regarding Tax Consequences.** The Executive understands and agrees that he (and not any Releasee) is solely responsible for payment of any taxes which are required to be paid to any governmental entity as a result of the Executive's receipt of any of the consideration set forth in this Agreement, including but not limited to: (i) the options referred to in clauses (f) and (g) of Section 1, and the exercise thereof; and (ii) the RSUs referred to in clauses (f) and (g) of Section 1, and the vesting thereof.

4. **Continuing Obligations.** Executive acknowledges and agrees that certain of Executive's obligations under the Proprietary Information and Inventions Agreement signed by him continue after the Effective Date. These obligations include, but may not be limited to, obligations of confidentiality and obligations relating to any intellectual property to which Executive may have contributed while employed by the Company. Executive also acknowledges his continuing fiduciary obligations as a member of the Board. The Parties agree that, if a Sale Event has not occurred and, despite Executive remaining willing and able to serve on the Board, the Executive is not re-elected to the Board at the next annual meeting of shareholders, the Company may retain the Executive as an independent consultant. Any services provided by the Executive, and any remuneration therefor, under such independent consulting agreement shall be on a project-by-project basis, as may be agreed between the parties thereto at the time.

5. **Miscellaneous.** This Agreement shall be interpreted under the laws of North Carolina, both as to interpretation and performance. This Agreement constitutes the entire agreement between the Parties regarding the Executive's resignation and the cessation of Executive's employment with the Company and supersedes all prior agreements, written or oral, between the Company and the Executive regarding such resignation and cessation of employment, and no other agreement, statement, or promise made by one Party to another as to any matter addressed in this Agreement shall be binding or valid. This Agreement cannot be orally modified. Any amendment or modification to this Agreement must be in writing, signed by the Executive and by a duly authorized representative of the Company. This Agreement, and all the terms and provisions contained herein, shall bind the heirs, personal representatives, successors and assigns of each Party, and inure to the benefit of each Party, its agents, directors, officers, employees, servants, successors, and assigns. This Agreement is the product of arms-length negotiations and is considered to be jointly drafted. As such, it shall not be construed against any Party because that Party caused it to be reduced to a written instrument. The Parties agree that the terms of this Agreement are fair, reasonable and adequate and the Parties covenant never to challenge this Agreement. The failure of any Party to insist upon compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an executed Agreement and each of which shall be deemed to be one and the same instrument. A facsimile or digital signature shall be treated as an original signature for all purposes.

AGREED as of the date first written above.

/s/ Rostislav Raykov

FENNEC PHARMACEUTICALS, INC.

By: _____
/s/ Khalid Islam

FENNEC PHARMACEUTICALS INC.

By: _____
/s/ Khalid Islam

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the “*Agreement*”) is entered into the 5th day of August, 2024 by and between FENNEC PHARMACEUTICALS, INC., a Delaware corporation (the “*Company*”), and JEFF HACKMAN (the “*Executive*”).

WHEREAS the Company desires to employ the Executive in the capacity of full-time Chief Executive Officer pursuant to the terms of this Agreement and, in connection therewith, to compensate the Executive for Executive’s personal services to the Company;

AND WHEREAS the Executive wishes to be employed by the Company and provide personal services to the Company in return for certain compensation.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree to the following:

1. EMPLOYMENT BY THE COMPANY.

1.1 At-Will Employment. Executive shall be employed by the Company on an “at-will” basis, meaning either the Company or Executive may terminate Executive’s employment at any time, with or without cause or advanced notice. Any contrary representations that may have been made to Executive shall be superseded by this Agreement. This Agreement shall constitute the full and complete agreement between Executive and the Company on the “at-will” nature of Executive’s employment with the Company, which may be changed only in an express written agreement signed by Executive and a duly authorized officer of the Company. Executive’s rights to any compensation following a termination shall be only as set forth in Section 6.

1.2 Position. Subject to the terms set forth herein:

(i) the Company agrees to employ Executive, and Executive hereby accepts such employment, commencing on August 5, 2024 (the “*Start Date*”); and

(ii) the Company shall appoint Executive as the Chief Executive Officer and as member of the board of directors, and Executive hereby accepts such appointments, effective as of the day following the certification and filing of the consolidated interim financial statements of the Company’s parent, Fennec Pharmaceuticals Inc., a British Columbia corporation (the “*Parent*”), for the period ended June 30, 2024.

During the term of Executive’s employment with the Company, Executive will devote Executive’s best efforts and substantially all of Executive’s business time and attention to the business of the Company. Executive will also be appointed Chief Executive Officer and member of the Board of Directors (the “*Board*”) of the Parent effective on the date referred to in subsection 1.2(ii) above

1.3 Duties. Executive will report to the Board, performing such duties as are normally associated with his position and such duties as are assigned to him from time to time, subject to the oversight and direction of the Board, or the Compensation Committee thereof. Executive shall perform his duties under this Agreement principally out of Boston Metro Area. In addition, the Executive shall make such business trips to such places as may be necessary or advisable for the efficient operations of the Company.

1.4 Company Policies and Benefits. The employment relationship between the parties shall also be subject to the Company’s personnel policies and procedures as they may be interpreted, adopted, revised or deleted from time to time in the Company’s sole discretion. The Executive will be eligible to participate on the same basis as similarly situated employees in the Company’s benefit plans in effect from time to time during his employment. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of such plan. The Company reserves the right to change, alter, or terminate any benefit plan in its sole discretion. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company’s general employment policies or practices, this Agreement shall control.

1.5 Paid Time Off. The Executive will be eligible for up to twenty (20) days of paid time off per calendar year in accordance with any paid leave policy adopted by the Company from time to time.

2. COMPENSATION.

2.1 Salary. Executive shall receive for Executive's services to be rendered hereunder an initial annualized base salary of US\$550,000 per year, subject to review and increase from time to time by the Company in its sole discretion, payable subject to standard federal and state payroll withholding requirements in accordance with Company's standard payroll practices ("**Base Salary**").

2.2 Bonus.

(a) **During Employment.** Executive shall be eligible to earn an annual target performance bonus of 50% of his Base Salary ("**Annual Bonus**"). The Annual Bonus, which may be more or less than the target Annual Bonus will be based upon the assessment of the Executive's performance by the Board and the Company's attainment of targeted goals as set by the Board in its discretion after consultation with Executive. The Annual Bonus, if any, will be subject to applicable payroll deductions and withholdings. Following the close of each calendar year, the Board will determine whether the Executive has earned the Annual Bonus, and the amount of any Annual Bonus, based on the set criteria. No amount of the Annual Bonus is guaranteed, and except as provided in Sections 6.1 and 6.4 below, the Executive must be an employee in good standing on the Annual Bonus payment date to be eligible to receive an Annual Bonus; no partial or prorated bonuses will be provided. The Annual Bonus, if earned, will be paid no later than March 15th of the calendar year immediately following the applicable calendar year for which the Annual Bonus is being measured.

(b) **Upon Termination.** Except as provided in Sections 6.1 and 6.4 below, in the event Executive leaves the employ of the Company for any reason prior to payment of any bonus, he is not eligible for such bonus, prorated or otherwise.

2.3 Stock Options.

(a) **Option Grant.** Executive will be granted options to purchase 400,000 common shares in the capital of the Parent (subject to adjustment for stock splits, dividends and combinations and similar events as will be set forth in the option agreement), with a 10-year term, pursuant and subject to the Parent's 2020 Equity Incentive Plan ("**Plan**") and the Parent's standard form of Stock Option Agreement ("**Stock Agreement**") between the Executive and the Parent (the "**Option**"). The Option will have an exercise price per share equal to the fair market value of a common share in the capital of the Parent, to be determined in accordance with the Plan.

(b) **Vesting.** The Option shall vest over a period of three years as follows: (i) 33 1/3% of the total shares subject to the Option shall vest on the first anniversary of the Start Date, and (ii) 1/24th of total shares subject to the Option shall vest monthly thereafter over the remaining two years of the vesting period, subject to Executive's continuous service as of each applicable date.

2.4 Expense Reimbursement. The Company will reimburse Executive for all reasonable, documented business expenses incurred in connection with his services hereunder, in accordance with the Company's business expense reimbursement policies and procedures as may be in effect from time to time. In addition, the Company shall pay up to \$5,000 of the reasonable attorney's fees incurred by Executive in connection with the negotiation and documentation of this Agreement and any related agreements.

2.5 Indemnification. The Executive shall be entitled to indemnification to the maximum extent permitted by applicable law and the Company's bylaws with terms no less favorable than provided to any other Company executive officer. At all times during the Executive's employment, the Company shall maintain in effect a directors and officers liability insurance policy with the Executive as a covered officer.

3. PROPRIETARY INFORMATION AND INVENTIONS ASSIGNMENT AGREEMENT. The parties hereto have entered into a Proprietary Information and Inventions Assignment Agreement (the "**Proprietary Information Agreement**"), which may be amended by the parties from time to time without regard to this Agreement. The Proprietary Information Agreement contains provisions that are intended by the parties to survive and do survive termination or expiration of this Agreement.

4. OUTSIDE ACTIVITIES. Except with the prior written consent of the Company's Board, Executive will not, while employed by the Company, undertake or engage in any other employment, occupation or business enterprise that would interfere with Executive's responsibilities and the performance of Executive's duties hereunder except for (i) reasonable time devoted to volunteer services for or on behalf of such religious, educational, non-profit and/or other charitable organization as Executive may wish to serve; (ii) reasonable time devoted to activities in the non-profit and business communities consistent with Executive's duties; (iii) reasonable time devoted to service on boards of directors of companies that are not competitive with the Company, do not otherwise present a conflict of interest and would not otherwise interfere with Executive's responsibilities and the performance of Executive's duties hereunder, subject to the prior written approval of the Board (which approval shall not be unreasonably withheld); and (iv) such other activities that would not interfere with Executive's responsibilities and the performance of Executive's duties hereunder as may be specifically approved by the Board (which approval shall not be unreasonably withheld). This restriction shall not, however, preclude the Executive from owning less than one percent (1%) of the total outstanding shares of a publicly traded company.

5. NO CONFLICT WITH EXISTING OBLIGATIONS. Executive represents that Executive's performance of all the terms of this Agreement and as an employee of the Company do not and will not breach any agreement or obligation of any kind made prior to Executive's employment by the Company, including agreements or obligations Executive may have with prior employers or entities for which Executive has provided services. Executive has not entered into, and Executive agrees that Executive will not enter into, any agreement or obligation, either written or oral, in conflict herewith.

6. TERMINATION OF EMPLOYMENT. The parties acknowledge that Executive's employment relationship with the Company is at-will. Either Executive or the Company may terminate the employment relationship at any time, with or without Cause. The provisions in this Section govern the amount of compensation, if any, to be provided to Executive upon termination of employment and do not alter this at-will status.

6.1 Termination by the Company Without Cause.

(a) The Company shall have the right to terminate Executive's employment with the Company pursuant to this Section 6.1 at any time without "Cause" (as defined in Section 6.2(a) below) by giving notice as described in Section 6.6 of this Agreement. A termination pursuant to Section 6.4 below is not a termination without "Cause" for purposes of receiving the benefits described in this Section 6.1.

(b) Except as otherwise provided in this Section 6.1, upon termination of this Agreement for any reason, Executive shall not be entitled to any form of severance benefits, including benefits otherwise payable under any of Company's regular severance plans or policies, or any other payment whatsoever. Executive agrees that (i) the payment of any severance or other benefits pursuant to this Section 6.1 shall be contingent on the delivery by Executive to Company of a release and waiver of legal claims related to the employment relationship between Executive and Company in a form reasonably acceptable to Company (the "**Release**") and (ii) the payments and benefits provided hereunder, subject to the terms and conditions hereof, shall be in full satisfaction of any rights which he might otherwise have or claim by operation of law, by implied contract or otherwise. When the Release becomes effective and may no longer be revoked by the Executive (the "**Release Date**"), then:

(i) the Company shall pay to Executive an amount equal to Executive's then current Base Salary for a period of twelve (12) months (the "**Severance Period**"), less applicable withholdings and deductions (such twelve (12) months of Base Salary, less applicable withholdings and deductions, the "**Severance Payment**"), in installments in accordance with the Company's ordinary payroll practices commencing on the Company's first regular payroll date that is more than sixty (60) days following the Separation Date (as defined below), and shall be for any accrued Base Salary for the sixty (60) day period plus the period from the sixtieth (60th) day until the regular payroll date, if applicable, and all salary continuation payments thereafter, if any, shall be made on the Company's regular payroll dates, until such time as the Severance Payment is paid in full.

(ii) if the Separation Date occurs after the end of the prior fiscal year of the Company and before the payment date for the Annual Bonus relating to that fiscal year, the Company shall pay to Executive such Annual Bonus, to the extent earned, on the same date as annual bonuses for the fiscal year are paid to other senior executives of the Company (the "**Prior Year Annual Bonus**").

(iii) if the Executive timely elects continued coverage under COBRA for himself and his covered dependents under the Company's group health plans following such termination, then the Executive will be entitled to the following COBRA benefits (the "**COBRA Benefits**," together with the Severance Payment and the Prior Year Annual Bonus (to the extent earned), the "**Severance Benefits**"): the Company shall pay the COBRA premiums necessary to continue the Executive's and his covered dependents' health insurance coverage in effect for himself (and his covered dependents) on the termination date until the earliest of (x) a number of months following the termination date equal to the Severance Period (the "**COBRA Severance Period**"); (y) the date when the Executive becomes eligible for health insurance coverage in connection with new employment or self-employment; or (iii) the date the Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the termination date through the earlier of (i)-(iii), the "**COBRA Payment Period**"). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on the Executive's behalf would result in a violation of applicable law, then in lieu of paying COBRA premiums pursuant to this Section, the Company shall pay the Executive on the last day of each remaining month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding (such amount, the "**Special Severance Payment**"), such Special Severance Payment to be made without regard to the Executive's payment of COBRA premiums and without regard to the expiration of the COBRA period prior to the end of the COBRA Payment Period. Nothing in this Agreement shall deprive the Executive of his rights under COBRA or ERISA for benefits under plans and policies arising under his employment by the Company.

(c) Executive shall not receive the Severance Benefits pursuant to Section 6.1(b) unless he executes the Release within the consideration period specified therein, which shall in no event be more than sixty (60) days, and until the Release becomes effective and can no longer be revoked by Executive under its terms. Executive's ability to receive benefits pursuant to Section 6.1(b) is further conditioned upon his: (i) returning all Company property; (ii) complying with his post-termination obligations under this Agreement and the Proprietary Information Agreement; and (iii) complying with the Release including, without limitation, customary non-disparagement and confidentiality provisions contained therein.

(d) The benefits provided to Executive pursuant to this Section 6.1 are in lieu of, and not in addition to, any benefits to which Executive may otherwise be entitled under any Company severance plan, policy or program.

(e) The damages caused by the termination of Executive's employment without Cause would be difficult to ascertain; therefore, the severance for which Executive is eligible pursuant to Section 6.1(b) above in exchange for the Release is agreed to by the parties as liquidated damages, to serve as full compensation, and not a penalty.

6.2 Termination by the Company for Cause. Subject to Section 6.2(b) below, the Company shall have the right to terminate Executive's employment with the Company at any time for Cause by giving notice as described in this Section 6.2 and in Section 6.5 of this Agreement.

(a) "**Cause**" for termination shall mean the occurrence of any of the following: (i) Executive's conviction of any felony or any crime involving fraud or dishonesty; (ii) Executive's participation in a fraud, act of dishonesty or other act of gross misconduct that adversely affects the Company; (iii) conduct by Executive that demonstrates Executive's gross unfitness to serve under circumstances that materially and adversely affect the Company; (iv) Executive's violation of any statutory or fiduciary duty, or duty of loyalty, owed to the Company; (v) Executive's material breach of any material term of any contract between such Executive and the Company; and/or (vi) Executive's serious violation of a material Company policy. Prior to termination for Cause pursuant to each event listed in (iii) and (iv) above, the Company shall give the Executive notice of such event(s), which notice shall specify in reasonable detail the circumstances constituting Cause, and an opportunity to explain the circumstances. Prior to any termination for Cause pursuant to each event listed in (v) and (vi) above, to the extent such event(s) is (are) capable of being cured by Executive, (A) the Company shall give the Executive notice of such event(s), which notice shall specify in reasonable detail the circumstances constituting Cause, and an opportunity to cure, and (B) there shall be no Cause with respect to any such event(s) if the Board determines in good faith that such events have been cured by Executive within fifteen (15) days after the delivery of such notice.

(b) In the event Executive's employment is terminated at any time for Cause, Executive will not receive the Severance Benefits described in Section 6.1(b), or any other severance compensation or benefit, except that, pursuant to the Company's standard payroll policies, the Company shall pay to Executive the accrued but unpaid salary of Executive through the date of termination and unreimbursed business expenses, together with all compensation and benefits payable to Executive based on his participation in any compensation or benefit plan, program or arrangement through the date of termination.

6.3 Resignation by the Executive.

(a) Executive may resign from Executive's employment with the Company at any time by giving notice as described in Section 6.5.

(b) In the event Executive resigns from Executive's employment with the Company, Executive will not receive the Severance Benefits, or any other severance compensation or benefit, except that, pursuant to the Company's standard payroll policies, the Company shall pay to Executive the accrued but unpaid salary of Executive through the date of resignation, any unreimbursed business expenses, together with all compensation and benefits payable to Executive through the date of resignation under any compensation or benefit plan, program or arrangement during such period and Executive shall be eligible for any benefit continuation or conversion rights provided by the provisions of a benefit plan or by law.

6.4 Termination by Virtue of Death or Disability of the Executive.

(a) In the event of Executive's death while employed pursuant to this Agreement, all obligations of the parties hereunder shall terminate immediately, and the Company shall, pursuant to the Company's standard payroll policies, pay to the Executive's legal representatives Executive's accrued but unpaid salary through the date of death, the unreimbursed business expenses, together with all compensation and benefits payable to Executive based on his participation in any compensation or benefit plan, program or arrangement through the date of termination. In addition, the Company shall pay to the Executive's legal representatives the Prior Year Annual Bonus, to the extent earned.

(b) Subject to applicable state and federal law, the Company shall at all times have the right, upon written notice to the Executive, to terminate this Agreement based on the Executive's Disability (as defined below). Termination by the Company of the Executive's employment based on "**Disability**" shall mean termination because the Executive is unable due to a physical or mental condition to perform the essential functions of his position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by a licensed physician of the likely continuation of such condition for such period. This definition shall be interpreted and applied consistent with the *Americans with Disabilities Act*, the *Family and Medical Leave Act*, and other applicable law. In the event Executive's employment is terminated based on the Executive's Disability, Executive will not receive the Severance Benefits, or any other severance compensation or benefit, except that, pursuant to the Company's standard payroll policies, the Company shall pay to Executive the accrued but unpaid salary of Executive through the date of termination, unreimbursed business expenses, together with all compensation and benefits payable to Executive based on his participation in any compensation or benefit plan, program or arrangement through the date of termination. In addition, the Company shall pay to Executive the Prior Year Annual Bonus, to the extent earned.

6.5 Notice; Effective Date of Termination.

(a) Termination of Executive's employment (the "**Separation Date**") pursuant to this Agreement shall be effective as follows:

(i) ten (10) days after the Company has provided Executive with written notice of Executive's termination without Cause under Section 6.1;

(ii) for a termination for Cause: (1) under Section 6.2(a)(i) or (ii), immediately upon provision by the Company of written notice of the reasons to Executive; (2) under Section 6.2(a)(iii) or (iv), following the required written notice to Executive and expiration of the period during which Executive may explain; (3) under Section 6.2(a)(v) or (vi), following the required written notice to Executive and expiration of the 15-day cure period, if Executive has not cured;

(iii) immediately upon the Executive's death;

(iv) thirty (30) days after the Company gives notice to Executive of Executive's termination on account of Executive's Disability under Section 6.4, unless the Company specifies a later Separation Date, in which case, termination shall be effective as of such later Separation Date, *provided* that Executive has not returned to the full time performance of Executive's duties prior to such date;

(v) thirty (30) days after the Executive gives written notice to the Company of Executive's resignation, *provided* that the Company may set a Separation Date at any time between the date of notice and the date of resignation, in which case the Executive's resignation shall be effective as of such other date.

Executive will receive compensation through the Separation Date.

(b) In the event of a termination for Cause, written confirmation shall specify the subsection(s) of the definition of Cause relied on to support the decision to terminate.

6.6 Cooperation With Company After Termination of Employment. Following termination of Executive's employment for any reason, Executive shall reasonably cooperate with the Company in all matters relating to the winding up of Executive's pending work including, but not limited to, any litigation in which the Company is involved, and the orderly transfer of any such pending work to such other Executives as may be designated by the Company. The Company shall reimburse Executive for any reasonable expenses incurred by him in connection with providing such cooperation.

6.7 Section 409A. It is intended that all payments and benefits under this Agreement shall either comply with or be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("**Code**"), and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the Internal Revenue Service pursuant to Section 409A of the Code to payments made pursuant to this Agreement.

7. GENERAL PROVISIONS.

7.1 Notices. Any notices required hereunder to be in writing shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail, telex or confirmed facsimile if sent during normal business hours of the recipient, and if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company at its primary office location and to Executive at Executive's address as listed on the Company payroll, or at such other address as the Company or the Executive may designate by ten (10) days advance written notice to the other.

7.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such 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 in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

7.3 Waiver. If either party should waive any breach of any provisions of this Agreement, such party shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

7.4 Entire Agreement. This Agreement constitutes the entire agreement between Executive and the Company with regard to the subject matter hereof. This Agreement is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter and supersedes any prior oral discussions or written communications and agreements. This Agreement is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in writing signed by Executive and an authorized officer of the Company. The parties have entered into a separate Proprietary Information Agreement and have or may enter into separate agreement related to stock option awards. These separate agreements govern other aspects of the relationship between the parties, have or may have provisions that survive termination of the Executive's employment under this Agreement, may be amended or superseded by the parties without regard to this Agreement and are enforceable according to their terms without regard to the enforcement provision of this Agreement.

7.5 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

7.6 Successors and Assigns. The Company shall assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any Company or other entity with or into which the Company may hereafter merge or consolidate or to which the Company may transfer all or substantially all of its assets, if in any such case said Company or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, but may not otherwise assign this Agreement or its rights and obligations hereunder. The Executive may not assign or transfer this Agreement or any rights or obligations hereunder, other than to his estate upon his death.

7.7 Choice of Law; Consent to Personal Jurisdiction. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of North Carolina, without regard to its rules of conflicts or choice of laws. Executive hereby expressly consents to the personal jurisdiction and venue of the state and federal courts located in North Carolina for any lawsuit filed there against me by Company arising from or related to this Agreement.

7.8 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile, including, by facsimile transmission or by electronic delivery in portable document format (".pdf"), tagged image file format (".tiff") or by DocuSign® or similar electronic signature exchange platform, shall be equally effective as delivery of a manually executed counterpart thereof.

[Signature Page follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement on the day and year first written above.

COMPANY:

FENNEC PHARMACEUTICALS, INC.

By: _____

Name: /s/ Khalid Islam

Title: Chair

EMPLOYEE:

/s/ Jeff Hackman



Fennec Pharmaceuticals Appoints Jeffrey S. Hackman as Chief Executive Officer and Director

~ Accomplished Industry Leader Brings Extensive Commercialization and Oncology Expertise ~

~ Assumes Leadership Role at Critical Time to Expand Use of PEDMARK®, the First and Only Approved Treatment to Reduce the Risk of Cisplatin-Induced Ototoxicity ~

RESEARCH TRIANGLE PARK, N.C., August 5, 2024 – Fennec Pharmaceuticals Inc. (NASDAQ: FENC; TSX: FRX), a commercial stage specialty pharmaceutical company, today announced the appointment of Mr. Jeff Hackman as its Chief Executive Officer (CEO) and a member of the Board of Directors, effective on or about August 16, 2024. Jeff will guide Fennec’s strategic direction for operational success in the expansion of PEDMARK® use in community oncology and the adolescent and young adult (AYA) population.

“Jeff’s appointment comes at a pivotal time for Fennec as we continue to advance PEDMARK®, the first and only therapy approved in the U.S. and Europe to reduce the risk of permanent damage from cisplatin-induced ototoxicity in pediatric cancer patients,” said Dr. Khalid Islam, Chairman of Fennec Pharmaceuticals. “We are confident that Jeff’s deep expertise in the commercialization of new therapies across multiple oncology indications, and extensive experience leading organizational growth and transformation, will bring tremendous value to Fennec.”

Jeff brings to Fennec more than 30 years of commercial leadership experience, including oversight of more than 10 product launches across a wide range of therapeutic areas and markets. His tenure in oncology spans the last 12 years across Sigma Tau, Baxalta, Shire, and EUSA Pharma, where he was responsible for the U.S. commercial organizations and managing the company’s product portfolio in multiple franchises, which generated billions in revenues over the years. More specifically, Jeff has successfully commercialized products that are specifically relevant to the PEDMARK® markets, including the outpatient oncology community and the AYA population.

“I am excited to lead Fennec and look forward to working with management and the Board of Directors to bring this much-needed treatment to oncology patients,” said Jeffrey S. Hackman, incoming chief executive officer of Fennec Pharmaceuticals.

Rosty Raykov, who has served as Fennec’s CEO since 2009, will remain a member of the Board of Directors. “Rosty’s unwavering commitment and leadership since 2009 has been critical to Fennec in bringing a much-needed therapy to the oncology population at risk of irreversible hearing loss, which can have a profound lifelong impact on patients,” said Khalid Islam.

About Fennec Pharmaceuticals

Fennec Pharmaceuticals Inc. is a specialty pharmaceutical company focused on the development and commercialization of PEDMARK® and Pedmarqsi® to reduce the risk of cisplatin-induced ototoxicity in pediatric patients. Further, PEDMARK received FDA approval in September 2022, and Pedmarqsi received European Commission Marketing Authorization in June 2023 and U.K. approval in October 2023. PEDMARK has received Orphan Drug Exclusivity in the U.S. for seven years of market protection and Pedmarqsi has received Pediatric Use Marketing Authorization in Europe, which includes eight years plus two years of data and market protection. Fennec has a license agreement with Oregon Health and Science University (OHSU) for exclusive worldwide license rights to intellectual property directed to sodium thiosulfate and its use for chemoprotection, including the reduction of risk of ototoxicity induced by platinum chemotherapy, in humans. For more information, please visit www.fennecpharma.com.

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