
**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):
June 4, 2020

MILESTONE PHARMACEUTICALS INC.

(Exact name of registrant as specified in its charter)

Québec
(state or other jurisdiction of incorporation)

001-38899
(Commission File Number)

Not applicable
(I.R.S. Employer Identification No.)

**1111 Dr. Frederik-Philips
Boulevard, Suite 420
Montréal, Québec CA**
(Address of principal executive offices)

H4M 2X6
(Zip Code)

Registrant's telephone number, including area code: **(514) 336-0444**

(Former name or former address, if changed since last report.)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- 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(b) of the Act:

Title of each class
Common Shares

Trading Symbol(s)
MIST

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in 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.

The Company has instituted temporary salary reductions in connection with its plan to reduce operating expenses, and accordingly the Company's named executive officers have signed amendments to their employment agreements (i) agreeing to a 20% reduction (or 25% with respect to the Company's CEO, Joseph Oliveto) in base salary for a term of one year, (ii) contemplating payment of future retention bonuses by the Company in connection with continued employment, a change in control and/or termination of employment without cause, (iii) promising each of the officers a grant of an option to purchase common shares of the Company, which option would vest in 24 equal monthly installments beginning on July 1, 2020 and (iv) acknowledging that the salary reduction does not constitute "good reason" under the officers' respective employment agreements with the Company (the "**Employment Agreement Amendments**").

The foregoing description of the Employment Agreement Amendments does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Agreement Amendments, which are filed as Exhibits 10.1, 10.2 and 10.3 to this Current Report on Form 8-K and are incorporated herein by reference.

Item 5.07. Submission of Matters to a Vote of Security Holders.

The Company virtually held its 2020 Annual Meeting of Shareholders (the "**Annual Meeting**") on June 5, 2020. At the Annual Meeting, the Company's shareholders voted on two proposals, each of which is described in more detail in the Company's definitive proxy statement on Schedule 14A filed with the U.S. Securities and Exchange Commission on May 5, 2020. The following is a brief description of each matter voted upon at the Annual Meeting, as well as the final tally of the number of votes cast for, withheld or against each matter, and, if applicable, the number of abstentions and broker non-votes with respect to each matter.

Proposal 1. Election of Directors

The Company's shareholders elected the nominees below to the Company's Board of Directors, each to hold office until the 2021 Annual Meeting of Shareholders or until their successors are duly elected or appointed, or until such directors' earlier resignation or removal. The votes regarding the election of directors were as follows:

Nominee	Votes For	Votes Withheld	Broker Non-Votes
Joseph Oliveto	9,620,096	37,237	6,225,136
Paul Edick	9,578,056	79,277	6,225,136
Richard Pasternak	9,621,220	36,113	6,225,136
Debra K. Liebert	9,621,125	36,208	6,225,136
Michael Tomsicek	9,620,353	36,980	6,225,136
Paul Truex	9,621,485	35,848	6,225,136

Proposal 2. Appointment of the Company's Auditor

Proposal 2 was a proposal to approve the appointment of PricewaterhouseCoopers LLP as the auditor for the Company to hold office until the close of the 2021 Annual Meeting of Shareholders and the authorization of the Board to fix the auditor's remuneration. The votes regarding the appointment of the Company's auditor were as follows:

Votes For	Votes Withheld
15,735,808	146,661

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>10.1</u>	<u>First Amendment to Amended and Restated Employment Agreement, dated June 4, 2020, between the Company and Joseph Oliveto</u>
<u>10.2</u>	<u>First Amendment to Employment Agreement, dated June 4, 2020, between the Company and Amit Hasija</u>
<u>10.3</u>	<u>Amending Agreement, dated June 4, 2020, between the Company and Francis Plat</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.

MILESTONE PHARMACEUTICALS INC.

By: /s/ Amit Hasija
Amit Hasija
Chief Financial Officer

Dated: June 8, 2020

**FIRST AMENDMENT TO THE
AMENDED AND RESTATED EMPLOYMENT AGREEMENT OF JOSEPH OLIVETO**

This **FIRST AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT OF JOSEPH OLIVETO** (the “**Amendment**”) is entered into this 4th day of June 2020 (the “**Effective Date**”), by and between JOSEPH OLIVETO (the “**Executive**”) and MILESTONE PHARMACEUTICALS USA, INC. (the “**Company**”).

RECITALS

A. The Company and the Executive have entered into that certain Amended and Restated Employment Agreement effective April 26, 2019 (the “**Executive Agreement**”); and

B. In light of the Board’s recent approval of the retention bonus provisions and equity awards herein, the Company and the Executive desire to amend the Executive Agreement as provided in this Amendment.

AGREEMENT

The parties agree to the following:

1. **Amendment to Section 3.** Section 3 of the Executive Agreement is hereby and replaced in its **entirety** as follows:

(a) **Base Salary.** Effective June 1, 2020 and continuing until May 31, 2021 (the “**Initial Term**”), the Company will pay Executive as compensation for Executive’s services a base salary at a rate of \$412,500 annually (the “**Base Salary**”). Following the Initial Term, unless otherwise agreed by Executive and the Company, the Base Salary shall increase to \$550,000. The Base Salary will be paid in regular installments in accordance with the Company’s normal payroll practices (subject to required withholding). Any increase or decrease in Base Salary (together with the then existing Base Salary) shall serve as the “**Base Salary**” for future employment under this Agreement. The first and last payment will be adjusted, if necessary, to reflect a commencement or termination date other than the first or last working day of a pay period.

(b) **Annual Bonus.** Executive will also be eligible to earn an annual discretionary bonus (an “**Annual Bonus**”) with a target amount equal to 50% of the greater of the Base Salary as defined in Section 3(a) and \$550,000. The amount of the Annual Bonus, if any, will be determined in the sole discretion of the Board and based, in part, on Executive’s performance and the performance of the Company during the calendar year. The Company will pay Executive the Annual Bonus, if any, by no later than March 15th of the following calendar year. The Annual Bonus is not earned until paid and no pro-rated amount will be paid if Executive’s employment terminates for any reason prior to the payment date, provided, however, that if Executive’s employment is terminated by Company without Cause after the Annual Bonus is declared but before it is paid, then despite such termination Executive will be entitled to receive the declared Annual Bonus at the time it otherwise would have been paid.

(c) **Retention Bonus Eligibility.** If (i) Executive’s employment continues through June 1, 2021 (“**First Retention Date**”) and Executive has neither resigned nor retired prior to the First Retention Date, or (ii) the Company terminates Executive’s employment without Cause (the date of such termination, the “**Severance Date**”) prior to the First Retention Date, the Company will pay Executive a lump sum retention bonus of \$137,500, subject to applicable deductions and withholdings. Provided Executive’s employment continues through the earlier of (i) a Change of Control as defined in the Company’s 2019 Equity Incentive Plan, or (ii) December 31, 2021, upon the closing of the Change of Control or on the next regular payroll date on or following December 31, 2021, as applicable, the Company will pay Executive an additional lump sum retention bonus of \$34,375, subject to applicable deductions and withholdings.

(d) Stock Option. Subject to approval by the Board or a committee of the Board, the Company shall grant Executive an option to acquire 150,000 shares of common stock of the Company (the “Option”). The Option shall have an exercise price equal to the Company’s fair market value on the grant date and shall vest, subject to Executive’s continued employment with the Company, in 24 equal monthly installments with the first installment vesting on July 1, 2020. The Option shall be subject to the Company’s 2019 Equity Incentive Plan and the option agreement evidencing the Option.

(e) Tax Equalization and Related Benefits. Executive and the Company acknowledge and agree that the Company will require Executive to spend a significant portion of his time working in Canada. As a result, Executive’s gross Base Salary and Annual Bonus will be subject to equalization for non-U.S. taxes so that, to the extent the Company requires Executive to work in Canada, Executive’s net after-tax compensation from the Company is treated as though employed exclusively in the United States and paid in U.S. Dollars. The Company will engage an accounting firm to assist with the equalization calculations described in the preceding sentence. The Company will pay or reimburse Executive for any expenses necessary for Executive to conduct business in Canada if Executive is required by the Company to conduct business in Canada (e.g., work permits or similar immigration-related authorization). In addition, the Company will reimburse Executive, in an amount not to exceed an aggregate of \$12,000 per year, for accounting and legal expenses incurred in connection with advice, preparation, filing and defense, if applicable, of Executive’s personal Canadian income tax return and for any added complexity to Executive’s U.S. tax return.

2. A new Section 9(a)(iii) is hereby added to the Executive Agreement as follows:

i. For purposes of this Section 9 (including for purposes of calculating the “Annual Bonus” under this Section 9), the Base Salary of the Executive shall be determined based on the greater of the Base Salary as defined in Section 3 and \$550,000.

3. The Company and the Executive further agree that this Amendment does not constitute grounds for “Good Reason” pursuant Sections 9 and 10 of the Executive Agreement, or otherwise constitute any trigger for the Company’s payment of any severance benefits to Executive pursuant to Section 9(a) (i) of the Executive Agreement.

4. The Executive will continue to abide by Company rules and policies. Executive acknowledges and agrees to continue to comply with the Employee Confidential Information, Inventions, Non-Solicitation And Non-Competition Agreement, which Executive signed on [date] and which prohibits unauthorized use or disclosure of the Company’s proprietary information, among other obligations.

5. Except as modified or amended in this Amendment, no other term or provision of the Executive Agreement is amended or modified in any respect. The Executive Agreement, and its exhibits, along with this Amendment, set forth the entire understanding between the parties with regard to the subject matter hereof and supersedes any prior oral discussions or written communications and agreements. This Amendment cannot be modified or amended except in writing signed by the Executive and an authorized officer of the Company.

[Signature page follows]

The parties have executed this **FIRST AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT OF JOSEPH OLIVETO** on the day and year first written above.

MILESTONE PHARMACEUTICALS USA, INC.

/s/ Amit Hasija

Amit Hasija

Treasurer

EXECUTIVE:

/s/ Joseph Oliveto

Joseph Oliveto

**FIRST AMENDMENT TO THE
EMPLOYMENT AGREEMENT OF AMIT HASIJA**

This **FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT OF AMIT HASIJA** (the “**Amendment**”) is entered into this 4th day of June 2020 (the “**Effective Date**”), by and between **AMIT HASIJA** (the “**Executive**”) and **MILESTONE PHARMACEUTICALS USA, INC.** (the “**Company**”).

RECITALS

A. The Company and the Executive have entered into that certain Employment Agreement effective September 9, 2019 (the “**Executive Agreement**”); and

B. In light of the Board’s recent approval of the retention bonus provisions and equity awards herein, the Company and the Executive desire to amend the Executive Agreement as provided in this Amendment.

AGREEMENT

The parties agree to the following:

1. **Amendment to Section 3.** Section 3 of the Executive Agreement is hereby and replaced in its **entirety** as follows:

(a) **Base Salary.** Effective June 1, 2020 and continuing until May 31, 2021 (the “**Initial Term**”), the Company will pay Executive as compensation for Executive’s services a base salary at a rate of \$320,000 annually (the “**Base Salary**”). Following the Initial Term, unless otherwise agreed by Executive and the Company, the Base Salary shall increase to \$400,000. The Base Salary will be paid in regular installments in accordance with the Company’s normal payroll practices (subject to required withholding). Any increase or decrease in Base Salary (together with the then existing Base Salary) shall serve as the “**Base Salary**” for future employment under this Agreement. The first and last payment will be adjusted, if necessary, to reflect a commencement or termination date other than the first or last working day of a pay period.

(b) **Annual Bonus.** Executive will also be eligible to earn an annual discretionary bonus (an “**Annual Bonus**”) with a target amount equal to 35% of the greater of the Base Salary as defined in Section 3(a) and \$400,000. The amount of the Annual Bonus, if any, will be determined in the sole discretion of the Board and based, in part, on Executive’s performance and the performance of the Company during the calendar year. The Company will pay Executive the Annual Bonus, if any, by no later than March 15th of the following calendar year. The Annual Bonus is not earned until paid and no pro-rated amount will be paid if Executive’s employment terminates for any reason prior to the payment date, provided, however, that if Executive’s employment is terminated by Company without Cause after the Annual Bonus is declared but before it is paid, then despite such termination Executive will be entitled to receive the declared Annual Bonus at the time it otherwise would have been paid.

(c) Retention Bonus Eligibility. If (i) Executive's employment continues through June 1, 2021 ("**First Retention Date**") and Executive has neither resigned nor retired prior to the First Retention Date, or (ii) the Company terminates Executive's employment without Cause (the date of such termination, the "**Severance Date**") prior to the First Retention Date, the Company will pay Executive a lump sum retention bonus of \$80,000, subject to applicable deductions and withholdings. Provided Executive's employment continues through the earlier of (i) a Change of Control as defined in the Company's 2019 Equity Incentive Plan, or (ii) December 31, 2021, upon the closing of the Change of Control or on the next regular payroll date on or following December 31, 2021, as applicable, the Company will pay Executive an additional lump sum retention bonus of \$20,000, subject to applicable deductions and withholdings.

(d) Stock Option. Subject to approval by the Board or a committee of the Board, the Company shall grant Executive an option to acquire 115,000 shares of common stock of the Company (the "Option"). The Option shall have an exercise price equal to the Company's fair market value on the grant date and shall vest, subject to Executive's continued employment with the Company, in 24 equal monthly installments with the first installment vesting on July 1, 2020. The Option shall be subject to the Company's 2019 Equity Incentive Plan and the option agreement evidencing the Option.

2. A new Section 9(a)(iii) is hereby added to the Executive Agreement as follows:

i. For purposes of this Section 9 (including for purposes of calculating the "Annual Bonus" under this Section 9), the Base Salary of the Executive shall be determined based on the greater of the Base Salary as defined in Section 3 and \$400,000.

3. The Company and the Executive further agree that this Amendment does not constitute grounds for "Good Reason" pursuant Sections 9 and 10 of the Executive Agreement, or otherwise constitute any trigger for the Company's payment of any severance benefits to Executive pursuant to Section 9(a)(i) of the Executive Agreement.

4. The Executive will continue to abide by Company rules and policies. Executive acknowledges and agrees to continue to comply with the Employee Confidential Information, Inventions, Non-Solicitation And Non-Competition Agreement, which Executive signed on [date] and which prohibits unauthorized use or disclosure of the Company's proprietary information, among other obligations.

5. Except as modified or amended in this Amendment, no other term or provision of the Executive Agreement is amended or modified in any respect. The Executive Agreement, and its exhibits, along with this Amendment, set forth the entire understanding between the parties with regard to the subject matter hereof and supersedes any prior oral discussions or written communications and agreements. This Amendment cannot be modified or amended except in writing signed by the Executive and an authorized officer of the Company.

[Signature page follows]

The parties have executed this **FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT OF AMIT HASIJA** on the day and year first written above.

MILESTONE PHARMACEUTICALS USA, INC.

/s/ Joseph Oliveto

Joseph Oliveto
President

EXECUTIVE:

/s/ Amit Hasija

Amit Hasija

AMENDING AGREEMENT

THIS AMENDING AGREEMENT made with effect as of the 4th day of June 2020 between Milestone Pharmaceuticals Inc. (the “**Corporation**”) and Francis Plat (the “**Executive**”).

RECITALS:

- A. The Corporation entered into an amended and restated employment agreement with the Executive dated April 26, 2019 (the “**Employment Agreement**”); and
- B. The Corporation and the Executive wish to amend the Employment Agreement;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, the receipt, adequacy and sufficiency of which is hereby acknowledged, the Corporation and Executive, each intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions

All capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Employment Agreement.

ARTICLE 2
AMENDMENTS

2.1 Amendments to the Employment Agreement

- (a) Article 3 of the Employment Agreement is hereby deleted in its entirety and replaced with the following:

The Executive shall receive a gross annual base salary of US\$342,400 (the “**Base Salary**”), which will be paid in accordance with the Corporation practices and procedures as they may exist from time to time. Effective June 1, 2021, unless otherwise agreed by the Executive and the Corporation, the Base Salary shall increase to US\$428,000 per year. The Base Salary will thereafter be reviewed on an annual basis. Future increases in Base Salary (if any) will be at the sole discretion of the Board.

- (b) A new sentence is hereby added to the end of Section 4.1 of the Employment Agreement as follows:

For purposes of this Section 4.1, the Executive’s Base Salary shall be determined based on the greater of the Base Salary as defined in Article 3 and US\$428,000.

- (c) The following Sections are added after Section 4.2:

4.3 First Retention Bonus

Subject to the Executive's compliance with the terms of this Agreement and provided that the Executive's employment hereunder has not been terminated by the Corporation for Cause prior to June 1, 2021 ("**First Retention Date**") and that the Executive has neither resigned nor retired prior to the First Retention Date, the Executive shall receive a lump sum retention bonus in the amount of US\$85,600 ("**First Retention Bonus**") within thirty days following the First Retention Date.

Notwithstanding the foregoing, if the Executive's employment is terminated without Cause by the Corporation prior to the First Retention Date, the Executive shall be entitled to receive the First Retention Bonus, which shall be paid within thirty days following such termination.

4.4 Second Retention Bonus

Subject to the Executive's compliance with the terms of this Agreement and provided that the Executive's employment hereunder has not been terminated by the Corporation for Cause prior to the earlier of December 1, 2021 and a Change of Control ("**Second Retention Date**") and that the Executive has neither resigned nor retired prior to the Second Retention Date, the Executive shall receive a lump sum retention bonus in the amount of US\$21,400 ("**Second Retention Bonus**") within thirty days following the Second Retention Date.

- (d) A new sentence is hereby added to the end of Section 15.3 of the Employment Agreement as follows:

For purposes of this Section 15.3, the Base Salary and Bonus of the Executive shall be determined based on the greater of the Base Salary as defined in Article 3 and US\$428,000.

- (e) The following Section is added after Section 16.12:

16.13 Withholdings

All payments made by the Corporation to the Executive or for the benefit of the Executive shall be less applicable withholdings and deductions.

2.2 No Constructive Dismissal

The Executive further acknowledges and agree that this Amending Agreement does not constitute grounds for "Good Reason" pursuant to Article 15 of the Employment Agreement, or otherwise constitute any trigger for the Corporation's payment of any severance benefits to the Executive pursuant to Article 15 of the Employment Agreement or under applicable law.

2.3 Employment Covenants

The Executive acknowledges and agrees that he must continue to abide by the Corporation's rules and policies as well as all of his other obligations under the Employment Agreement and the Employee Confidential Information, Inventions, Non-Solicitation And Non-Competition Agreement signed by the Executive and which prohibits unauthorized use or disclosure of the Corporation's proprietary information, among other obligations.

2.4 No Other Changes

Except as expressly amended or supplemented herein, the Employment Agreement, which includes the schedules attached thereto, shall be unmodified and shall continue to be in full force and effect in accordance with its terms. The Executive represents that he has received good and sufficient consideration for agreeing to the terms of the Employment Agreement (as amended by this Amending Agreement) and that he intends to be bound by its terms.

ARTICLE 3 **STOCK OPTION GRANT**

Subject to approval by the Board or a committee of the Board, the Executive shall be granted an option to purchase 35,000 Common Shares in the capital of the Corporation (the "**Additional Option**") pursuant to and in accordance with the terms and conditions of the Corporation's 2019 Equity Incentive Plan, as may be amended from time to time, and the option agreement between the Executive and the Corporation evidencing the Additional Option, as may be amended from time to time. The Additional Option shall have an exercise price equal to the Corporation's fair market value on the grant date and shall vest, subject to Executive's continued employment with the Corporation, in 24 equal monthly installments with the first installment vesting on July 1, 2020.

ARTICLE 4 **MISCELLANEOUS**

4.1 Governing Law

This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

4.2 Recitals

The Recitals are true and form part of this Amending Agreement.

4.3 Without Prejudice

This Amending Agreement is without prejudice to the Corporation's ability, in its sole discretion, to unilaterally make other changes to the Executive's employment consistent with the terms and conditions of the Employment Agreement (as amended by this Amending Agreement) and any such changes will not affect the enforceability of the Employment Agreement (as amended by this Amending Agreement).

4.4 Further Assurances

Each party shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purposes of giving effect to this Amending Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Amending Agreement.

4.5 Language

The parties hereto acknowledge that they have requested and are satisfied that this Agreement and all related documents (including employee communications) be drawn in the English language. *Les parties aux présentes reconnaissent que la présente entente et les documents qui s'y rattachent (incluant les communications avec l'employé) soient rédigés en langue anglaise.*

[Signature Page Follows]

DATED effective the date first written above.

MILESTONE PHARMACEUTICALS INC.

Per: /s/ Joseph Oliveto

Name: Joseph Oliveto

Title: President and CEO

/s/ Francis Plat

FRANCIS PLAT