
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): September 13, 2024

Lexicon Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-30111
(Commission File Number)

76-0474169
(I.R.S. Employer
Identification Number)

2445 Technology Forest Blvd., 11th Floor
The Woodlands, Texas 77381
(Address of principal executive offices and Zip Code)

(281) 863-3000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001	LXRX	The Nasdaq Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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

(b) On September 13, 2024, we and Jeffrey L. Wade determined that his employment as our president and chief operating officer (in which capacity, Mr. Wade has functioned as our principal financial officer) would terminate as of September 30, 2024.

In connection with the termination of his employment, we entered into a separation agreement with Mr. Wade providing that we will pay Mr. Wade salary continuation payments in an amount equal to his current base annual salary of \$585,000 for a period of twelve months following the date of his termination of employment (the "Separation Date"). We will also pay Mr. Wade an additional, lump sum payment of \$175,500, or 50% of his current target cash bonus, payable within 30 days of the Separation Date. In addition, we will make monthly payments of \$3,700 for a period of 12 months to provide for his cost of continued benefit coverage under COBRA during such period and provide certain executive outplacement services.

Also in connection with the termination of his employment, we entered into a consulting agreement with Mr. Wade on September 13, 2024 pursuant to which he will provide his consulting and advisory services for a period of eight months following the date of his termination of employment and we will pay Mr. Wade fees of \$3,000 per month.

Copies of the separation agreement and consulting agreement are attached to this current report on Form 8-K as Exhibit 10.1 and 10.2, respectively, and the above summaries are qualified in their entirety by reference to the full text of such agreements.

(c) Effective as of the date of termination of Mr. Wade's employment, Kristen L. Alexander will assume the function of our principal financial officer. Ms. Alexander, 56, has been our vice president, finance and accounting and principal accounting officer since September 2021 and previously served as controller since joining our company in 2017. Ms. Alexander previously served as controller of Johnson Specialty Tools, LLC and in a variety of finance and accounting management positions for Trican Well Services, L.P., Nabors Industries Ltd. and Ernst & Young, LLP. Ms. Alexander is a certified public accountant and received her B.B.A. from the University of Oklahoma.

(e) The information set forth in the second and third paragraphs of Item 5.02(b) is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	— Separation Agreement, dated September 13, 2024, with Jeffrey L. Wade
10.2	— Consulting Agreement, dated September 13, 2024, with Jeffrey L. Wade
EX-104	— Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 thereunto duly authorized.

Lexicon Pharmaceuticals, Inc.

Date: September 16, 2024

By: /s/ Brian T. Crum
Brian T. Crum
Senior Vice President and General Counsel

September 13, 2024

Jeffrey L. Wade
[Address]

Dear Jeff:

The purpose of this letter is to confirm our agreement concerning your resignation as President and Chief Operating Officer of Lexicon Pharmaceuticals, Inc. (the "Company").

As of September 30, 2024 (the "Separation Date"), you hereby resign as President and Chief Operating Officer of the Company. In connection with such resignation, you also hereby resign from any positions you currently hold as an officer or member of the boards of directors of any affiliates of the Company. We agree that this letter constitutes, and is deemed to satisfy all obligations with respect to, notice of termination as set forth in Section 7 of the Employment Agreement between you and the Company, dated January 1, 1999, as subsequently amended (the "Employment Agreement"), and no additional notice of termination will be required under the Employment Agreement. Your resignation pursuant to this letter will be treated for all purposes as a voluntary termination of your employment by you and the parties agree that, in consideration for the Severance Benefits provided herein, no payments will be due pursuant to Section 6(b) of the Employment Agreement as a result of such resignation.

Notwithstanding the voluntary character of your separation, and subject to the requirements of the following paragraph, the Company hereby agrees to pay (so long as you satisfy the requirements set forth in the following paragraph) to you the following (collectively, the "Severance Benefits"):

- Salary continuation payments (pursuant to the Company's normal payroll procedures) in an amount equal to your current base annual salary of \$585,000, less applicable tax withholding, for a period of twelve (12) months following the Separation Date (the "Severance Payment"); *provided, however*, (i) the first installment of the Severance Payment shall be paid on the Company's first regular pay date for executive employees that comes after the Release (as defined below) has been timely signed and returned to the Company by you and any applicable revocation period set forth in the Release has expired without you having exercised your revocation right, and such installment payment shall include (without interest) the number of installment payments of the Severance Payment that you would have received had such installments been paid on the Company's regular pay dates for executive employees between the Separation Date and the date of such first installment payment, and (ii) the remainder of the installments of the Severance Payment shall be paid on the Company's regular pay dates for executive employees that come after such first installment pay date and that are attributable to the remainder of the pay periods during the twelve (12) months following the Separation Date;

- An additional lump sum payment equal to 50% of your current target cash bonus (\$175,500), less applicable tax withholding, payable within 30 days following the Separation Date;
- Monthly payments equal to \$3,700, less applicable taxes and other withholdings, on the regular monthly pay dates of the Company for executive employees for the twelve (12) months that follow the Separation Date, which payments shall be paid on the same installment schedule as set forth above for the Severance Payment, and which payments are intended to provide for the cost of continued benefit coverage under COBRA in accordance with your benefit coverage elections in effect immediately prior to the Separation Date (provided, however, you acknowledge and agree that it shall be your sole responsibility to elect COBRA coverage and pay the applicable COBRA premiums); and
- Certain executive outplacement services to be agreed by the parties and reasonably acceptable to you.

Your eligibility to receive the Severance Benefits (and any portion thereof) is subject to your: (i) execution on or after the Separation Date (but before the Release Expiration Date), and return to the Company on or before the Release Expiration Date, of a release of all claims in a form acceptable to the Company (the “Release”), which Release shall release the Company and each of its affiliates, and the foregoing entities’ respective shareholders, members, partners, officers, managers, directors, predecessors, successors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of your employment, engagement, or affiliation with the Company or any of its affiliates or the termination of such employment, engagement or affiliation, but excluding all claims to Severance Benefits as described herein; (ii) non-revocation of the Release within any time set forth within the Release for you to do so; and (iii) continued compliance with all post-employment obligations that you have to the Company or any of its affiliates, including as set forth in Section 10 and, as modified hereby, Section 13 of the Employment Agreement. As used herein, the “Release Expiration Date” is that date that is twenty-one (21) days following the date upon which the Company delivers the Release to you (which shall occur no later than three (3) days after the Separation Date).

This letter is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”), or to be excluded from Section 409A, as applicable, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this letter, payments provided pursuant to this letter may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments provided for within this letter that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral, shall be excluded from Section 409A to the maximum extent possible. Each installment payment payable pursuant to this agreement shall be treated as a separate payment for purposes of Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided pursuant to this letter comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by you on account of non-compliance with Section 409A.

The parties agree that, notwithstanding any provisions of Section 10(e) of the Employment Agreement to the contrary, you may retain any Confidential Information (as defined

in the Employment Agreement) in your possession, custody or control to the extent and for long as such retention may be necessary or required for you to fulfill your obligations under the consulting agreement entered into between you and the Company dated September 13, 2024 (the "Consulting Agreement").

The parties further agree that Section 11 of the Employment Agreement is hereby terminated and that Section 13 of the Employment Agreement is hereby amended to provide that Employee's obligations under Section 13 shall terminate upon the expiration or earlier termination of the Consulting Agreement.

It is agreed that, except as expressly provided herein, this letter shall not affect the rights and obligations of the parties under the Employment Agreement (including, without limitation, Sections 6(a), 10, 12 and , as modified hereby, 13 thereof) or any other agreements between the parties.

[Signature page follows.]

If the foregoing correctly sets forth our mutual understanding, please so indicate by signing this letter in the space provided below and return it to the Company at the below address, whereupon this letter agreement shall constitute a binding contract between you and the Company.

Accepted and agreed to on the date set forth below:

LEXICON PHARMACEUTICALS, INC.

By: _____
Michael S. Exton, Ph.D.
Chief Executive Officer

Accepted and agreed to on the date set forth below:

By: _____
Jeffrey L. Wade

Date: September 13, 2024

September 13, 2024

Jeffrey L. Wade
[Address]

Dear Jeff:

We are pleased to invite you to become a consultant to Lexicon Pharmaceuticals, Inc. (which, together with its subsidiaries and affiliates, is referred to as the “Company” or “Lexicon”). The purpose of this letter agreement (this “Agreement”) is to set forth our mutual understanding of the terms and conditions under which you will provide consulting services to the Company, as set forth below.

1. Consulting Services. You will provide consulting services as the Company’s Chief Executive Officer or his designee (the “Designated Representative”) may request from time to time, which shall include providing consultation and advice relating to the Company’s financial, commercial and business development activities (the “Services”). You will devote up to 6 days during the term of this Agreement to providing such Services to the Company under this Agreement, on a schedule and at times reasonably agreed upon by you and the Designated Representative. It is the intent of the parties that you will “separate from service” with the Company and its applicable affiliates pursuant to the rules and regulations of Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”) immediately prior to the start of your consulting Services, therefore, notwithstanding anything to the contrary within this Section 1, in no event shall you be requested to perform Services in excess of an amount that the Company deems necessary to maintain such a separation from service with the Company and its applicable affiliates.

2. Compensation. As full consideration for your Services as a consultant to the Company hereunder, you will receive a consulting fee of \$3,000 per month during the term of this Agreement, payable in monthly installments. In addition, you will be reimbursed for your reasonable, ordinary and necessary out-of-pocket expenses for attendance at in-person meetings or otherwise incurred at the Company’s request in connection with your performance of the Services, in accordance with the Company’s policies and procedures for reimbursement payments.

3. Confidential Information

(a) For purposes of this Agreement, “Confidential Information” shall mean any of Company’s proprietary or confidential information provided to you by the Company or received by you in the course of providing services to the Company, whether before or after the date of this Agreement, regardless of whether such information is provided to, or received by, you orally, visually, electronically or in writing. Confidential Information shall include inventions, discoveries, improvements, materials, data, technology, processes, formulas, know-how, trade secrets, ideas and all other information which: (i) gives the Company a competitive advantage by virtue of it not being generally known to the public, or (ii) otherwise meets the definition of

“Confidential Information.” Confidential Information shall not include any information generally available to the public other than as a result of any breach by you of any obligation that you owed to the Company. You agree to hold all Confidential Information in strict confidence and to take all reasonable precautions to protect Confidential Information, not to disclose any such Confidential Information to any third party, and to use Confidential Information only in furtherance of your Services under this Agreement; *provided* that your nondisclosure obligation shall not apply to the extent such Confidential Information (i) is already in the public domain or hereafter enters the public domain other than through your acts or omissions in violation of this Agreement; or (ii) is hereafter received by you without restriction as to confidentiality or use from a third party lawfully entitled so to disclose same in such manner. Information shall not be deemed to be within the foregoing exceptions merely because such information is embraced by more general information in the public domain or in your possession. All Confidential Information (and any copies and notes thereof) shall remain the sole property of the Company.

(b) You agree not to disclose or otherwise make available to the Company any information that you possess under an obligation of confidentiality to a third party. You may disclose to the Company any information made available generally to the scientific community at large through published reports or public presentations prior to disclosure to the Company.

(c) Notwithstanding the foregoing, nothing in this Agreement or in any other agreement between you and the Company shall prevent you from: (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by, any governmental agency (including, for the avoidance of doubt, the Securities and Exchange Commission, Department of Justice, Department of Labor, any Inspector General or any other governmental agency, commission, or regulatory authority) regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to Employee from any governmental agency; (iii) testifying, participating or otherwise assisting in any action or proceeding by any governmental agency relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Nothing in this Agreement or in any other agreement with the Company requires you to obtain prior authorization before engaging in any conduct described in the previous sentence, or to notify the Company that you have engaged in any such conduct. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; (B) is made to the individual’s attorney in relation to a lawsuit for retaliation against the individual for reporting a suspected violation of law; or (C) is made in a complaint or other document filed in a lawsuit or proceeding, if such filing is made under seal.

4. Inventions and Discoveries.

(a) You hereby assign and transfer to the Company all of your right, title and interest throughout the world in any inventions, discoveries, improvements, materials, data, works of authorship and other intellectual property, whether or not patentable or subject to copyright, which may be made, written or conceived by you in the course of your performance of the Services, in whole or in part and whether alone or in conjunction with others (collectively, "Intellectual Property"). All Intellectual Property shall be the sole property of the Company or its nominee.

(b) You shall promptly disclose any Intellectual Property in writing to the Company in order to permit the Company to claim rights to which it may be entitled under this Agreement. The Company shall have full power and authority to file and prosecute patent applications and copyright registrations throughout the world with respect to all Intellectual Property, and to procure and maintain patents and copyrights with respect thereto. You agree, at the Company's reasonable request and expense, to sign, execute and acknowledge, or cause to be signed, executed and acknowledged, any applications, assignments, instruments and other documents, and to perform such other acts, as the Company may deem necessary, useful or convenient to confirm and vest in the Company or its nominee all right, title and interest throughout the world in and to any Intellectual Property and all patent, copyright and other intellectual property rights and protections therein, and to assist the Company in procuring, maintaining, enforcing and defending such patent, copyright and other intellectual property rights and protections throughout the world, at Company's cost. Any Confidential Information contained in such Intellectual Property shall be treated as Confidential Information under this Agreement.

5. Conflicting Engagements. During your service as a consultant to the Company, you agree that you will not, without previously notifying the Company in writing, directly or indirectly, become associated with, render advisory, consulting or other services to, or become employed by any other person or entity engaging in the commercialization or clinical development of a drug (i) in direct conflict or competition with a drug being commercialized by the Company or a Phase 3 drug development program being conducted by the Company or (ii) which inhibits or otherwise modulates a drug target that, as of the date of this Agreement, is the subject of any drug development program which is being conducted by the Company or any drug discovery program to which the Company is devoting material resources (collectively referred to as "Third Party Competitors"). You agree to disclose to the Company any proposed relationship with a Third Party Competitor (a "Proposed Relationship") at least 30 days prior to the establishment of a confidential relationship between you and such Third Party Competitor. Upon such disclosure, the Company may consent to the Proposed Relationship in writing, may proffer written consent subject to condition precedent regarding certain restrictions on the scope and/or field of the Proposed Relationship, or may terminate this Agreement.

6. Term and Termination. You will render the Services to the Company for an initial period commencing on the date of the termination of your employment with the Company and terminating on May 31, 2025, at which time this Agreement will terminate unless renewed by mutual written consent. Notwithstanding the foregoing, this Agreement may be terminated prior

to May 31, 2025: (a) at any time by you, with or without cause, upon 30 days' advance written notice to the Company, (b) by the Company as provided in Section 5, with or without cause, upon written notice to you, or (c) by either party for breach of this Agreement by the other party that, where curable, is not cured within 10 business days after written notice of such breach is delivered to the breaching party.

7. Independent Contractor. For purposes of this Agreement, and in the course of performing all Services hereunder, you will be deemed an independent contractor and not an employee or agent of Lexicon. In this connection, you will not be eligible for, nor entitled to, any employee benefits that extend to our employees (other than any benefits to which you may be entitled by virtue of your prior employment with the Company before the term of your service hereunder began), and we will not withhold any taxes from the compensation paid to you hereunder, all of which shall be your responsibility. The manner in which you render the Services will be within your reasonable control and discretion. You have no express or implied authority to incur any liability, or to make any decision or to create any binding obligation, on our behalf and, in performing the Services you shall not have any power to bind or commit the Company or otherwise act on the Company's behalf. You agree that you shall not at any time communicate or represent to any third party, or cause or knowingly permit any third party to assume, that in performing the Services hereunder, you are an employee, agent or other representative of the Company or have any authority to bind the Company.

8. Compliance with Laws and Procedures. To the extent you provide any Services on our premises, you agree to observe our rules, policies and security procedures concerning conduct and the health, safety and protection of persons and property. You will comply with all applicable governmental laws, ordinances, rules and regulations applicable to the performance of the Services.

9. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Texas as they apply to contracts entered into and wholly to be performed in Texas.

10. Enforcement. You agree that a breach of any of the restrictions set forth in the provisions of this Agreement may cause the Company irreparable injury and damage, and that, in the event of any breach or threatened breach, the Company, in addition to all other rights and remedies at law or in equity, shall have the right to seek to enforce the specific performance of such restrictions and to apply for injunctive relief against their violation.

11. Survival of Terms. The provisions of Sections 3, 4 and 9 through 18 hereof shall survive termination of this Agreement.

12. Successors and Assigns. This Agreement is personal to you, and you may not assign this Agreement without the written consent of the Company. This Agreement shall be binding on your heirs, executors, administrators and legal representatives and the Company's successors and assigns.

13. Severability. The invalidity or unenforceability of any provision of this Agreement (or portion thereof) shall not affect the validity or enforceability of any other

provision of this Agreement, and if such provision (or portion thereof) is so broad as to be unenforceable, it shall be interpreted to be only as broad as is enforceable.

14. Entire Agreement. This Agreement constitutes the sole and complete agreement of the parties with respect to the matters included herein, and supersedes any previous oral or written agreement, if any, relating to the subject matters included herein; provided, however, this Agreement complements and is in addition to, all other obligations that you have to the Company with respect to confidentiality, non-disclosure, return of property, and intellectual property assignment (regardless of whether such obligation arises by contract, statute, common law, or otherwise).

15. Amendment and Waiver. This Agreement may not be amended or supplemented in any way, nor may the benefit of any provision hereof be waived, except by a written agreement duly executed by both you and the Company.

16. Section 409A. This Agreement is intended to comply with Section 409A, or to be excluded from Section 409A, as applicable, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided pursuant to this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Each installment payment payable pursuant to this Agreement shall be treated as a separate payment for purposes of Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided pursuant to this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by you on account of non-compliance with Section 409A.

17. No Conflict. You represent that the performance of your obligations and duties under this Agreement does not conflict with any obligations or duties, express or implied, that you may have to third parties.

18. Construction. Each party to this Agreement has had the opportunity to review this Agreement with legal counsel. This Agreement shall not be construed or interpreted against any party on the basis that such party drafted or authored a particular provision, parts of or the entirety of this Agreement.

If the foregoing correctly sets forth our mutual understanding, please so indicate by signing this letter in the space provided below and return it to the Company at the above address, whereupon this Agreement shall constitute a binding contract between you and the Company.

Accepted and agreed to on the date set forth below:

LEXICON PHARMACEUTICALS, INC.

By: _____
Michael S. Exton, Ph.D.
Chief Executive Officer

Accepted and agreed to on the date set forth below:

By: _____
Jeffrey L. Wade

Date: September 13, 2024