

---

---

**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 1, 2017**

---

**ACHIEVE LIFE SCIENCES, INC.**

(Exact name of registrant as specified in its charter)

---

**Delaware**  
(State or other Jurisdiction  
of Incorporation)

**033-80623**  
(Commission  
File Number)

**95-4343413**  
(IRS Employer  
Identification No.)

**19820 North Creek Parkway**  
**Bothell, Washington**  
(Address of Principal Executive Offices)

**98011**  
(Zip Code)

**Registrant's telephone number, including area code: (425) 686-1500**

**OncoGenex Pharmaceuticals, Inc.**  
(Former name or former address if changed since last report.)

---

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 2.01 Completion of Acquisition or Disposition of Assets.**

On August 1, 2017, Achieve Life Sciences, Inc., formerly known as “OncoGenex Pharmaceuticals, Inc.” (the “**Company**”), completed its business combination with what was then known as “Achieve Life Science, Inc.” (“**Achieve**”) in accordance with the terms of the Agreement and Plan of Merger and Reorganization, dated as of January 5, 2017, by and among the Company, Ash Acquisition Sub, Inc. (“**Merger Sub 1**”), Ash Acquisition Sub 2, Inc. (“**Merger Sub 2**”) and together with Merger Sub 1, the “**Merger Subs**”), and Achieve (the “**Merger Agreement**”), pursuant to which Merger Sub 1 merged with and into Achieve (the “**First Merger**”), with Achieve becoming a wholly-owned subsidiary of the Company and the surviving corporation of the First Merger (the “**Initial Surviving Corporation**”) and promptly following the First Merger, the Initial Surviving Corporation merged with and into Merger Sub 2 (the “**Second Merger**”) and together with the First Merger, the “**Merger**”) with Merger Sub 2 continuing as the surviving entity in the Second Merger as a direct wholly owned subsidiary of the Company. Following the completion of the Merger, the business conducted by the Company became focused on the clinical and commercial development of cytisine, a selective nicotine receptor partial agonist currently in development for smoking cessation.

Upon completion of the First Merger, each outstanding share of Achieve common stock was converted into the right to receive approximately 359.3053 shares of common stock of the Company (after giving effect to the Reverse Stock Split described below). Immediately following the effective time of the Merger, former equityholders of the Company held approximately 25% of the outstanding capital stock of the Company on a fully diluted basis, and the former Achieve stockholders held approximately 75% of the outstanding capital stock of the Company on a fully diluted basis.

Also on August 1, 2017, prior to the completion of the Merger, the Company effected a 1-for-11 reverse stock split of its common stock (the “**Reverse Stock Split**”) and changed its name to “Achieve Life Sciences, Inc.”

The Company’s shares of common stock listed on The NASDAQ Capital Market will commenced trading on The NASDAQ Capital Market, on a post-Reverse Stock Split adjusted basis, under the ticker symbol “ACHV” on Thursday, August 3, 2017. The Company’s common stock has a new CUSIP number: 004468 104.

The Merger Agreement is filed as Exhibit 2.1 hereto and is incorporated herein by reference.

**Item 3.03 Material Modification to Rights of Security Holders.**

As further described under Items 2.01 and 5.03, the Company filed on August 1, 2017, a certificate of amendment to its second amended and restated certificate of incorporation, effecting the Reverse Stock Split.

As a result of the Reverse Stock Split, the number of issued and outstanding shares of the Company’s common stock immediately prior to the Reverse Stock Split were reduced into a smaller number of shares, such that every 11 shares of the Company’s common stock held by a stockholder immediately prior to the Reverse Stock Split were combined and reclassified into one share of the Company’s common stock. The Reverse Stock Split did not alter the par value of the Company’s common stock or modify any voting rights or other terms of the common stock.

No fractional shares will be issued in connection with the reverse stock split. Stockholders of record who otherwise were entitled to receive fractional shares because they held a number of pre-split shares not evenly divisible by the number of pre-split shares for which each post-split share was to be reclassified, are entitled to a cash payment in lieu thereof at a price equal to the fraction to which the stockholder would otherwise be entitled multiplied by the closing price of the common stock on The NASDAQ Capital Market on August 1, 2017.

**Item 4.01 Change in Registrant’s Certifying Accountant.**

On August 1, 2017, the Company dismissed Ernst & Young LLP (“**EY**”) as the Company’s independent registered public accounting firm and appointed PricewaterhouseCoopers LLP (“**PwC**”) as the Company’s new independent registered public accounting firm for the year ended December 31, 2017, both effective immediately. The Audit Committee of the board of directors of the Company (the “**Board**”) approved the dismissal of EY and the appointment of PwC.

The reports of EY on the OncoGenex Pharmaceuticals, Inc.'s financial statements for each of the fiscal years ended December 31, 2016 and December 31, 2015 did not contain an adverse opinion or a disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 31, 2016 and December 31, 2015, and the subsequent interim period through August 1, 2017, there were no disagreements (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and related instructions) between the Company and EY on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures which disagreements, if not resolved to the satisfaction of EY, would have caused EY to make reference thereto in their reports on the financial statements for such years.

The Company provided EY with a copy of the disclosures it is making in this Current Report on Form 8-K and requested that EY furnish the Company with a letter addressed to the Securities and Exchange Commission (the "SEC") stating whether it agrees with the statements contained herein. A copy of EY's letter, dated August 2, 2017, is filed as Exhibit 16.1 to this Current Report on Form 8-K.

During the fiscal years ended December 31, 2016 and December 31, 2015, and the interim period through August 1, 2017, neither the Company, nor anyone acting on its behalf, consulted with PwC regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that may be rendered on the Company's financial statements, and PwC did not provide either a written report or oral advice to the Company that was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

#### **Item 5.01 Changes in Control of Registrant**

The disclosures set forth in Item 2.01 regarding the Merger and the disclosures set forth in Item 5.02 regarding the Company's Board and executive officers are incorporated by reference into this Item 5.01.

In accordance with the Merger Agreement, on August 1, 2017, upon completion of the Merger, Neil Clendeninn, Jack Goldstein and David Smith resigned from the Board and Richard Stewart, Anthony Clarke, Donald Joseph and Jay Moyes were appointed to the Board. Scott Cormack, Stewart Parker and Martin Mattingly will continue to serve as members of the Board.

#### **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers**

##### *Resignation of Directors and Officer Upon Completion of the Merger*

In accordance with the Merger Agreement, on August 1, 2017, upon completion of the Merger, Neil Clendeninn, Jack Goldstein and David Smith resigned from the Board and any respective committees of the Board on which they served, which resignations were not the result of any disagreements with the Company.

Also on August 1, 2017, upon completion of the Merger, Scott Cormack, the Company's Chief Executive Officer, resigned as an officer of the Company. In connection with Mr. Cormack's resignation, the Company entered into a Separation and Release Agreement with Mr. Cormack, pursuant to which he will receive, in exchange for releasing the Company from all claims, (i) a lump sum severance payment of approximately \$1.1 million representing 24 months of Mr. Cormack's current annual salary; (ii) a lump sum severance payment of approximately \$75,000, representing 12 months of Mr. Cormack's average monthly bonus earnings over the last 24-month period, (iii) payments to provide 24 months of continuing health care benefits, (iv) 100% vesting of Mr. Cormack's outstanding equity awards and (v) agreement to reimburse Mr. Cormack's for expense related to his 2017 tax returns. The form of Mr. Cormack's Separation and Release Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K.

##### *Appointment of Directors Upon Completion of the Merger*

On August 1, 2017, upon completion of the merger, Richard Stewart, Anthony Clarke, Donald Joseph and Jay Moyes were appointed to the Board. Mr. Stewart was also appointed as Chairman of the Board. Mr. Joseph and Mr. Moyes were appointed to the audit committee of Board, Mr. Joseph was appointed to the compensation committee of the Board, and Mr. Moyes and Mr. Joseph were appointed to the nominating and corporate governance committee of the Board.

The information set forth in Item 5.01 of this Current Report on Form 8-K with respect to the election of director's to the Board pursuant to and in accordance with the Merger Agreement is incorporated by reference into this Item 5.02.

The information required by Item 401 and Item 404(a) of Regulation S-K with respect to the new directors is set forth in the final proxy statement/prospectus/information statement filled pursuant to Rule 424(b)(3) with the SEC on June 13, 2017 and incorporated by reference herein.

#### *Appointment of Officers Upon Completion of the Merger*

On August 1, 2017, upon the completion of the Merger, the Board appointed Richard Stewart as the Company's Chief Executive Officer and Anthony Clarke as the Company's President and Chief Scientific Officer. John Bencich will continue as the Company's Executive Vice President, Chief Financial Officer, and was also appointed as the Company's Chief Operating Officer. Cindy Jacobs will continue as the Company's Executive Vice President, Chief Medical Officer.

As compensation for Mr. Stewart's service as the Company's Chief Executive Officer, he will receive an annual base salary of \$500,000 and be eligible to receive an annual cash bonus of up to 50% of his annual base salary. As compensation for Dr. Clarke's service as the Company's President and Chief Scientific Officer, he will receive an annual base salary of \$420,000 and be eligible to receive an annual cash bonus of up to 40% of his annual base salary.

The information required by Item 401 and Item 404(a) of Regulation S-K with respect to Mr. Stewart, Dr. Clarke and Mr. Bencich is set forth in the final proxy statement/prospectus/information statement filled pursuant to Rule 424(b)(3) with the SEC on June 13, 2017 and incorporated by reference herein.

#### *Compensation of Continuing Executive Officers*

Upon completion of the merger, Mr. Bencich will receive an annual base salary of \$375,500 and be eligible to receive an annual cash bonus of up to 40% of his annual base salary, and Dr. Jacobs will receive an annual base salary of \$413,200 and be eligible to receive an annual cash bonus of up to 40% of her annual base salary. Additionally, Mr. Bencich and Dr. Jacobs were each granted 54,800 retention restricted stock units, effective as of August 1, 2017, or, if the Company is in a trading black-out period on that day, the first trading day on which the Company is not in a trading black-out period but, if there is no such day through the balance of 2017, then the grant date shall be December 15, 2017. The restricted stock units will vest with respect to 25% of the award on the first anniversary of the effective date of the grant, and monthly thereafter over 36 months. Mr. Bencich and Dr. Jacobs were also each granted stock options to purchase up to 274,000 shares of common stock, effective as of August 1, 2017, or, if the Company is in a trading black-out period on that day, the first trading day on which the Company is not in a trading black-out period but, if there is no such day through the balance of 2017, then the grant date shall be December 15, 2017. The stock options will vest with respect to 25% of the award on the first anniversary of the effective date of the grant, and monthly thereafter over 36 months. The stock options were granted under the Company's new 2017 Equity Incentive Plan, and will automatically terminate if such plan is not approved by stockholders within one year of its adoption by the Board.

#### **Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On August 1, 2017, as contemplated by the Merger Agreement and as approved by the Company's stockholders, the Company filed (i) a certificate of amendment to its second amended and restated certificate of incorporation with the Secretary of State of the State of Delaware to effect a reverse stock split of OncoGenex common stock at a ratio of 1-for-11 and (ii) a certificate of amendment to its second amended and restated certificate to change its name from "OncoGenex Pharmaceuticals, Inc. to "Achieve Life Sciences, Inc." (the "**Certificates of Amendment**").

The Certificate of Amendments are filed as Exhibits 3.1 and 3.2 to this Current Report on Form 8-K.

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

At the Special Meeting of Stockholders of the Company held on August 1, 2017 (the “**Special Meeting**”), the stockholders of the Company as of June 13, 2017 voted as set forth below on the following proposals, each of which is described in detail in the Company’s final proxy statement/prospectus/information statement filed pursuant to Rule 424(b)(3) with the SEC on June 13, 2017. The stockholders had also been solicited to vote to approve an adjournment of the Special Meeting, if necessary, to solicit additional proxies if there were insufficient votes at the time of the Special Meeting to approve the proposals referenced below, but such adjournment was deemed unnecessary.

The final voting results for each matter submitted to a vote of the Company’s stockholders as of June 13, 2017 at the Special Meeting are as follows:

**Proposal 1. Approval of the Merger with Achieve Life Science, Inc.**

The approval of the Merger and issuance of the Company’s common stock pursuant to the Merger Agreement.

<u>Votes Cast For</u>	<u>Votes Cast Against</u>	<u>Number of Abstentions</u>	<u>Number of Broker Non- Votes</u>
6,411,247	440,889	53,317	11,809,596

**Proposal 2. Approval of Reverse Stock Split**

The approval of the amendment to the second amended and restated certificate of incorporation of the Company to effect a reverse stock split of the Company’s common stock, at a ratio not to exceed 1-for-20, with such specific ratio to be determined by the Board, in consultation with Achieve’s board of directors, following the Special Meeting.

<u>Votes Cast For</u>	<u>Votes Cast Against</u>	<u>Number of Abstentions</u>	<u>Number of Broker Non- Votes</u>
15,086,326	3,383,739	244,984	0

**Proposal 3. Approval of the Company name change to Achieve Life Sciences, Inc.**

Approval of an amendment to the Company’s second amended and restated certificate of incorporation to change the name of the Company to “Achieve Life Sciences, Inc.”

<u>Votes Cast For</u>	<u>Votes Cast Against</u>	<u>Number of Abstentions</u>	<u>Number of Broker Non- Votes</u>
17,378,452	1,078,585	258,012	0

Each of the proposals described above was approved at the Special Meeting.

---

**Item 9.01. Financial Statements and Exhibits.****(a) Financial statements of businesses acquired.**

The unaudited financial statements of Achieve Life Science, Inc. as of and for the three months ended March 31, 2017 and the audited financial statements of Achieve Life Science, Inc. as of December 31, 2016 and 2015 and for the year ended December 31, 2016 and the period from May 12, 2015 (date of inception) to December 31, 2015 are included under the heading “Achieve Life Science, Inc.—Index to Consolidated Financial Statements” “ in the Company’s final proxy statement/prospectus/information statement filed pursuant to Rule 424(b)(3) with the SEC on June 13, 2017, and are incorporated by reference herein.

**(b) Pro Forma Financial Information.**

The unaudited pro forma combined condensed financial information of the Company and Achieve as of and for the three months ended March 31, 2017 and year ended December 31, 2016 are included under the heading “Unaudited Pro Forma Condensed Combined Financial Statements” in the Company’s final proxy statement/prospectus/information statement filed pursuant to Rule 424(b)(3) with the SEC on June 13, 2017, and are incorporated by reference herein.

**(d) Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
2.1	Agreement and Plan of Merger and Reorganization, dated as of January 5, 2017, by and among OncoGenex Pharmaceuticals, Inc., Ash Acquisition Sub, Inc., Ash Acquisition Sub 2, Inc. and Achieve Life Science, Inc. (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K, filed with the SEC on January 5, 2017).
3.1	Certificate of Amendment (Reverse Stock Split) to the Second Amended and Restated Certificate of Incorporation of the Company, dated August 1, 2017.
3.2	Certificate of Amendment (Name Change) to the Second Amended and Restated Certificate of Incorporation of the Company, dated August 1, 2017.
10.1	Form of Separation and Release Agreement between OncoGenex Pharmaceuticals, Inc. and Scott Cormack.
16.1	Letter of Ernst & Young LLP, dated August 2, 2017.

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 2, 2017

ACHIEVE LIFE SCIENCES, INC.

/s/ John Bencich

John Bencich  
Chief Financial Officer

---

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
2.1	Agreement and Plan of Merger and Reorganization, dated as of January 5, 2017, by and among OncoGenex Pharmaceuticals, Inc., Ash Acquisition Sub, Inc., Ash Acquisition Sub 2, Inc. and Achieve Life Science, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 5, 2017).
3.1	Certificate of Amendment (Reverse Stock Split) to the Restated Certificate of Incorporation of the Company, dated August 1, 2017.
3.2	Certificate of Amendment (Name Change) to the Restated Certificate of Incorporation of the Company, dated August 1, 2017.
10.1	Form of Separation and Release Agreement between OncoGenex Pharmaceuticals, Inc. and Scott Cormack.
16.1	Letter of Ernst & Young LLP, dated August 2, 2017.



**CERTIFICATE OF AMENDMENT OF  
SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF  
ONCOGENEX PHARMACEUTICALS, INC.**

OncoGenex Pharmaceuticals, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the **'Corporation'**), DOES HEREBY CERTIFY:

FIRST: The name of the corporation is OncoGenex Pharmaceuticals, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of Delaware on March 22, 1995 under the name Sonus Pharmaceuticals, Inc.

SECOND: The Amendment of the Second Amended and Restated Certificate of Incorporation of the Corporation in the form set forth in the following resolution has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware by the directors and stockholders of the Corporation:

RESOLVED, the Second Amended and Restated Certificate of Incorporation as presently in effect be, and the same hereby is, amended to add the following two paragraphs to precede the first paragraph of Exhibit A, Article IV of the Second Amended and Restated Certificate of Incorporation of the Corporation:

"Contingent and effective upon the filing of this Certificate of Amendment to the Second Amended Restated Certificate of Incorporation (the "Certificate of Amendment"), each eleven (11) shares of the Corporation's Common Stock, par value \$0.001 per share (the "Common Stock"), issued and outstanding prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, par value \$0.001 per share, of the Corporation (the "Reverse Split"). No fractional share shall be issued in connection with the foregoing combination of the shares pursuant to the Reverse Split. The Corporation will pay in cash the fair value of such fractional shares, without interest and as determined in good faith by the Board of Directors of the Corporation when those entitled to receive such fractional shares are determined.

The Reverse Split shall occur automatically without any further action by the holders of Common Stock, and whether or not the certificates representing such shares have been surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable as a result of the Reverse Split unless the existing certificates evidencing the applicable shares of stock prior to the Reverse Split are either delivered to the Corporation, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed, and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates."

THIRD: The Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation so adopted reads in full as set forth above and is hereby incorporated herein by this reference. All other provisions of the Amended and Restated Certificate of Incorporation remain in full force and effect.

---

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by its Chief Executive Officer this 8<sup>th</sup> day of August, 2017.

ONCOGENEX PHARMACEUTICALS, INC.

/s/ Scott Cormack

---

Scott Cormack

President and Chief Executive Officer

**CERTIFICATE OF AMENDMENT OF  
SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF  
ONCOGENEX PHARMACEUTICALS, INC.**

OncoGenex Pharmaceuticals, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "*Corporation*"), DOES HEREBY CERTIFY:

FIRST: The name of the corporation is OncoGenex Pharmaceuticals, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of Delaware on March 22, 1995 under the name Sonus Pharmaceuticals, Inc.

SECOND: The Amendment of the Second Amended and Restated Certificate of Incorporation of the Corporation in the form set forth in the following resolution has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware by the directors and stockholders of the Corporation:

RESOLVED, that Exhibit A, Article I of the Second Amended and Restated Certificate of Incorporation as presently in effect be, and the same hereby is, amended and restated to read in its entirety as follows:

The name of this corporation is Achieve Life Sciences, Inc.

THIRD: The Certificate of Amendment of the Second Amended and Restated Certificate of Incorporation so adopted reads in full as set forth above and is hereby incorporated herein by this reference. All other provisions of the Second Amended and Restated Certificate of Incorporation remain in full force and effect.

IN WITNESS WHEREOF, the Corporation has caused this Certificate to be signed by its Chief Executive Officer this 8<sup>th</sup> day of August, 2017.

ONCOGENEX PHARMACEUTICALS, INC.

By: /s/ Scott Cormack  
Scott Cormack  
President and Chief Executive Officer



## SEPARATION AGREEMENT AND RELEASE

THIS SEPARATION AGREEMENT AND RELEASE (the “Agreement”) is entered into by and between, on the one hand, Scott Cormack (hereinafter referred to as “Employee”) and, on the other hand, OncoGenex Pharmaceuticals, Inc., a Washington corporation, and OncoGenex Technologies, Inc., a Canadian corporation (these latter two parties hereinafter referred to collectively as “Employer”).

### RECITALS

A. Employee has been employed by Employer pursuant to that certain Employment Agreement dated November 4, 2009, attached hereto as Exhibit A (the “Employment Agreement”). Employee’s employment at Employer terminated on August 1, 2017 (the “Termination Date”).

B. The Board of Directors (the “Board”) of Achieve Life Sciences, Inc. (formerly OncoGenex Pharmaceuticals, Inc.) (the “Company”), previously approved the Agreement and Plan of Merger and Reorganization, dated as of January 5, 2017 (the “Merger Agreement”), by and among the Company, Achieve Life Science, Inc. (“Achieve”), Ash Acquisition Sub, Inc. (“Merger Sub 1”), and Ash Acquisition Sub 2, Inc. (“Merger Sub 2”), pursuant to which, among other transactions, (i) Merger Sub 1 merged with and into Achieve (the “First Merger”) with Achieve continuing as the surviving corporation in the First Merger as a direct wholly owned subsidiary of the Company (the “Initial Surviving Company”) and (ii) immediately after the First Merger, the Initial Surviving Corporation merged with and into Merger Sub 2 (the “Second Merger”, together with the First Merger, the “Mergers”) with Merger Sub 2 continuing as the surviving entity in the Second Merger as a direct wholly owned subsidiary of the Company, which was renamed “Achieve Life Sciences, Inc.”, upon the terms and subject to the conditions set forth in the Merger Agreement, which Mergers constitute a Change in Control (as defined in the Employment Agreement).

C. Employer wishes to offer Employee a separation package in exchange for the agreements expressed herein. This Agreement shall set forth the terms and conditions of Employee’s termination and any continuing obligations of the parties to one another following the end of the employment relationship.

D. Each of the undersigned parties to this Agreement has had ample opportunity to review the facts and law relevant to this issue, has consulted fully and freely with competent counsel of its choice if desired, and has entered this Agreement knowingly and intelligently without duress or coercion from any source. Employee has had a reasonable time in which to consider whether to sign this Agreement.

### AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises contained below, it is agreed as follows:

---

## 1. EMPLOYMENT ENDING DATE, FINAL PAYMENTS AND BENEFITS

Employee's employment with Employer will end on the Termination Date. After that date, Employee will have no further employment duties to Employer. On the next regularly scheduled payroll occurring after the Termination Date, Employer shall pay Employee all amounts earned up to and including the Termination Date and an amount reflecting accrued PTO, less withholdings and all deductions required by law. Coverage under Employee's U.S. health benefits plan will continue through the end of the month of the Termination Date and will continue under Employee's Canadian health benefits plan pursuant to Article 2(e). Information pertaining to continuing health coverage under COBRA will be provided to Employee under separate cover.

## 2. PAYMENTS BY EMPLOYER

As provided in the Employment Agreement and in exchange for the promises contained herein, Employer will provide Employee with the following separation pay and benefits:

- a) A gross lump sum severance payment of \$1,082,780, less all applicable taxes and withholdings, representing 24 months base pay at the Employee's current annual salary of \$541,390; and
- b) A gross lump sum severance payment of \$74,445, less all applicable taxes and withholdings, representing an amount equal to the sum of twelve (12) months of the Employee's average monthly bonus earnings, based on the monthly average calculated for the 24-month period immediately preceding the Termination Date; and
- c) If the Employee elects continuation of health care coverage under the provisions of COBRA, monthly payments directly to the applicable insurer to cover Employee's employer and employee portions of monthly premiums for three (3) months under COBRA, plus a lump sum payment of \$44,287.35, which is equal to fifteen (15) months of the Employee's employer and employee portions of monthly premium under COBRA at the rates in effect on the date hereof, currently \$2,952.49 per month, less all applicable taxes and withholdings; and
- d) Provided the Employee elects continuation of health care coverage under the provisions of COBRA, an additional lump sum payment, representing the monthly premiums that would be payable for six (6) months under COBRA at the rates in effect on the date hereof, equal to \$17,715 USD, less all applicable taxes and withholdings, representing the sum that Employee must pay to receive comparable benefits to the benefits outlined in Section 6(b) of the Employment Agreement and reflecting that 18 months is the maximum COBRA eligibility period (Employee to remain responsible for the payment of premiums for COBRA or other applicable health benefits); and
- e) Twenty-four (24) months of continuing coverage under Employee's health insurance plans in effect in Canada on the date hereof;
- f) Acceleration of vesting as set forth in Section 4 below; and

- 
- g) Reimbursement in a single, aggregated lump-sum payment, payable on Employer's payroll as soon as reasonably practicable after June 30, 2018, and in no event later than December 31, 2018, for Employee's reasonable costs, actually incurred and substantiated by receipts from Deloitte Touche Tohmatsu Limited and/or its affiliates, for preparation and filing of Employee's 2017 tax returns in all applicable jurisdictions in the United States and Canada.

The severance payment will be made on the next normal payroll date following the Effective Date. The COBRA payment will be made within ten (10) business days after the Employee provides proof of COBRA election.

### **3. VALID CONSIDERATION**

Employee and Employer agree that execution of this Separation Agreement and Release is required in order for Employee to receive the severance and benefits set forth in the Employment Agreement. In the event Employee fails to abide by the terms of this Agreement, Employer may elect, at its option and without waiver of other rights or remedies it may have, not to pay or provide any unpaid severance or COBRA payments or benefits, and to seek to recover previously paid severance pay, incentive or non-qualified stock options granted and benefits paid. By signing below, Employee acknowledges that upon receipt of the pay and benefits set forth in this Separation Agreement and Release, Employee will have received all compensation and benefits due from Employer, including but not limited to salary, wages, benefits, bonuses, incentive unit awards, approved reimbursable expenses and commissions earned through the Termination Date and all amounts due from Employer for unused vacation time accrued through the Termination Date.

### **4. EQUITY**

Pursuant to Employee's stock option and/or restricted stock unit agreements with Employer under certain of the Employer's Equity Incentive Plans (hereafter collectively referred to as the "Equity Agreements"), Employee was granted options to purchase shares of the Employer's common stock and restricted stock units (RSUs) which are summarized in Exhibit B. Employee's stock option and/or restricted stock unit grants will continue to vest according to their terms until the Termination Date. Pursuant to Section 6(d) of the Employment Agreement, effective as of immediately prior to the closing of the Second Merger, Employee will be fully vested in all stock options and RSUs reflected in Exhibit B. Employee's rights concerning the stock options and/or restricted stock units will continue to be governed by the Equity Agreements. For clarity, the Employee and Employer acknowledge that the Employee will be continuing as a Board member, and as long as Employee is in Continuous Service (as defined in the Equity Agreements), the stock options will remain exercisable in accordance with their terms.

Employee acknowledges that as an executive officer, Employee may have come into possession of material, non-public information regarding the Company and that in accordance with Company's Insider Trading Policy and applicable law, Employee will not trade in Company securities until the first open trading window following Employee's cessation of employment, and will not trade in Company securities while otherwise in possession of material nonpublic information. For the six-month period following the Termination Date, Employee is required to report certain transactions involving the securities of the Company and is still subject to laws and regulations regarding "short swing" profit liability.

---

**5. REAFFIRMATION OF SECTIONS 7 THROUGH 11 OF EMPLOYMENT AGREEMENT**

Employee hereby acknowledges Employee's continuing obligations to Employer under Sections 7 through 11 of the Employment Agreement, attached as Exhibit A hereto, including with respect to confidentiality, inventions, non-solicitation, non-compete and non-disparagement. Employee further confirms that Employee will deliver to Employer all documents and data of any nature containing or pertaining to such Confidential Information and that Employee has not taken or retained any such documents or data or any reproduction thereof as of the Termination Date.

**6. COMPLETE RELEASE OF CLAIMS**

Employee expressly waives and releases all claims against Employer ("Employer" shall include, for purposes of this release, all parents, affiliates, subsidiaries, officers, directors, stockholders, managers, employees, agents, investors, and representatives of Employer), whether known or unknown, which existed or may have existed at any time up to the Effective Date of this Agreement, including claims related in any way to Employee's employment with Employer or the ending of that relationship. This release includes, but is not limited to, all claims for wages, bonuses, employment benefits, vacation pay, profit-sharing, commissions, stock, stock options, termination benefits, or damages of any kind whatsoever, arising under any legal theory, including tort, contract, discrimination, retaliation, harassment, or any federal, state, or other governmental statute, executive order, or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964 as amended, the Civil Rights Act of 1991, the Civil Rights Act of 1866, 42 U.S.C. § 1981, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Washington Law against Discrimination, or any other legal limitation on or regulation of the employment relationship. Specifically, the compensation and benefits described in this letter will be provided to Employee by Employer on the basis that such compensation and benefits are in satisfaction of all of Employer's obligations to Employee (including any statutory obligations in respect of vacation pay, termination pay and severance pay under applicable law in the United States and Canada and contractual obligations pursuant to the Employment Agreement) and in lieu of additional actual notice of termination.

Employee represents that, as of the Effective Date, Employee has not filed any complaints, charges or lawsuits against Employer with any governmental agency or any court. Nothing in this Agreement shall prevent Employee from filing a charge or complaint with or from participating in an investigation or proceeding conducted by any federal, state or local agency charged with the enforcement of any employment laws, although by signing this Agreement, Employee is waiving rights to individual relief based on claims asserted in such a charge or complaint. Nor will this waiver and release preclude either party from filing a lawsuit for the exclusive purpose of enforcing its rights under this Agreement. Notwithstanding anything to the contrary herein, nothing in this Agreement prevents Employee from reporting

any violations to the Securities and Exchange Commission or any other federal or state agency. Employee is waiving his right to any monetary recovery from the Employer if any governmental agency or entity pursues any claims on Employee's behalf; however, this Release Agreement does not preclude Employee from entitlement to any monetary recovery awarded by the Securities and Exchange Commission in connection with any action asserted by the Securities and Exchange Commission. Employee represents and warrants that Employee is the sole owner of the actual or alleged claims, rights, causes of action, and other matters which are released by this Section and that Employee has not assigned, transferred, or disposed of the rights released in this Section in fact, by operation of law, or in any manner to any third party. Employee represents and warrants that Employee has the full right and power to grant, execute and deliver the releases, undertakings, and agreements contained in this Section. Employee hereby acknowledges that Employee is aware of the principle that a general release does not extend to claims that the releasor does not know or suspect to exist in his or her favor at the time of executing the release, which, if known by him or her, must have materially affected his or her settlement with the releasee. With knowledge of this principle, Employee hereby agree to expressly waive any rights Employee may have to that effect. Employee and the Employer do not intend to release claims that Employee may not release as a matter of law, including but not limited to claims for indemnity, or any claims for enforcement of this Agreement. To the fullest extent permitted by law, any dispute regarding the scope of this general release shall be determined by an arbitrator under the procedures set forth in the arbitration clause below. Nothing in this Section shall prohibit or impair Employee or the Employer from complying with all applicable laws, nor shall this Agreement be construed to obligate either party to commit (or aid or abet in the commission of) any unlawful act. Nothing in this Section shall be deemed to waive Employee's indemnification rights, including, without limitation, under that certain Indemnification Agreement in effect on the date hereof between Employer and Employee, or any claims for enforcement of this Agreement.

**7. NO ADMISSION OF WRONGDOING**

This Agreement shall not be construed as an admission by Employee or Employer of any wrongful act and Employee and Employer each specifically disclaim any liability to each other.

**8. RETURN OF PROPERTY**

Employee confirms that Employee has returned or will immediately, upon the Termination Date, return to Employer, other than the Employee's iPhone and Surface Pro computer in Employee's possession, all files, memoranda, records, credit cards, pagers, computers, computer files, passwords and pass keys, card keys, or related physical or electronic access devices, and any and all other property received from Employer or any of its current or former employees or generated by Employee in the course of employment. Employee confirms that Employee has deleted or will immediately, upon the Termination Date, delete all electronic data and files pertaining to Employee's job or Employer's business operations, existing on Employee's personal computers, other personal electronic devices, and on any email account maintained or accessible by Employee, excluding only data and files pertaining exclusively to Employee's compensation or benefits with Employer.



---

**9. BREACH OR DEFAULT**

Any party's failure to enforce this Agreement in the event of one or more events that violate this Agreement shall not constitute a waiver of any right to enforce this Agreement against subsequent violations.

**10. SEVERABILITY**

The provisions of this Agreement are severable, and if any part of it is found to be unlawful or unenforceable, the other provisions of this Agreement shall remain fully valid and enforceable to the maximum extent consistent with applicable law.

**11. ENTIRE AGREEMENT**

Except for the Stock Option Agreements and Sections 7 through 11 of the Employment Agreement, which shall remain in effect, this Agreement sets forth the entire understanding between Employee and Employer and supersedes any prior agreements or understandings, express or implied, pertaining to the terms of Employee's employment with Employer, the employment relationship and the termination of that relationship. Employee acknowledges that in executing this Agreement, Employee does not rely upon any representation or statement by any representative of Employer concerning the subject matter of this Agreement, except as expressly set forth in the text of the Agreement. No modification or waiver of this Agreement will be effective unless evidenced in a writing signed by both parties.

**12. GOVERNING LAW**

This Agreement will be governed by and construed exclusively in accordance with the laws of the state of Washington without reference to its choice of law principles. Any disputes arising under this Agreement shall be brought in a court of competent jurisdiction in the state or federal courts located in King County, in the state of Washington.

**13. CONFIDENTIALITY**

The contents, terms and conditions of this Agreement must be kept confidential by Employee and may not be disclosed except to Employee's spouse, accountants, tax advisors or attorneys or as otherwise required by law. Any breach of this confidentiality provision shall be deemed a material breach of this Agreement.

**14. KNOWING AND VOLUNTARY AGREEMENT; ADEA WAIVER**

Employee agrees that Employee has carefully read and fully understands all aspects of this Agreement including the fact that this Agreement releases any claims that Employee might have against Employer. Employee agrees that Employee has not relied upon any representations or statements not set forth herein or made by Employer's agents or representatives. Finally, Employee agrees that Employee has been advised to consult with an attorney prior to executing the Agreement, and that Employee has either done so or knowingly waived the right to do so, and now enters into this Agreement without duress or coercion from any source. Employee agrees that Employee has been provided the opportunity to consider for forty-five (45) days whether to enter into this Agreement, and has voluntarily chosen to enter into it on this date. If accepted, signed Agreement is to be returned to:

---

**John Bencich**  
**OncoGenex Pharmaceuticals, Inc.**  
**19820 North Creek Parkway, Suite 201**  
**Bothell, WA 98011**

This offer, if not accepted by Employee, will become null and void forty-five (45) days after it was presented to Employee. Employee may revoke this Agreement for a period of seven (7) days following the execution of this Agreement. If Employee elects to revoke this Agreement, Employee must do so within the 7-day revocation period by providing written notice of intent to revoke to John Bencich at address above or [tjbencich@oncogenex.com](mailto:tjbencich@oncogenex.com). If not revoked, this Agreement shall become effective following expiration of the seven (7) day revocation period (“Effective Date”).

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates indicated below.

**OncoGenex Pharmaceuticals, Inc.**

**Scott Cormack**

By: \_\_\_\_\_

\_\_\_\_\_

Its: President & CEO

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

---

**EXHIBIT A**

**Employment Agreement**

---

**EXHIBIT B**

**Equity Summary**

August 2, 2017

Securities and Exchange Commission

100 F Street, N.E.

Washington, DC 20549

Ladies and Gentlemen:

We have read Item 4.01 of Form 8-K dated August 1, 2017, of OncoGenex Pharmaceuticals, Inc. and are in agreement with the statements contained in the first, second, and third paragraphs on page 3 therein. We have no basis to agree or disagree with other statements of the registrant contained therein.

/s/ Ernst & Young LLP