
**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): January 8, 2021

SOLENO THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36593
(Commission
File No.)

77-0523891
(IRS Employer
Identification Number)

**203 Redwood Shores Pkwy, Suite 500
Redwood City, CA 94065**
(Address of principal executive offices)

(650) 213-8444
(Registrant's telephone number, including area code)

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

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

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

Title of each class	Trading symbols	Name of each exchange on which registered
Common Stock, \$0.001 par value	SLNO	NASDAQ

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.

(e) Named Executive Officer Compensation

On January 8, 2021, the Board of Directors of Soleno Therapeutics, Inc., (the “Company”) following a review of the Company’s executive compensation program by its Compensation Committee and recommendations, approved certain increases to the base salaries for fiscal year 2021, the payment of cash bonuses for fiscal year 2020 and certain equity awards for certain named executive officers as follows:

<u>Name and Principal Position</u>	<u>Fiscal Year 2021 Annual Base Salary (\$)(1)</u>	<u>Fiscal Year 2020 Cash Bonus Award (\$)</u>	<u>Options(2)</u>
Anish Bhatnagar <i>Chief Executive Officer</i>	\$ 538,000	\$ 252,000	2,100,000
Kristen Yen <i>Vice President of Clinical Operations</i>	\$ 291,000	\$ 66,250	282,000
Patricia Hirano <i>Vice President of Regulatory Affairs</i>	\$ 315,000	\$ 75,000	323,000

(1) Effective as of January 1, 2021.

(2) Twelve and one-half percent (12.5%) of the shares subject to the Option shall vest upon the date following the acceptance by the U.S. Food and Drug Administration of an NDA submission for the Company’s DCCR tablets, twelve and one-half percent (12.5%) of the shares subject to the Option shall vest upon the submission by the Company to the European Medicines Agency European of an MAA for the Company’s DCCR tablets, and one forty-eighth (1/48th) of the remaining shares subject to the Option shall vest each month after January 8, 2021 on the same day of the month as the Vesting Commencement Date, subject to Optionee continuing to be a Service Provider (as defined in the Plan) of the Company through each such date. All options have an exercise price of \$2.24, which was the last reported trading price of the Company’s common stock on the Nasdaq Capital Market on January 8, 2021.

On January 8, 2021, the Board of Directors also approved certain changes to the Company’s standard severance terms for executive officers and management. As a result of these changes, the Company amended its current employment agreements with each of James Mackaness, Kristen Yen and Patricia Hirano. The amendments are attached to this Current Report on Form 8-K as Exhibits 10.1, 10.2 and 10.3 and the full text of such amendments is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 [Amendment to Employment Agreement by and between the Company and James Mackaness, dated as of January 8, 2021.](#)
- 10.2 [Amendment to Employment Agreement by and between the Company and Kristen Yen, dated as of January 8, 2021](#)
- 10.3 [Amendment to Employment Agreement by and between the Company and Patricia Hirano, dated as of January 8, 2021](#)
- 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 hereunto duly authorized.

SOLENO THERAPEUTICS, INC.

Date: January 13, 2021

By: /s/ Anish Bhatnagar
Anish Bhatnagar
Chief Executive Officer

SOLENO THERAPEUTICS, INC.

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment to Employment Agreement (this “**Amendment**”) is made as of January 8, 2021 (the “**Amendment Effective Date**”), by and between Soleno Therapeutics, Inc., a Delaware corporation (the “**Company**”), and James Mackaness (the “**Executive**”), and amends that certain Employment Agreement dated as of November 11, 2020, by and between the Company and the Executive (the “**Agreement**”). All capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Agreement.

RECITALS

WHEREAS, Executive and the Company wish to enter into this Amendment in order to amend certain terms of the Agreement to implement new change-in-control provisions approved by the Company’s Board of Directors for Company management.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Amendment to Section 8(a). Section 8(a) shall be amended and restated in its entirety as follows:

(a) continuing payments of severance pay in accordance with the Company’s normal payroll policies at a rate equal to Executive’s Base Salary rate, as is then in effect, for (x) nine (9) months from the date of such termination without Cause or resignation for Good Reason, if such termination or resignation occurs prior to three (3) months before a Change in Control of the Company, or (y) twelve (12) months from the date of such termination without Cause or resignation for Good Reason, if such termination or resignation occurs within three (3) months prior to, or six (6) months following a Change of Control of the Company;

2. Amendment to Section 8(d). Section 8(d) shall be amended and restated in its entirety as follows:

(d) if Executive elects continuation coverage pursuant to the Consolidated Budget Reconciliation Act of 1985 (“**COBRA**”) within the time period prescribed pursuant to COBRA for Executive and Executive’s eligible dependents, then the Company will reimburse Executive on the last day of each month after his employment termination date for the COBRA premiums paid during such period for such coverage (at the coverage levels in effect immediately prior to Executive’s termination) for a period ending (x) nine (9) months, if such termination or resignation occurs prior to three (3) months before a Change in Control of the Company, or (y) twelve (12) months, if such termination or resignation occurs within three (3) months prior to, or six (6) months following a Change in Control of the Company; provided, that such coverage shall end upon such earlier date that

Executive and/or Executive's eligible dependents become covered under similar plans. Notwithstanding the foregoing, if the Company determines in its sole discretion that it cannot provide the benefit described in this Section 8(b) without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment, payable on the last day of a given month, in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (A) the date upon which Executive obtains other employment or (B) the date the Company has paid an amount equal to nine (9) or twelve (12) payments, per the terms of this agreement. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

2. Effect. The Agreement, as amended hereby, is hereby ratified and confirmed in all respects and shall remain in full force and effect.
3. Amendment. This Amendment may only be amended by a writing signed by the Company and the Executive.
4. Counterparts. This Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages will be deemed binding originals.
5. Integration. The Agreement, as amended hereby, represents the entire agreement between the parties and supersedes and replaces any and all prior written or oral agreements regarding the subject matter of the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

COMPANY:

SOLENO THERAPEUTICS, INC.

a Delaware corporation

By: /s/ Anish Bhatnagar

Name: Anish Bhatnagar

Title: Chief Executive Officer

EXECUTIVE:

JAMES MACKANESS

/s/ James Mackaness

(Signature page to Amendment to Employment Agreement)

SOLENO THERAPEUTICS, INC.

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment to Employment Agreement (this “**Amendment**”) is made as of January 8, 2021 (the “**Amendment Effective Date**”), by and between Soleno Therapeutics, Inc., a Delaware corporation, f/k/a Capnia, Inc. (the “**Company**”), and Kristen Yen (the “**Executive**”), and amends that certain Employment Agreement dated as of May 15, 2015, by and between the Company and the Executive (the “**Agreement**”). All capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Agreement.

RECITALS

WHEREAS, Executive and the Company wish to enter into this Amendment in order to amend certain terms of the Agreement to implement new change-in-control provisions approved by the Company’s Board of Directors for Company management.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Amendment to Section 8(a). Section 8(a) shall be amended and restated in its entirety as follows:

(a) continuing payments of severance pay in accordance with the Company’s normal payroll policies at a rate equal to Executive’s Base Salary rate, as is then in effect, for (x) six (6) months from the date of such termination without Cause or resignation for Good Reason, if such termination or resignation occurs prior to three (3) months before a Change in Control of the Company, or (y) twelve (12) months from the date of such termination without Cause or resignation for Good Reason, if such termination or resignation occurs within three (3) months prior to, or six (6) months following a Change of Control of the Company;

2. Amendment to Section 8(d). Section 8(d) shall be amended and restated in its entirety as follows:

(d) if Executive elects continuation coverage pursuant to the Consolidated Budget Reconciliation Act of 1985 (“**COBRA**”) within the time period prescribed pursuant to COBRA for Executive and Executive’s eligible dependents, then the Company will reimburse Executive on the last day of each month after his employment termination date for the COBRA premiums paid during such period for such coverage (at the coverage levels in effect immediately prior to Executive’s termination) for a period ending (x) six (6) months, if such termination or resignation occurs prior to three (3) months before a Change in Control of the Company, or (y) twelve (12) months, if such termination or resignation occurs within three (3) months prior to, or six (6) months following a Change in Control of the Company; provided, that such coverage shall end upon such earlier date that Executive and/or Executive’s eligible dependents become covered under similar plans.

Notwithstanding the foregoing, if the Company determines in its sole discretion that it cannot provide the benefit described in this Section 8(b) without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment, payable on the last day of a given month, in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (A) the date upon which Executive obtains other employment or (B) the date the Company has paid an amount equal to nine (9) or twelve (12) payments, per the terms of this agreement. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

2. Effect. The Agreement, as amended hereby, is hereby ratified and confirmed in all respects and shall remain in full force and effect.
3. Amendment. This Amendment may only be amended by a writing signed by the Company and the Executive.
4. Counterparts. This Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages will be deemed binding originals.
5. Integration. The Agreement, as amended hereby, represents the entire agreement between the parties and supersedes and replaces any and all prior written or oral agreements regarding the subject matter of the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

COMPANY:

SOLENO THERAPEUTICS, INC.

a Delaware corporation

By: /s/ Anish Bhatnagar

Name: Anish Bhatnagar

Title: Chief Executive Officer

EXECUTIVE:

KRISTEN YEN

/s/ Kristen Yen

(Signature page to Amendment to Employment Agreement)

SOLENO THERAPEUTICS, INC.

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amendment to Employment Agreement (this “**Amendment**”) is made as of January 8, 2021 (the “**Amendment Effective Date**”), by and between Soleno Therapeutics, Inc., a Delaware corporation (the “**Company**”), and Patricia Hirano (the “**Executive**”), and amends that certain Employment Agreement dated as of January 1, 2019, by and between the Company and the Executive (the “**Agreement**”). All capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Agreement.

RECITALS

WHEREAS, Executive and the Company wish to enter into this Amendment in order to amend certain terms of the Agreement to implement new change-in-control provisions approved by the Company’s Board of Directors for Company management.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Amendment to Section 8(a). Section 8(a) shall be amended and restated in its entirety as follows:

(a) If the Company terminates Executive’s employment with the Company without Cause (excluding death or Disability) or if Executive resigns from such employment for Good Reason, and if such termination or resignation occurs prior to three (3) months before a Change in Control of the Company, then Executive will receive, in addition to Executive’s salary payable through the date of termination of employment and any other employee benefits earned and owed through the date of termination, the following benefits from the Company:

(i) continuing payments of severance pay in accordance with the Company’s normal payroll policies at a rate equal to Executive’s Base Salary rate, as is then in effect, for six (6) months from the date of such termination without Cause or resignation for Good Reason; and

(ii) if Executive elects continuation coverage pursuant to the Consolidated Budget Reconciliation Act of 1985 (“**COBRA**”) within the time period prescribed pursuant to COBRA for Executive and Executive’s eligible dependents, then the Company will reimburse Executive on the last day of each month after her employment termination date for the COBRA premiums paid during such period for such coverage (at the coverage levels in effect immediately prior to Executive’s termination) for a period ending six (6) months following such termination or resignation; provided, that such coverage shall end upon such earlier date that Executive and/or Executive’s eligible dependents become covered under similar plans. Notwithstanding the foregoing, if the Company determines

in its sole discretion that it cannot provide the benefit described in this Section 8(b) without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to Executive a taxable monthly payment, payable on the last day of a given month, in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's group health coverage in effect on the termination of employment date (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether Executive elects COBRA continuation coverage and will commence on the month following Executive's termination of employment and will end on the earlier of (A) the date upon which Executive obtains other employment or (B) the date the Company has paid an amount equal to six (6) payments, per the terms of this agreement. For the avoidance of doubt, the taxable payments in lieu of COBRA reimbursements may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

2. Effect. The Agreement, as amended hereby, is hereby ratified and confirmed in all respects and shall remain in full force and effect.
3. Amendment. This Amendment may only be amended by a writing signed by the Company and the Executive.
4. Counterparts. This Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same agreement. Facsimile copies of signed signature pages will be deemed binding originals.
5. Integration. The Agreement, as amended hereby, represents the entire agreement between the parties and supersedes and replaces any and all prior written or oral agreements regarding the subject matter of the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

COMPANY:

SOLENO THERAPEUTICS, INC.

a Delaware corporation

By: /s/ Anish Bhatnagar

Name: Anish Bhatnagar

Title: Chief Executive Officer

EXECUTIVE:

PATRICIA HIRANO

/s/ Patricia Hirano

(Signature page to Amendment to Employment Agreement)